



BATIÇİM

ANNUAL REPORT

2023





ANNUAL REPORT 2023

THE SPECIAL GENERAL MEETING OF CLASS A SHAREHOLDERS

July 2, 2024 Time: 2:30 P.M.

THE ORDINARY GENERAL
MEETING

July 2, 2024 Time: 3:30 P.M.



AGENDA FOR THE SPECIAL GENERAL MEETING OF CLASS A SHAREHOLDERS OF BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş.

1. Opening, formation of the Chairperson's Committee, and granting authority for the Chairperson's Committee to sign the Minutes of the General Meeting;
2. Amendment of Article 15 of the Company's Articles of Association; and
3. Nomination of the candidates for the Board of Directors to be submitted for approval by the General Assembly.

AGENDA FOR THE ORDINARY GENERAL MEETING OF BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş.

1. Opening, formation of the Chairperson's Committee, and granting authority for the Chairperson's Committee to sign the Minutes of the General Meeting;
2. Reading, discussing, and approving the Board of Directors' Annual Report and the reports of the Independent External Audit Firm, as well as the company's balance sheet and profit-loss statements for the year 2023;
3. Presentation of information regarding related party transactions;
4. Presentation of information regarding donations and contributions made in 2023;
5. Information on the guarantees, liens, and mortgages provided by the Company in favor of third parties, as well as the income or benefits received;
6. Release of the Members of the Board of Directors individually for their activities, accounts, and any other actions taken during the year 2023;
7. Amendment of Article 15 of the Company's Articles of Association;
8. Determination of the number and terms of office of the Board of Directors members and their election;
9. Resolution on the remuneration to be paid to the Members of the Board of Directors;
10. Resolution on the upper limit of donations to be made in 2024;
11. Discussion and resolution regarding the Board of Directors' proposal for profit distribution;
12. Selection of the Independent External Audit Firm for the audit of the Company's accounts and financial statements for the year 2024;
13. Granting permission to the Members of the Board of Directors in accordance with Articles 395 and 396 of the Turkish Commercial Code;
14. Questions and suggestions.

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

To the General Assembly of Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company)

1- OPINION

We have audited the annual report of Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries (hereinafter the 'Group') for the fiscal year from January 1, 2023, to December 31, 2023.

In our opinion, the financial information included in the annual report of the Board of Directors and the Board's discussions regarding the Group's position are consistent, in all material respects, with the audited full set of financial statements and the information obtained during the independent audit, and they present a true and fair view.

2- BASIS FOR THE OPINION

We conducted our independent audit in accordance with the independent auditing standards issued by the Capital Markets Board (CMB) of Türkiye and the Independent Auditing Standards (BDS) as part of the Turkish Auditing Standards issued by the Public Oversight, Accounting and Auditing Standards Authority (KGK). Our responsibilities under these Standards are detailed in the section of our report titled 'Independent Auditor's Responsibilities for the Independent Audit of the Annual Report.' We declare that we are independent from the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by KGK and the ethical provisions in the applicable regulations regarding independent auditing. Other responsibilities related to

ethics under the Code of Ethics and applicable regulations have also been fulfilled by us. We believe that the independent audit evidence obtained during the independent audit process is sufficient and appropriate to form the basis for our opinion.

3- OUR AUDITOR'S OPINION ON THE FULL SET OF CONSOLIDATED FINANCIAL STATEMENTS

We have expressed a favorable opinion in our auditor's report dated May 20, 2024, regarding the full set of financial statements of the Group for the fiscal year from January 1, 2023, to December 31, 2023.

4- RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE ANNUAL REPORT

The Group management is responsible for the annual report in accordance with Articles 514 and 516 of the Turkish Commercial Code (TCC) No. 6102 and the Capital Markets Board's (CMB) Communiqué No. II-14.1 on the 'Principles on Financial Reporting in Capital Markets' (the 'Communiqué') for the following:

- a) The Group prepares the annual report within the first three months following the balance sheet date and submits it to the general assembly.
- b) The Group prepares its annual report to accurately, completely, straightforwardly, truthfully, and honestly reflect the flow of its activities for that year and its financial position in all aspects. In this report, the financial position is assessed based on the financial statements. The report also clearly indicates the potential risks to the Group's development and those it is likely to encounter. The assessment of the board of directors on these issues is also included in the report.

c) The annual report also includes the following:

- Material events that occurred in the Group after the end of the fiscal year;
- The Group's research and development (R&D) activities;
- Financial benefits paid to board members and senior executives, including wages, bonuses, premiums, allowances, travel, accommodation and representation expenses, in-kind and cash benefits, insurance, and similar guarantees.

While preparing the annual report, the Board of Directors also considers the secondary regulations issued by the Ministry of Trade and other relevant authorities and institutions.

5- INDEPENDENT AUDITOR'S RESPONSIBILITIES FOR THE INDEPENDENT AUDIT OF THE ANNUAL REPORT

Our aim is to provide an opinion on whether the financial information included in the annual report and the discussions made by the Board of Directors are consistent with the Group's audited financial statements and the information obtained during the independent audit, and whether they present a true and fair view, and to prepare a report containing this opinion within the framework of TCC provisions and the Communiqué.

We conducted our independent audit in accordance with the Independent Auditing Standards (BDS) and the independent auditing standards issued by the Capital Markets Board of Türkiye. These standards require that we ensure compliance with ethical provisions and plan and perform the independent audit to obtain reasonable assurance about whether the financial information in the annual report and the discussions of the Board of Directors are consistent with the financial statements and the information obtained during the independent audit, and whether they present a true and fair view.

Mehmet Başol Çengel is the responsible auditor who has duly conducted and finalized this independent audit.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Joint Stock Company)

A member firm of Ernst & Young Global Limited

Mehmet Başol Çengel, Certified Public Accountant (CPA)
Responsible Auditor

May 20, 2024 İzmir, Türkiye





BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş.
January 1, 2023 – December 31, 2023
ANNUAL REPORT

INFORMATION REQUIRED BY THE CAPITAL MARKETS BOARD

A- GENERAL INFORMATION

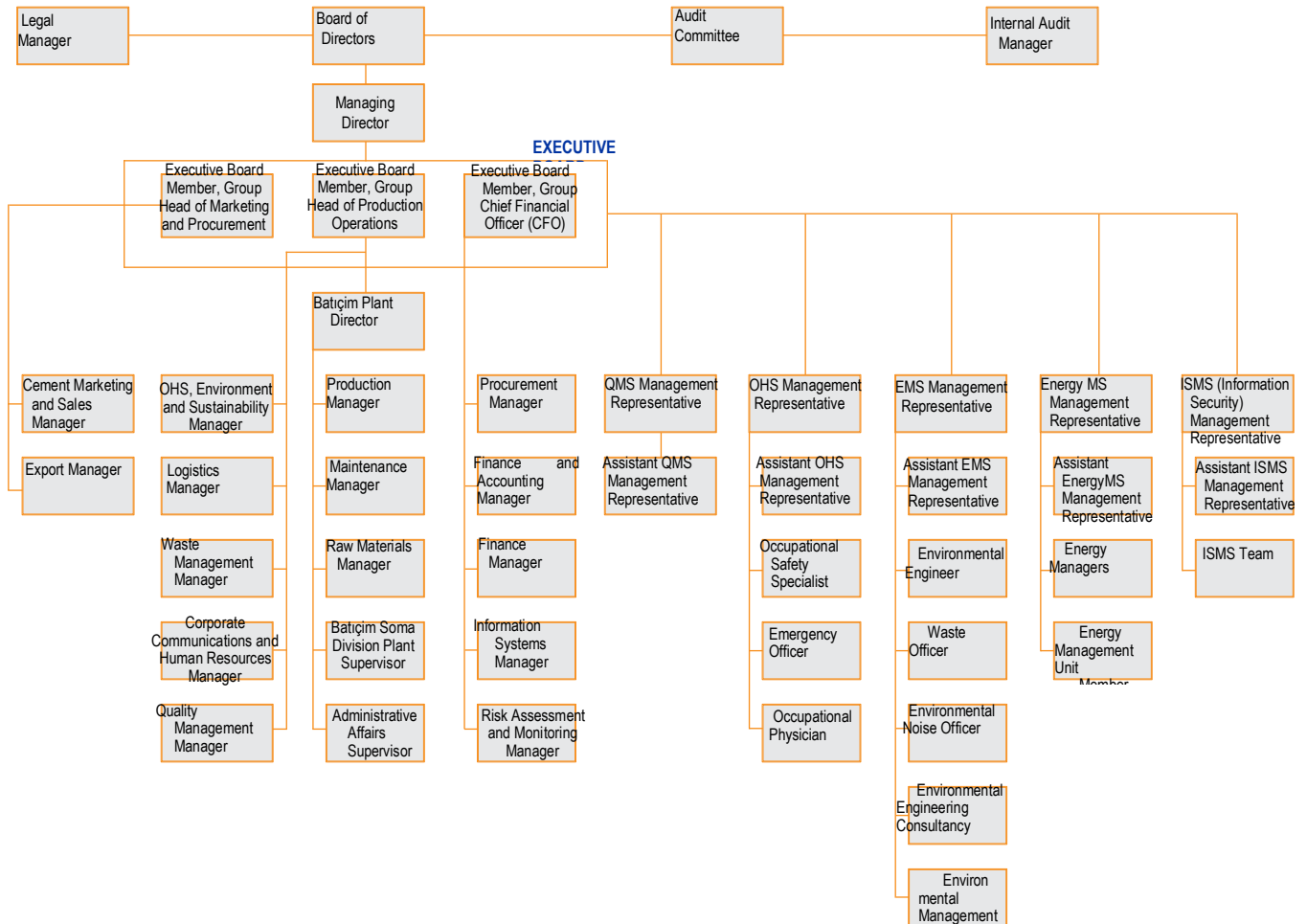
1. Reporting Period

January 1, 2023 – December 31, 2023

2.

Trade Name Trade	: Batıçim Batı Anadolu Çimento Sanayii A.Ş.
Registry Number	: 5744/K-5900 (Mersis No.: 0150001414500012)
Contact Information	:
Headquarters (Plant)	: Ankara Caddesi No: 335 Bornova – İzmir
Phone	: 0 232 478 44 00
Fax	: 0 232 478 44 44
Email	: info@baticim.com.tr
Website	: www.baticim.com.tr

3. Company's Organizational Structure



4. Shareholding Structure, Capital Distribution and Privileged Shares

The Company is subject to the registered capital system. The registered share capital of the Company is TRY 800,000,000 as of December 31, 2023, and this capital is divided into 80,000,000,000 shares, each with a nominal value of 1 kuruş.

The issued capital of the Company is TRY 180,000,000.

All of the Company's shares are bearer shares.

The Company's share capital consists of Class A and Class B shares.

The Company's shareholding structure as of December 31, 2023, is presented below.

Shareholding Structure	Ownership Percentage (%)	December 31, 2023
		Nominal Value (TRY)
Çiftay İnşaat Taahhüt ve Tic. A.Ş.	45.43	81,769,226.09
İstanbul Portföy Yönetimi A.Ş. Pre-Ipo Girişim Sermayesi Yatırım Fonu	12.00	21,594,239.93
İstanbul Portföy İkinci Serbest Fon (Second Hedge Fund)	5.50	9,891,300
Other	37.07	66,745,233.98
Total	100	180,000,000.00

Class A shareholders have the following rights and privileges according to the Company's Articles of Association:

- All members of the Board of Directors are elected from among the candidates proposed by the majority of Class A bearer shareholders.
- Each Class A share entitles its holder to 15 (fifteen) votes at the General Meetings.
- Without prejudice to the first dividend, 10% of the net profit is distributed to Class A shareholders in proportion to their respective shares.
- For the amendment of Articles 7 (excluding the first paragraph that defines the number of members of the Board of Directors), 8, 9, 27, 15, 18, 19, 24, 25, and 27 of the Articles of Association, the decision to dissolve the Company, the increase of the Company's capital by issuing more Class A bearer shares or new Class A registered shares than stated in Article 6 of the Articles of Association, the change in types, classes, or quantities of Class A bearer shares, and the conversion of issued or future Class B bearer or registered shares, or any other class of registered or bearer shares into Class A shares, or the exchange of Class A registered or bearer shares, it is required that the affirmative vote of at least 3/4 (three-fourths) of the Class A bearer shareholders be obtained for the decisions made at the General Meeting.

The Company's Class A (Privileged) shares as of December 31, 2023, are presented below.

Class	Registered /	Nominal Value Each Share (TRY)	Total Nominal of Value (TL)	Proportion to Capital	Type of	Publicly Traded? (Yes/No)
A	Bearer	0.01	48,000.00	0.027	Privileges in the election of members to the Board of Directors, voting rights, and dividends	No, not publicly traded.

5. Information on the Board of Directors, Senior Management, and Personnel Count

The members of the Board of Directors are elected in accordance with the provisions of the Turkish Commercial Code and the provisions of the Company's Articles of Association.

Board of Directors	Role	Independent Member of the Board of Directors? (Yes/No)
Sabit AYDIN	Chair of the Board of Directors	No, not an Independent Member
Gülant CANDAŞ	Vice Chair of the Board of Directors	No, not an Independent Member
Erdoğan GÖĞEN	Member of the Board of Directors	No, not an Independent Member
Ömer Çağdaş SELVİ	Executive Member of the Board of Directors	No, not an Independent Member
Şükrü Serdar BAĞCIOĞLU	Independent Member of the Board of Directors	Independent Member
Mustafa Teoman GÜRGAN	Independent Member of the Board of Directors	Independent Member
Ufuk Bala YÜCEL	Independent Member of the Board of Directors	Independent Member

Changes in the Board of Directors During the Period

There were no changes in the Board of Directors during the period.

Duties and Authorities of the Members of the Board of Directors

There were no changes related to the duties and authorities of the members of the Board of Directors during the period.

The Chair and Members of the Board of Directors are vested with the duties and authorities set forth in the relevant provisions of the Turkish Commercial Code and the Company's Articles of Association.

Information on the Roles of the Members of the Board of Directors and Executives Carried Out Outside the Company and Declarations on the Independence of the Members of the Board of Directors

Information on the roles of the representatives of the members of the Board of Directors and executives carried out outside the Company is included in the Corporate Governance Principles Compliance Report.

Number of Board of Directors Meetings During the Year and Attendance of Board Members at These Meetings

The Board of Directors held a total of 34 meetings from January 1, 2023, to December 31, 2023. Members of the Board of Directors regularly attended the meetings.

Committee Members of the Board of Directors' Committees, Meeting Frequency, Working Principles Including Activities Conducted, and the Board of Directors' Assessment of Committee Effectiveness

For the period from January 1, 2023, to December 31, 2023, the Audit Committee met 5 times, the Corporate Governance Committee met 2 times, and the Early Detection of Risks Committee met 6 times within the Board of Directors. Members of the Board of Directors regularly attended the meetings. The working guidelines for the committees are available on the website: www.baticim.com.tr

The Company has established the Audit Committee, Corporate Governance Committee, and Early Detection of Risks Committee to effectively fulfill the roles and responsibilities of the Board of Directors and to comply with the Corporate Governance Principles. The working principles for these committees have been published on the Company's website. Within the framework of the Capital Markets Board's Communiqué on Corporate Governance, the Corporate Governance Committee has also been entrusted with the authority, roles and responsibilities to fulfill the duties stipulated for the Nomination Committee and the Remuneration Committee.

Committee	Role/Title	First Name and Last Name	Type	Meeting Frequency
Audit Committee	Committee Chair	Şükrü Serdar BAĞCIOĞLU	Independent Member	At least 4 times a year, with a minimum of once every 3 months.
	Committee Member	Mustafa Teoman GÜRGAN	Independent Member	
Corporate Governance Committee	Committee Chair	Şükrü Serdar BAĞCIOĞLU	Independent Member	At least once a year.
	Committee Member	Erdoğan GÖĞEN	Non-Executive Member	
	Investor Relations Department Manager	Emir VURAL	Budget and Reporting Supervisor	
Early Detection of Risks Committee	Committee Chair	Mustafa Teoman GÜRGAN	Independent Member	At least 6 times a year, with a minimum of once every 2 months.
	Committee Member	Ufuk Bala YÜCEL	Independent Member	

Senior Management

Senior Management	Role/Title
Akif GEÇER	Executive Board Member and General Manager (until March 31, 2023)
Selçuk UÇAR	Executive Board Member, Group Head of Marketing and Concrete
Caner TÜRKYENER	Executive Board Member, Group Head of Production Operations (as of April 17, 2023)
Reşat Bağış GÜNGÖR	Executive Board Member, Group Chief Financial Officer (as of November 22, 2023)
Arif Alp DÜNDAR	Executive Board Member, Group Head of Finance and Administrative Affairs (until November 10, 2023)

As of December 31, 2023, the total number of personnel in our Company is 380. (December 31, 2022: 379 employees). Group total is 1,006 employees. (December 31, 2022: 969 employees).

Changes in Senior Management During the Period

Akif Geçer, Executive Board Member and General Manager of our Company, has resigned from his position as of March 31, 2023.

As of April 17, 2023, it was decided to create the position of Group Head of Production Operations within our Company and to appoint Caner Türkyener to the relevant position.

Caner Türkyener, Group Head of Production Operations, was appointed as an Executive Board Member as of April 25, 2023.

As of April 26, 2023, it was decided to create the position of Managing Director within our Company, appointing Gülaht Candaş to that position; to create the position of Group Head of Finance and Administrative Affairs, appointing Arif Alp Dünder; and to create the position of Group Head of Marketing and Concrete, appointing Selçuk Uçar, respectively.

Arif Alp Dünder, who served as the Group Head of Finance and Administrative Affairs within our Company, has resigned from his position as of November 10, 2023.

The Company's Board of Directors decided to appoint Reşat Bağış Güngör as a member of the Executive Board and as the Group Chief Financial Officer as of November 22, 2023.

6. Personnel and Labor Movements, Collective Bargaining Practices, and Rights and Benefits Provided to Employees and Workers

In-scope and out-of-scope personnel working in the Company are subject to Law No. 5510 on Social Security and General Health Insurance concerning social security and Labor Law No. 4857 concerning labor law.

The personal rights of out-of-scope personnel are governed by the service contracts signed between the Company and the employee, while the personal rights of in-scope personnel are regulated by the provisions of collective bargaining agreements.

In-scope personnel are affiliated with the Turkish Çimse-İş Trade Union, and the collective bargaining agreements cover the period from January 1, 2022, to December 31, 2023.

Pursuant to the Group Collective Bargaining Agreement effective from January 1, 2022, to December 31, 2023;

- In the first year of the Agreement, effective from January 1, 2022, a 43% increase shall be applicable to the gross hourly wages of employees who were working at the workplace and whose employment contracts were still in effect on the date of signing the collective bargaining agreement, based on their wages as of December 31, 2021; and
- In the second year of the Agreement, effective from January 1, 2023, a CPI+2 increase shall be applicable to the gross hourly wages of employees who were working at the workplace and whose employment contracts were still in effect, based on their wages as of December 31, 2022.

The negotiations for the new term Group Collective Bargaining Agreement between the Cement Industry Employers' Association (ÇEİS), of which our Company is a member, and the T. Çimse İş Trade Union have resulted in a two-year agreement. The Group Collective Bargaining Agreement covers the period from January 1, 2024, to December 31, 2025.

7. Corporate Governance Principles Compliance Report

The compulsory principles described in the Capital Markets Board's Communiqué on Corporate Governance are implemented.

The 'Corporate Governance Rating Report' for our Company has been completed by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., which is authorized by the Capital Markets Board to conduct Corporate Governance Principles Compliance Ratings. Our previous Corporate Governance Rating score of 85.18 (8.52 out of 10) disclosed on July 29, 2022, has been updated to 87.21 (8.72 out of 10) as of July 28, 2023.

The relevant Report is available on the investor relations section of the Company's website.

8. Amendments to the Company's Articles of Association

At the Extraordinary General Meeting held on November 22, 2023, the amendments to Articles 7 (Board of Directors), 17 (Representative of the Ministry of Customs and Trade), 20 (Power of Attorney), and 21 (Voting) of the Company's Articles of Association, as well as the addition of Article 34 (Compliance with Corporate Governance Principles) to the Company's Articles of Association, were approved in accordance with the approval letters dated November 16, 2023, numbered E-29833736-110.03.03-45302 from the Capital Markets Board and dated November 20, 2023, numbered E-50035491-431.02-00091101575 from the Ministry of Trade of the Republic of Türkiye. The relevant amendments to the Articles of Association were registered by the İzmir Trade Registry Office of the Republic of Türkiye on January 19, 2024, and were published in the Turkish Trade Registry Gazette numbered 11006 on January 23, 2024.

B- TOTAL AMOUNT OF FINANCIAL BENEFITS SUCH AS ALLOWANCES, SALARIES, PREMIUMS, BONUSES, DIVIDENDS, AND OTHER FINANCIAL BENEFITS PROVIDED TO BOARD MEMBERS AND SENIOR EXECUTIVES

Total benefits provided to senior executives amounted to TRY 8,757,000 as of December 31, 2023. (December 31, 2022: TRY 3,496,000)

Total benefits provided to the Group's senior executives during the period amounted to TRY 10,241,000 as of December 31, 2023. (December 31, 2022: TRY 4,972,000)

C- RESEARCH AND DEVELOPMENT

The Company had no Research and Development expenses for the period from January 1, 2023, to December 31, 2023.

D- COMPANY ACTIVITIES AND MATERIAL DEVELOPMENTS RELATED TO THESE ACTIVITIES

1. Investing Activities

The Company did not have any material investments during the period from January 1, 2023, to December 31, 2023.

2. Internal Control System and Internal Audit Activities

The Company management ensures the effective functioning of internal control.

3. Subsidiaries, Direct Interests in Financial Assets

Trade Name Operation	Main Activity	Place of Incorporation and	Percentage of Share December 31, 2023	in Capital (%) December 31, 2022
Batisöke Söke Çimento Sanayii T.A.Ş.	Clinker, cement production and sales	Aydın, Türkiye	74.62	74.62
Batiçim Enerji Elektrik Üretim A.Ş.	Electricity Generation and Sales	İzmir, Türkiye	100.00	69.98
Ash Plus Yapı Malz. San. Tic. A.Ş.	Ash production and sales	Manisa, Türkiye	100.00	100.00
Batibeton Sanayi A.Ş. Türkiye	Ready-Mixed Concrete Production and Sales	İzmir,	100.00	100.00
Batılman Liman İşletmeleri A.Ş.	Port Operations and Management	İzmir, Türkiye	100.00	100.00

4. Disclosures on Private and Public Audits

At the meeting of our Board of Directors on March 8, 2023, it was resolved to appoint Güney Bağımsız Denetim ve SMMM A.Ş. as the Independent Audit Firm to audit the Financial Reports for the fiscal year 2023. This decision also pertains to carrying out activities in accordance with the applicable regulations of the Turkish Commercial Code No. 6102 and the Capital Markets Law No. 6362. The resolution was submitted for approval to the General Assembly and was subsequently approved at the Ordinary General Meeting held on June 7, 2023.

The 2023 Full Certification Audit is conducted by Kuzey Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş.

5. General Meetings

The 2022 Ordinary General Meeting took place on June 7, 2023, and the Extraordinary General Meeting was held on November 22, 2023. The outcomes of both the Ordinary General Meeting and the Extraordinary General Meeting were registered with the Trade Registry Office. In addition, the outcomes of both the Ordinary General Meeting and the Extraordinary General Meeting were published on the Public Disclosure Platform (PDP), the Company's website (www.baticim.com.tr), and the Central Registry Agency's (MKK) information portal, thereby disclosing the information to the shareholders.

6. Donations Made and Social Responsibility Projects

The total amount of donations made and benefits granted during the period from January 1, 2023, to December 31, 2023, is TRY 957,000. Donations and contributions were made to foundations, associations, educational institutions, and other official entities.

E- FINANCIAL

7. Summary of Financial Statements

The financial statements have been prepared in accordance with the CMB Communiqué Series II, No.: 14.1.

Summary Balance Sheet (,000 TRY)		
	December 31, 2023	December 31, 2022
Current Assets	4,314,946	3,291,731
Fixed Assets	15,729,521	14,423,354
Total Assets	20,044,467	17,715,085
Short-Term Liabilities	3,623,451	3,873,389
Long-Term Liabilities	4,156,688	5,734,525
Equity	12,264,328	8,107,171
Total Liabilities and Equity	20,044,467	17,715,085

Summary Income Statement (,000 TRY)		
	December 31, 2023	December 31, 2022
Revenue	11,497,513	11,341,723
Operating Profit/Loss	709,426	259,372
Profit/Loss Before Tax from Continuing Operations	754,701	857,813
Profit/Loss for the Period from Continuing Operations	2,055,057	627,942
Other Comprehensive Income (Expense)	1,164,416	329,778
Total Comprehensive Income (Expense)	3,219,473	957,720

1. Dividend Distribution Policy

The Company's policy regarding profit distribution is based on the condition that, taking into account the provisions of the Turkish Commercial Code, Capital Markets Regulations, and the Company's Articles of Association, and unless extraordinary economic adversities are experienced in national and international markets, or unless there is a cash requirement due to major investments, and considering the Company's financial position along with its profitability and cash situation, the distributable profit calculated within the framework of Capital Market Regulations and other applicable legislation is reviewed annually. In the event that a decision is made to distribute profits, it shall be distributed to shareholders in the form of cash and/or bonus shares, amounting to no less than 5%.

Dividends are paid within the legal timeframe on the date determined by the General Assembly, following its approval during the general meeting in which the distribution is decided.

Dividends may be paid in installments, either in equal or varying amounts, provided that this is resolved during the general meeting in which the distribution is decided. The number of installments shall be determined by the General Assembly or, if expressly authorized by the General Assembly, by the Board of Directors.

Our Company does not have any practice regarding advance dividend distribution.

2. Information on the Sector in Which the Company Operates

According to data published by the Turkish Cement Manufacturers' Association, as of the end of December 2023, clinker production in Türkiye increased by 1.19% compared to the same period last year, while domestic sales of clinker increased by 26.64%, and clinker exports decreased by 53.36%. In the same period, cement production in Türkiye increased by 10.51%, while domestic sales of cement increased by 19.01%, and cement exports decreased by 17.61%.

As of the end of December 2023, clinker production in the Aegean Region decreased by 0.98% compared to the same period last year, while domestic sales of clinker saw an increase of 629.54%, and clinker exports decreased by 56.94%. In the same period, cement production in the Aegean region increased by 15.46%, cement domestic sales increased by 6.60%, and cement exports increased by 77.95%.

3. Company Activities

As of the end of December 2023, our clinker production increased by 0.01% compared to the same period last year, while our cement production increased by 8.49%. In the same period, our clinker exports decreased by 90.20%, our total clinker sales decreased by 90.03%, our cement exports increased by 32.99%, and our total cement sales increased by approximately 10%.

Subsidiaries

Batisöke Söke Çimento Sanayii T. A.Ş.

As of the end of December 2023, clinker production decreased by 6.51% compared to the same period last year, while cement production increased by 41.72%. In the same period, clinker exports decreased by 51.77%, total clinker sales decreased by 46.10%, cement exports increased by 2,966.99%, and total cement sales increased by 36.46%.

Batıçim Enerji Elektrik Üretim A.Ş.

Compared to the same period last year, the Company's electricity generation decreased by 95.72%, while electricity sales decreased by 67.22%.

Batıçim Enerji Toptan Satış A.Ş.

Compared to the same period last year, the Company's electricity sales to the end consumers decreased by 3.85%.

Batıbeton Sanayi A.Ş.

The Company's concrete production and sales increased by 24.16% compared to the same period last year.

Batılıman Liman İşletmeleri A.Ş.

The Company's handling revenues increased by 47.38% compared to the same period last year.

F- RISKS AND ASSESSMENT OF THE BOARD OF DIRECTORS

1. Risk Management Policy

The Company manages risks by identifying risks that may jeopardize its existence, development and continuity, and by taking necessary measures against identified risks. Within this framework, the Company has established the Early Detection of Risks Committee.

2. Early Detection of Risks Committee

The Company established the committee on March 22, 2013, and it consists of 2 members. The committee met 6 times during the period from January 1, 2023, to December 31, 2023, and submitted its reports to the Board of Directors.

G- OTHER MATTERS

1. Information on Regulatory Changes Which May Materially Affect Company Activities

There are no regulatory changes that may materially affect the Company's activities.

2. Information for Stakeholders

The Company's shares are publicly traded on Borsa İstanbul A.Ş. (BIST) under the ticker symbol BTCİM. Information on the shares is published in the business sections of daily newspapers and on the websites of investing companies.

In accordance with Resolution No. 710, dated January 26, 2024, of the Board of Directors of our subsidiary Batisöke Söke Çimento Sanayii T.A.Ş., it was decided to increase its paid-in capital from TRY 400,000,000 to TRY 1,600,000,000 within the registered capital ceiling of TRY 2,000,000,000. This increase will consist of TRY 304,517,841.66 in cash and TRY 895,482,158.34, attributed to the amounts that Batıçim Batı Anadolu Çimento Sanayii A.Ş. has transferred to Batisöke Söke Çimento Sanayii T.A.Ş., resulting in a total increase of TRY 1,200,000,000, which will be offset against the liabilities of Batisöke Söke Çimento Sanayii T.A.Ş. to Batıçim Batı Anadolu Çimento A.Ş. The relevant application for the approval of the prospectus was submitted to the Capital Markets Board on January 30, 2024. It has been decided to exercise all of our pre-emptive rights in the event that the capital increase application is approved.

The Company's annual reports and other information can be obtained from the address below or from the Company's website at www.baticim.com.tr.

Investor Relations Department Contact Information

All activities related to shareholders are conducted by the Company's Financial Affairs Department, and the contact information is provided below.

Investor Relations Department Manager	
First Name and Last Name	Emir VURAL
Date of Appointment	October 17, 2023
Phone	0 (232) 478 44 00
Email Address	emirvural@baticim.com.tr
Address	Ankara Caddesi No: 335 Bornova - İzmir
Licenses Held	Capital Markets Activities Level 3 License (License Certificate No.: 210970), Corporate Governance Rating License (License Certificate No.: 702482), Credit Rating License (License Certificate No.: 929448)

Investor Relations Department Member	
First Name and Last Name	Adil ULUDAĞ
Date of Appointment	December 25, 2014
Phone	0 (232) 478 44 00
Email Address	adiluludag@baticim.com.tr
Address	Ankara Caddesi No: 335 Bornova - İzmir

BATIÇİM CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

DECLARATION OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES

1. The compulsory principles described in the Capital Markets Board's Communiqué on Corporate Governance are implemented.

During the fiscal year ending on December 31, 2023, disclosures regarding compliance with the corporate governance principles outlined in the Communiqué on Corporate Governance, as well as those that have not been complied with, are included in the Corporate Governance Compliance Report ('CRF') and the Corporate Governance Information Form ('CGIF').

In the future, efforts will continue to improve our corporate governance practices within the framework of these principles, ensuring better implementation of mechanisms and developing our corporate governance practices, including the limited number of voluntary principles that have not yet been implemented.

SECTION I - SHAREHOLDERS

2. Shareholder Relations Department:

Shareholder Relations Unit			
Emir VURAL	Phone: 232 478 44 00	emirvural@baticim.com.tr	Unit Manager
Adil ULUDAĞ	Phone: 232 478 44 00	adiluludag@baticim.com.tr	Unit Member

Verbal or written inquiries have been responded to.

Activities Conducted by the Department:

Responding to shareholders' written requests for information about the Company, except for those involving confidential information or trade secrets not disclosed to the public. Ensuring that the general meeting is held in accordance with the applicable legislation, articles of association, and other internal regulations. Preparing the documents that can be utilized by the shareholders at the general meeting. Ensuring that voting results are recorded and maintained, and that reports on the results are sent to shareholders upon request. Overseeing and monitoring all matters related to public disclosure, including applicable regulations and the Company's disclosure policy.

3. Shareholders' requests for information that does not constitute a trade secret are evaluated and responded to. In addition, material events and financial statements are publicly disclosed and shareholders through the Public Disclosure Platform (PDP) in accordance with the applicable regulations.

There is no provision in the Company's Articles of Association for the appointment of a special auditor. There was no request for the appointment of a special auditor during the reporting period.

4. During the period, the Ordinary General Meeting was held on June 7, 2023 with a quorum of 43.81%. On November 22, 2023, the Extraordinary General Meeting was held with a quorum of 43.03%. Shareholders and media representatives attended the meetings. An announcement was published in the Turkish Trade Registry Gazette within the legal timeframe. In addition, written notification was made to the shareholder for registered shares. In addition, meeting invitations were announced on the Public Disclosure Platform (PDP), and information was also provided on the Company's website.

Prior to the General Meetings, financial statements and all other information and documents related to the relevant topics were disclosed on the Public Disclosure Platform (PDP) and made available for shareholders' review at the Company headquarters and on the Company's website. Some shareholders exercised their right to ask questions at the General Meetings, and these questions were answered.

The minutes of our General Meetings are available on the Company's website.

No agenda proposals were submitted by the shareholders.

Donations and contributions were presented to our shareholders as a separate agenda item at the General Meeting.

5. According to Article 19 of the Company's Articles of Association, each Class A privileged share grants its owner 15 voting rights, while each Class B share grants its owner 1 voting right.

Our Group companies involved in cross-shareholding did not attend the General Meeting. Minority shares are not represented in the management.

6. Profit distribution is carried out in accordance with Article 24 of the Company's Articles of Association and in compliance with CMB regulations.

Pursuant to Article 24, subparagraph (c) of the Articles of Association, '10% of the net profit, without prejudice to the first dividend, is distributed to Class A privileged shares'.

Profit distribution is always carried out within the legal timeframes. Our profit distribution policy is included in the annual report.

7. There is no provision in the Company's Articles of Association restricting the transfer of shares.

SECTION II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. We have a disclosure policy and it is available on the Company's website.

Individuals responsible for the disclosure policy

Individuals Responsible for the Disclosure Policy	
Emir VURAL	Budget Reporting and Investor Relations Supervisor
Adil ULUDAĞ	Finance and Accounting Manager

9. The Corporate Governance Principles Compliance Report is available on the Company's website. Our Company's website address is www.baticim.com.tr.

10. The annual report includes the information listed in the principles.

SECTION III - STAKEHOLDERS

11. Stakeholders are informed about matters concerning the Company that are of interest to them through General Meetings, the web page and the Public Disclosure Platform (PDP).

Stakeholders can notify the necessary contact persons within the Company through the contact form available on our website.

12. Stakeholders do not directly participate in management. However, from time to time, stakeholders are consulted through mutual meetings to guide efforts on matters of interest to them.

13. The main principles of our human resources policy are outlined as follows.

- Finding the right people, placing them in the right job, and ensuring the continuity of a productive workforce without discrimination based on religion, language, race, or gender, in line with the goals and strategies of our Group companies,
- Creating a fair and happy working environment for our employees and implementing an accurate career planning along with their personal and professional development,
- Creating an employee family that is hardworking, honest, and has a developed sense of belonging in accordance with our corporate culture and values,
- Following all developments related to Human Resources and implementing all innovations in line with the goals and policies of our Group companies,
- Acting in accordance with the principles of fairness, transparency, objectivity, and accountability in all systems implemented by Human Resources, and
- Creating a human resources structure that acts responsibly towards the environment and society while fulfilling all these principles.

14. The Code of Ethics can be found on the website.

15. In-kind and cash donations were made to various educational and public institutions, as well as to foundations operating in the fields of education, culture, and the environment

16. The members of the Board of Directors were elected to serve a term of three years, until the end of December 2024.

Likewise, the independent members of the Board of Directors were elected for a term of three years, lasting until the end of June 2026. There are no specific rules governing the ability of Board members to assume other roles outside the Company.

Board of Directors			
Sabit AYDIN		Chair of the Board of Directors	Executive Member
Gülant CANDAS		Vice Chair of the Board of Directors	Executive Member
Erdoğan GÖĞEN		Member of the Board of Directors	Non-Executive Member
Ömer Çağdaş SELVİ		Member of the Board of Directors	Executive Member
Şükrü Serdar BAĞCIOĞLU		Member of the Board of Directors	Independent Member
Mustafa Teoman GÜRGAN		Member of the Board of Directors	Independent Member
Ufuk Bala YÜCEL		Member of the Board of Directors	Independent Member

First and Last Name Title		Resume	In-Group Functions
Sabit AYDIN	Chair of the Board of Directors	Sabit Aydın was born in 1974 in Ankara. After completing his studies in 1994, he held senior executive positions at the family company, Çiftay İnşaat Taahhüt ve Ticaret A.Ş.	He serves as the Chair of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş.
		He was born in 1960. He graduated from the Department of Economics and Finance at the Faculty of Political Science of Ankara University in 1982. After working in the family business for a while, he continued his career at Akbank from 1986 to 2007. He has been serving as the Chair of the Board of Directors of Çiftay İnşaat Taahhüt ve Ticaret A.Ş. and its various subsidiaries since 2007.	He serves as the Vice Chair of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş. and the Chair of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş.
Gülant CANDAS	Vice Chair of the Board of Directors	Science of Ankara University in 1982. After working in the family business for a while, he continued his career at Akbank from 1986 to 2007. He has been serving as the Chair of the Board of Directors of Çiftay İnşaat Taahhüt ve Ticaret A.Ş. and its various subsidiaries since 2007.	He serves as the Chair of the Board of Directors of Enerji Elektrik Üretim A.Ş., Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., and Ash Plus Yapı Malzemeleri San. Tic. A.Ş.
		He was born in 1959. After graduating from METU Electrical Engineering Department, he completed his master's degree in the same department. Between 1984 and 1996, he began his career as a department head in the Operation and System Control Department of TEİAŞ within the TEK & TEİAŞ organization. He served as a director for energy generation and infrastructure projects at BİL Enerji & Tepe Group. He served as the CEO of ITC İnşaat Trading & Consulting AG and Kantur & Aktaş İnşaat Ticaret A.Ş. Since 2018, he has continued his career serving as the Chair of the Board of Directors of VEGA Atık Yönetimi ve Enerji Ür. San. ve Tic. A.Ş. At the same time, he has continued to serve as the Vice Chair of the Board of Directors of Enerjes Elektrik Üretim Dan. San. ve Tic. A.Ş. since 2021.	He serves as the member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş. and the Vice Chair of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş.
Erdoğan GÖĞEN	Board Member	He was born in 1977 in Akdağmadeni, Yozgat. He graduated from Istanbul University Faculty of Law in 2001. He worked for Doğan Holding (2001-2003), Garanti Bank (2003-2005), Aksu Savaş Çaliskan Law Partnership (2006-2013), Bilgiç Law Partnership (2013-2016), and Selvi Ertekin Law Partnership (2016-2022). Since 2022, he has been working at Selvi Law Partnership, bringing experience in project finance, acquisition finance, banking law, capital markets, derivative transactions, and mergers and acquisitions. He has been involved in numerous energy and infrastructure project financing and acquisition leading transactions, representing leading financial institutions and investors.	He serves as the member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., and Ash Plus Yapı Malzemeleri San. Tic. A.Ş.
		He graduated from Boğaziçi University, Department of Industrial Engineering. He completed his master's degree at Swansea University in the United Kingdom. He worked as an engineering manager in various industrial organizations from 1979 to 1984, as a branch manager in various banks from 1984 to 1996, as an Assistant General Manager at Yapı ve Kredi Bankası A.Ş. from 1996 to 2000, as an Assistant General Manager at Koçbank A.Ş. from 2000 to 2004, and as the General Manager and Board Member at Çiftçiler Gayrimenkul Yatırım Danışmanlık A.Ş. from 2005 to 2015.	He has continued serving as an Independent Member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş. since 2020.
Ömer Çağdaş SELVİ	Executive Member of the Board of Directors	He was born in 1977 in Akdağmadeni, Yozgat. He graduated from Istanbul University Faculty of Law in 2001. He worked for Doğan Holding (2001-2003), Garanti Bank (2003-2005), Aksu Savaş Çaliskan Law Partnership (2006-2013), Bilgiç Law Partnership (2013-2016), and Selvi Ertekin Law Partnership (2016-2022). Since 2022, he has been working at Selvi Law Partnership, bringing experience in project finance, acquisition finance, banking law, capital markets, derivative transactions, and mergers and acquisitions. He has been involved in numerous energy and infrastructure project financing and acquisition leading transactions, representing leading financial institutions and investors.	He serves as the member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., Batı Anadolu Çimento Sanayi A.Ş., and Ash Plus Yapı Malzemeleri San. Tic. A.Ş.
		He graduated from the Department of Economics and Finance at Ankara University's Faculty of Political Science. He began his career in 1967 as a limited partner in the family business engaged in imports and internal trade in Izmir, and he later served as a manager, founding partner, and board member in various other companies.	He has continued serving as an Independent Member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş. since 2020.
Şükrü Serdar BAĞCIOĞLU	Independent Member of the Board of Directors	Ufuk Bala Yücel completed his bachelor's degree at Boğaziçi University and his master's degree in Banking and Insurance at Marmara University. He began his career at Uluslararası Endüstri ve Ticaret Bankası A.Ş. in 1987, then worked as the Corporate Banking Branch Manager at Yapı ve Kredi Bankası A.Ş. from 1987 to 1999 and at Finansbank A.Ş. from 1999 to 2000. Afterwards, he served as the Loans Department Manager at Türkiye Sınai Kalkınma Bankası from 2001 to 2007 and as Assistant General Manager from 2008 to 2018. He then worked as the Assistant General Manager for Loans and Legal Affairs at Türkiye Kalkınma ve Yatırım Bankası from 2019 until May 2022. Ufuk Bala Yücel served as a board member in various companies between 2006 and 2014. He served as the Chair of the Board of Directors at TSKB GYO A.Ş. between 2014 and 2018. He currently serves as a board member for various companies.	He has continued serving as an Independent Member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş. since 2022 (as of October 6, 2022).
		Ufuk Bala Yücel completed his bachelor's degree at Boğaziçi University and his master's degree in Banking and Insurance at Marmara University. He began his career at Uluslararası Endüstri ve Ticaret Bankası A.Ş. in 1987, then worked as the Corporate Banking Branch Manager at Yapı ve Kredi Bankası A.Ş. from 1987 to 1999 and at Finansbank A.Ş. from 1999 to 2000. Afterwards, he served as the Loans Department Manager at Türkiye Sınai Kalkınma Bankası from 2001 to 2007 and as Assistant General Manager from 2008 to 2018. He then worked as the Assistant General Manager for Loans and Legal Affairs at Türkiye Kalkınma ve Yatırım Bankası from 2019 until May 2022. Ufuk Bala Yücel served as a board member in various companies between 2006 and 2014. He served as the Chair of the Board of Directors at TSKB GYO A.Ş. between 2014 and 2018. He currently serves as a board member for various companies.	He has continued serving as an Independent Member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş. since 2022 (as of October 6, 2022).
Mustafa Teoman GÜRGAN	Independent Member of the Board of Directors	Ufuk Bala Yücel completed his bachelor's degree at Boğaziçi University and his master's degree in Banking and Insurance at Marmara University. He began his career at Uluslararası Endüstri ve Ticaret Bankası A.Ş. in 1987, then worked as the Corporate Banking Branch Manager at Yapı ve Kredi Bankası A.Ş. from 1987 to 1999 and at Finansbank A.Ş. from 1999 to 2000. Afterwards, he served as the Loans Department Manager at Türkiye Sınai Kalkınma Bankası from 2001 to 2007 and as Assistant General Manager from 2008 to 2018. He then worked as the Assistant General Manager for Loans and Legal Affairs at Türkiye Kalkınma ve Yatırım Bankası from 2019 until May 2022. Ufuk Bala Yücel served as a board member in various companies between 2006 and 2014. He served as the Chair of the Board of Directors at TSKB GYO A.Ş. between 2014 and 2018. He currently serves as a board member for various companies.	He has continued serving as an Independent Member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş. since 2022 (as of October 6, 2022).
		Ufuk Bala Yücel completed his bachelor's degree at Boğaziçi University and his master's degree in Banking and Insurance at Marmara University. He began his career at Uluslararası Endüstri ve Ticaret Bankası A.Ş. in 1987, then worked as the Corporate Banking Branch Manager at Yapı ve Kredi Bankası A.Ş. from 1987 to 1999 and at Finansbank A.Ş. from 1999 to 2000. Afterwards, he served as the Loans Department Manager at Türkiye Sınai Kalkınma Bankası from 2001 to 2007 and as Assistant General Manager from 2008 to 2018. He then worked as the Assistant General Manager for Loans and Legal Affairs at Türkiye Kalkınma ve Yatırım Bankası from 2019 until May 2022. Ufuk Bala Yücel served as a board member in various companies between 2006 and 2014. He served as the Chair of the Board of Directors at TSKB GYO A.Ş. between 2014 and 2018. He currently serves as a board member for various companies.	He has continued serving as an Independent Member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş. since 2022 (as of October 6, 2022).
Ufuk Bala YÜCEL	Independent Member of the Board of Directors	Ufuk Bala Yücel completed his bachelor's degree at Boğaziçi University and his master's degree in Banking and Insurance at Marmara University. He began his career at Uluslararası Endüstri ve Ticaret Bankası A.Ş. in 1987, then worked as the Corporate Banking Branch Manager at Yapı ve Kredi Bankası A.Ş. from 1987 to 1999 and at Finansbank A.Ş. from 1999 to 2000. Afterwards, he served as the Loans Department Manager at Türkiye Sınai Kalkınma Bankası from 2001 to 2007 and as Assistant General Manager from 2008 to 2018. He then worked as the Assistant General Manager for Loans and Legal Affairs at Türkiye Kalkınma ve Yatırım Bankası from 2019 until May 2022. Ufuk Bala Yücel served as a board member in various companies between 2006 and 2014. He served as the Chair of the Board of Directors at TSKB GYO A.Ş. between 2014 and 2018. He currently serves as a board member for various companies.	He has continued serving as an Independent Member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş. since 2022 (as of October 6, 2022).
		Ufuk Bala Yücel completed his bachelor's degree at Boğaziçi University and his master's degree in Banking and Insurance at Marmara University. He began his career at Uluslararası Endüstri ve Ticaret Bankası A.Ş. in 1987, then worked as the Corporate Banking Branch Manager at Yapı ve Kredi Bankası A.Ş. from 1987 to 1999 and at Finansbank A.Ş. from 1999 to 2000. Afterwards, he served as the Loans Department Manager at Türkiye Sınai Kalkınma Bankası from 2001 to 2007 and as Assistant General Manager from 2008 to 2018. He then worked as the Assistant General Manager for Loans and Legal Affairs at Türkiye Kalkınma ve Yatırım Bankası from 2019 until May 2022. Ufuk Bala Yücel served as a board member in various companies between 2006 and 2014. He served as the Chair of the Board of Directors at TSKB GYO A.Ş. between 2014 and 2018. He currently serves as a board member for various companies.	He has continued serving as an Independent Member of the Board of Directors of Batı Anadolu Çimento Sanayi A.Ş. since 2022 (as of October 6, 2022).

17. The agenda for Board meetings is prepared by the executive members of the Board of Directors. During the period, 34 Board meetings were held. The provisions of the Turkish Commercial Code are applicable for Board meetings and quorums. Members of the Board of Directors have the right to declare a dissenting vote and to record this in the minutes of the meeting. Each member of the Board of Directors has 1 vote in the meetings.

18. Audit Committee:

Audit Committee		
Şükrü Serdar BAĞCIOĞLU	Committee Chair	Independent Member
Mustafa Teoman GÜRGAN	Committee Member	Independent Member

Corporate Governance Committee:

Corporate Governance Committee		
Şükrü Serdar BAĞCIOĞLU	Committee Chair	Independent Member
Erdoğan GÖĞEN	Committee Member	Non-Executive Member
Emir VURAL	Shareholder Relations Department Manager	-

Early Detection of Risks Committee:

Early Detection of Risks Committee		
Mustafa Teoman GÜRGAN	Committee Chair	Independent Member
Ufuk Bala YÜCEL	Committee Member	Independent Member

The Company also has an executive board in place.

In accordance with the provisions of the Communiqué published by the CMB, which stipulates that one independent member of the board of directors should chair committees established within the board (excluding the Audit Committee), both committees include one independent member each. In addition, the other members of the Corporate Governance and Early Detection of Risk Committees, apart from the independent members, consist of the same individuals due to their experience.

Since the Remuneration Committee and the Nomination Committee have not been established within the Board of Directors, the Corporate Governance Committee has also taken on their responsibilities.

Compliance with the applicable provisions of the Communiqué published by the CMB is ensured regarding the minimum meeting frequency criteria for the committees.

The Regulations and Procedures of the Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee are available on the Company's website.

19. A risk management and internal control system has been established within the Company. The Internal Control unit prepares its annual work plan, communicates it to the other relevant units within the Company, and continues its efforts in coordination with such units.

20. Production, sales, and revenue targets are set annually for our organizations operating in the cement, ready-mixed concrete, logistics, and energy sectors. The Board of Directors reviews and approves the investment plans and budgets prepared by the executive board, receives updates on these matters during monthly meetings, and monitors the activities.

21. The members of the Board of Directors receive a monthly remuneration.

The Company has not loaned any money, granted any credit, or provided any guarantees or sureties in favor of any member of the Board of Directors or senior executives.

Our Company's Corporate Governance Compliance Report (CRF) and Corporate Governance Information Form (CGIF) for the year 2023, prepared in accordance with CMB Resolution No. 2/49 dated January 10, 2019, are also publicly disclosed on the corporate website of the Public Disclosure Platform (www.kap.gov.tr). The relevant documents are also available on the Company's Summary Information and Corporate Governance pages on the Public Disclosure Platform (<https://www.kap.org.tr/sirket-bilgileri/ozet/877-baticim-bati-anadolu-cimento-sanayii-a-s>).

The Sustainability Compliance Report, which incorporates the Sustainability Principles in accordance with the Communiqué No. II-17.1.a on the Amendment of the Communiqué No. II-17.1 on Corporate Governance of the Capital Markets Board (CMB) dated October 2, 2020, and prepared in line with the formats defined by CMB Resolution No. 34/977 dated June 23, 2022, is included in the annual report (pages 28-32) and is also publicly disclosed on the Company's corporate website (www.kap.gov.tr). The relevant report is also available on the Company's Summary Information page on the Public Disclosure Platform (<https://www.kap.org.tr/sirket-bilgileri/ozet/877-baticim-bati-anadolu-cimento-sanayii-a-s>).

BATIÇİM CORPORATE GOVERNANCE COMPLIANCE REPORT (CRF) AND CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

Corporate Governance Compliance Report (CRF)	Yes	Partially	No	Exempt	Not applicable	Disclosure
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2 - Up-to-date information and disclosures that may affect the exercise of shareholders' rights are made available to investors on the corporate website of the Company.	X					
1.2. RIGHT TO REQUEST INFORMATION AND REVIEW						
1.2.1 - The Company management has refrained from taking any actions that make it difficult to conduct special audits.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 - The Company has ensured that the General Meeting agenda is clearly stated and that each proposal is given under a separate item.	X					
1.3.7 - Individuals with privileged access to Company information have informed the Board of Directors about the items to be added to the General Meeting agenda, providing details of transactions conducted on their behalf within the scope of the Company's activities.					X	There is no such item.
1.3.8 - The members of the Board of Directors, other related individuals, authorized persons who are responsible for preparing the financial statements and auditors were present at the general meeting.	X					
1.3.10 - The amounts of all donations and contributions and the beneficiaries of such donations and contributions are included in a separate item on the agenda of the general meeting.	X					
1.3.11 - The General Meeting was open to the public, including stakeholders and media representatives, without the right to speak.	X					
1.4. VOTING RIGHTS						
1.4.1 - There are no restrictions or practices that hinder shareholders from exercising their voting rights.	X					
1.4.2 - The Company does not have any shares with privileged voting rights.			X			The Company's share capital consists of TRY 14,956.13 in Class A registered shares and TRY 59,824.54 in Class A bearer shares. All members of the Board of Directors are elected from among the candidates proposed by the majority of Class A shareholders.
1.4.3 - The Company has not exercised its voting rights in the general meeting of any company with which it has a cross-shareholding relationship that also entails a controlling relationship.	X					
1.5. MINORITY RIGHTS						
1.5.1 - The Company has exercised utmost diligence in facilitating the exercise of minority rights.	X					
1.5.2 - Minority rights are also recognized for shareholders holding less than one-twentieth of the share capital, and the scope of these rights is extended by the Articles of Association.			X			The Company's Articles of Association do not contain any provisions on minority rights; therefore, the provisions of the Turkish Commercial Code, the Capital Markets Law, and other relevant regulations apply.
1.6. RIGHT TO DIVIDEND						
1.6.1 - The profit distribution policy approved by the General Assembly is publicly disclosed on the corporate website of the Company.	X					
1.6.2 - The profit distribution policy contains the minimum information necessary for shareholders to predict the procedures and principles of distributable profit and dividend distribution for future periods.	X					
1.6.3 - The reasons for not distributing dividends and the utilization of undistributed profit are stated in the relevant agenda item.	X					
1.6.4 - The Board of Directors has reviewed whether the profit distribution policy balances the interests of shareholders with those of the Company.	X					

Corporate Governance Compliance Report (CRF)	Yes	Partially	No	Exempt	Not applicable	Disclosure
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions that make it difficult to transfer shares.	X					
2.1. CORPORATE WEBSITE						
2.1.1 - The Company's corporate website contains all the elements listed in the corporate governance principle numbered 2.1.1.	X					
2.1.2- Shareholding structure (i.e., names, privileges, number and percentage of shares held by individual shareholders (i.e. natural persons) holding more than 5% of the issued capital) is updated on the corporate website at least every 6 months.	X					
2.1.4 - The information on the Company's corporate website is also prepared in foreign languages chosen based on need, ensuring that the content in those languages is identical to that in Turkish.	X					
2.2. ANNUAL REPORT						
2.2.1 - The Board of Directors ensures that the annual report fully and accurately reflects the Company's activities.	X					
2.2.2 - The annual report includes all elements of principle 2.2.2.	X					
3.1. COMPANY POLICY ON STAKEHOLDERS						
3.1.1- Stakeholders' rights are protected in accordance with applicable regulations, contractual provisions, and in good faith.	X					
3.1.3 - Policies and procedures regarding the rights of stakeholders are published on the corporate website of the Company.	X					
3.1.4 - Necessary mechanisms have been established for stakeholders to report transactions that violate applicable regulations or ethical standards.	X					
3.1.5 - The Company manages conflicts of interest among stakeholders in a balanced manner.	X					
3.2. SUPPORTING STAKEHOLDERS' PARTICIPATION IN COMPANY MANAGEMENT						
3.2.1 - Employee participation in management is governed by the Articles of Association or internal regulations.			X			The Company's Articles of Association and internal regulations do not contain provisions regarding employee participation in management.
3.2.2 - Methods such as surveys and consultations have been implemented to gather stakeholder opinions on key decisions that may affect them.			X			Methods such as surveys and consultations have not been implemented to gather stakeholder opinions on key decisions that may affect them.
3.3. COMPANY'S HUMAN RESOURCES POLICY						
3.3.1 - The Company has adopted an equal opportunity employment policy along with succession planning for all key management positions.	X					
3.3.2 - The criteria for personnel recruitment are defined in writing.	X					
3.3.3 - The Company has a Human Resources Development Policy and organizes training activities for employees.	X					
3.3.4 - Meetings were held to inform employees about the Company's financial position, wages, career planning, training, and health matters.	X					
3.3.5 - Decisions that may affect employees are communicated to them and their representatives. The relevant trade unions were also consulted on these matters.	X					
3.3.6 - Job descriptions and performance criteria were prepared in detail for all employees, communicated to them, and utilized in wage decisions.	X					

Corporate Governance Compliance Report (CRF)	Yes	Partially	No	Exempt	Not applicable	Disclosure
3.3.7 - Measures such as procedures, training activities, awareness-raising campaigns, targets, monitoring, and complaint mechanisms have been implemented to prevent discrimination among employees and protect them from physical, mental, and emotional mistreatment within the Company.	X					
3.3.8 - The Company supports freedom of association and effectively recognizes the right to collective bargaining.	X					
3.3.9 - A safe working environment is provided for employees.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1 - The Company measures customer satisfaction and operates with an unwavering commitment to ensuring customer satisfaction.	X					
3.4.2 - Customers are notified of any delays in processing their requests for purchased goods and services.	X					
3.4.3 - The Company is committed to quality standards for goods and services.	X					
3.4.4 - The Company has implemented controls to safeguard the confidentiality of sensitive information related to customers and suppliers within the framework of trade secrets.	X					
3.5. CODE OF ETHICS AND SOCIAL RESPONSIBILITY						
3.5.1 - The Board of Directors has established the Code of Ethics and published it on the Company's corporate website.	X					
3.5.2 - The Company is dedicated to social responsibility. It has taken measures to prevent corruption and bribery.	X					
4.1. THE FUNCTION OF THE BOARD OF DIRECTORS						
4.1.1 - The Board of Directors ensures that strategies and risks do not jeopardize the Company's long-term interests and that effective risk management measures are implemented.	X					
4.1.2 - Meeting agendas and minutes indicate that the Board of Directors discusses and approves the Company's strategic goals, identifies the necessary resources, and monitors management performance.	X					
4.2. OPERATING PRINCIPLES OF THE BOARD OF DIRECTORS						
4.2.1 - The Board of Directors has documented its activities and provided this information to the shareholders.	X					
4.2.2 - The duties and authorities of the members of the Board of Directors are detailed in the annual report.		X				Although the annual report states that the members of the Board of Directors possess the powers specified in the Turkish Commercial Code and the Articles of Association regarding their duties and authorities, a detailed regulation has not been provided.
4.2.3 - The Board of Directors has established an internal control system appropriate to the scale of the Company and the complexity of its operations.	X					
4.2.4 - Information regarding the operation and effectiveness of the internal control system is included in the annual report.	X					
4.2.5 - The duties of the Chair of the Board of Directors and the Chief Executive Officer (i.e., General Manager) are clearly defined and segregated.	X					
4.2.7 - The Board of Directors ensures the effective functioning of the Investor Relations Department and the Corporate Governance Committee. It has worked closely with these entities to resolve disputes between the Company and shareholders, as well as to facilitate communication with shareholders.	X					
4.2.8 - For any damages the members of the Board of Directors may cause to the Company due to potential defaults while carrying out their duties, the Company has obtained executive liability insurance for an amount exceeding 25% of its share capital.			X			There is no executive liability insurance for damages the members of the Board of Directors may cause to the Company due to potential defaults in carrying out their duties.

Corporate Governance Compliance Report (CRF)	Yes	Partially	No	Exempt	Not applicable	Disclosure
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9- The Board of Directors has set a target of at least 25% female representation on the Company's Board of Directors and has established a policy to achieve this goal. The composition of the Board of Directors is reviewed annually, and the nomination process is conducted in accordance with this policy.			X			There is currently no policy regarding a target of at least 25% female representation on the Board of Directors. However, one nominee to serve as a member of the Board of Directors is a woman.
4.3.10 - At least one member of the audit committee must have a minimum of 5 years of experience in audit, accounting, or finance.	X					
4.4. FORMAT OF BOARD OF DIRECTORS MEETINGS						
4.4.1 - All members of the Board of Directors were present, either physically or electronically, at the majority of the Board meetings.	X					
4.4.2 - The Board of Directors has established a minimum timeframe for sending information and documents related to agenda items to all members before the meeting.	X					
4.4.3 - The opinions of members who could not attend the meeting but submitted their views in writing to the Board of Directors were shared with the other members.			X			There have been no instances in this regard.
4.4.4 - Each member of the Board of Directors has one vote.	X					
4.4.5 - The conduct of board meetings is documented in writing through internal regulations.	X					
4.4.6 - The minutes of the board meeting indicate that all agenda items were discussed and that they include dissenting opinions.	X					
4.4.7 - The ability of Board members to assume other roles outside the Company is restricted. The external roles of the members of the Board of Directors were presented to the shareholders at the general meeting.			X			There are no restrictions on Board members assuming other roles outside the Company.
4.5. COMMITTEES ESTABLISHED BY THE BOARD OF DIRECTORS						
4.5.5 - Each member of the Board serves on only one committee.			X			The Committees are composed of at least one independent member of the Board and additional members as deemed appropriate.
4.5.6- The Committees invited individuals they deemed necessary to the meetings to provide input and gathered their opinions.	X					
4.5.7 - Information regarding the independence of the individual or organization from which the Committee receives consultancy services is included in the annual report.			X			The Committees did not receive any consultancy services.
4.5.8 - A report on the outcomes of the committee meetings was prepared and submitted to the Board of Directors.	X					
4.6. FINANCIAL BENEFITS PROVIDED TO BOARD MEMBERS AND EXECUTIVES WITH ADMINISTRATIVE RESPONSIBILITIES						
4.6.1 - The Board of Directors conducted a performance evaluation to assess whether it has effectively fulfilled its responsibilities.			X			There has been no performance evaluation of the Board of Directors.
4.6.4 - The Company has not extended any loans or credit to its Board members or executives with administrative responsibilities, nor has it extended the term or improved the terms of any loans under the title of personal loans through third parties, or provided any guarantees, such as surety, in their favor.	X					
4.6.5 - The remuneration of the Board members and executives with administrative responsibilities is disclosed on an individual basis in the annual report.		X				Salaries, bonuses, and similar benefits provided to senior executives are disclosed in the annual reports, but not on an individual basis.

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

1. SHAREHOLDERS

1.1. Facilitating the Exercise of Shareholder Rights

Number of investor conferences and meetings organized by the Company throughout the year	Our Company did not organize any conferences or meetings for investors, except for the general meeting.
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1.2. Right to Request Information and Review

Number of special auditor requests	There is no special auditor request.
Number of special auditor requests accepted at the general meeting	None.

1.3. General Assembly

Link to the PDP announcement disclosing the information requested under Principle 1.3.1 (a-d)	https://www.kap.org.tr/tr/Bildirim/1156905
Whether the documents related to the general meeting were provided in English simultaneously with the Turkish documents	Not provided. Company announcements and disclosures are published only in Turkish.
Links to PDP disclosures regarding transactions that lack the approval of the majority of independent members or the unanimous vote of those attending, as outlined in Principle 1.3.9	There are no Board resolutions or disclosures made in this regard.
Links to PDP disclosures regarding related party transactions under Article 9 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/1121761
Links to PDP disclosures regarding recurrent and ongoing transactions under Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/1121761
The name of the section on the Company's corporate website that includes the policy on donations and contributions	Investor Relations / Corporate Governance / Donation Policy
Link to the PDP disclosure containing the minutes of the general meeting where the policy on donations and contributions was approved	None.
Number of the article in the Articles of Association regarding the attendance of stakeholders at the general meeting	Article 15
Information on stakeholders who attended the general meeting	There was no participation in the 2022 General Meeting other than that of the shareholders. However, there are no restrictions on the attendance of stakeholders in the General Meeting.

1.4. Voting Rights

Whether there are any voting privileges	Yes
If there are privileged voting rights, the privileged shareholders and their voting ratios	Preferred shares are bearer shares.
Percentage of shares of the largest shareholder	45.43%

1.5. Minority Rights

Whether minority rights are extended (in terms of content or ratio) in the Company's Articles of Association	No
If minority rights have been extended in terms of content and ratio, please specify the number of the relevant article in the Articles of Association.	None.

1.6. Right to Dividend

The name of the section on the corporate website that includes the profit distribution policy	Investor Relations / Corporate Governance / Profit Distribution Policy
In the event that the Board of Directors proposes to the General Assembly not to distribute the profit, the text of the minutes related to the General Meeting agenda item stating the reasons for this decision and the use of the undistributed profit	The proposal of the Board of Directors regarding the distribution of the 2022 profit was read. As stated in the Board resolution dated May 12, 2023, numbered 1499, due to the net loss for the 2022 fiscal year calculated in accordance with capital market regulations, amounting to TRY 447,736,661 (four hundred forty-seven million seven hundred thirty-six thousand six hundred sixty-one) Turkish Lira, and the loss incurred in 2022 operations, the proposal not to distribute any profit was submitted to the General Assembly for approval. The proposal of the Board of Directors not to distribute any profit was accepted by a majority of votes, with 7,911,747,946.5243 votes in favor and 100 votes against.
Link to the PDP disclosure with the relevant minutes of the general meeting if the Board of Directors proposed to the General Assembly not to distribute any profit	https://www.kap.org.tr/tr/Bildirim/1156905
General Meetings	
Date of the General Meeting	June 7, 2023 / November 22, 2023

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)	
Number of requests for additional disclosures regarding the agenda items of the general meeting	0 / 0
Shareholders' attendance rate at the general meeting	43.81% / 43.03%
Percentage of shares represented directly	0.01% / 0.00%
Percentage of shares represented by proxy	43.80% / 43.03%
The name of the section on the Company's corporate website that includes the minutes of the general meeting, detailing both affirmative and dissenting votes on each agenda item	Investor Relations/General Meetings/Minutes of Ordinary General Meetings Investor Relations/General Meetings/Minutes of Extraordinary General Meetings
The name of the section on the corporate website that includes all questions raised at the general meeting and the corresponding answers provided	- / -
Article or paragraph number of the minutes of the general meeting regarding related parties	Article 3 / -
Number of individuals with privileged access to shareholder information who report to the Board of Directors (Insider list)	38 / 38
Link to the general assembly notice published on PDP	https://www.kap.org.tr/tr/Bildirim/1156905 https://www.kap.org.tr/tr/Bildirim/1219404
2. PUBLIC DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
Names of the sections on the corporate website that include information required by Corporate Governance Principle 2.1.1.	Investor Relations / Financial Information / Annual Financial Statements and Annual Reports
Name of the section on the corporate website containing the list of individual shareholders who directly or indirectly hold more than 5% of the shares	Investor Relations / Company Information / Shareholding Structure
Languages in which the corporate website is available	Turkish and English
2.2. Annual Report	
Page numbers or section headings in the annual report where the information specified in Corporate Governance Principle 2.2.2 is included	
a) Page number(s) or section heading(s) containing the Roles of the members of the Board of Directors and executives carried out outside the Company and declarations on the independence of the members of the Board of Directors	Investor Relations / Financial Information / Annual Financial and Activity Reports / Annual Report / Corporate Governance Principles Compliance Report / Section-III Stakeholders / Article 16
b) Page number(s) or section heading(s) containing information on the committees established by the Board of Directors	Investor Relations / Financial Information / Annual Financial and Activity Reports / Annual Report / A- General Information / Committee Members of the Board of Directors' Committees, Meeting Frequency, Working Principles Including Activities Conducted, and the Board of Directors' Assessment of Committee Effectiveness / Article 5 and Annual Report / Corporate Governance Principles Compliance Report Section-III Stakeholders / Article 18
c) Page number(s) or section heading(s) containing information on the number of Board of Directors meetings during the year and attendance of board members at these meetings	Investor Relations / Financial Information / Annual Financial and Activity Reports / Annual Report / A- General Information / Number of Board of Directors Meetings During the Year and Attendance of Board Members at These Meetings / Article 5 and Annual Report / Corporate Governance Principles Compliance Report Section-III Stakeholders / Article 17
ç) Page number(s) or section heading(s) containing information on regulatory changes which may materially affect Company activities	Investor Relations / Financial Information / Annual Financial and Activity Reports / Annual Report / G- Other Matters / Information on Regulatory Changes Which May Materially Affect Company Activities / Article 1
d) Page number(s) or section heading(s) containing information on material legal proceedings brought against the Company and their possible outcomes	Investor Relations / Financial Information / Annual Financial and Activity Reports / Notes to the Financial Statements / Provisions for Litigation
e) Page number(s) or section heading(s) containing information on conflicts of interest between the Company and the institutions that provide services such as investment consultancy and rating services and the measures taken to prevent them	The Company has not received any services from any institution regarding investment consultancy or rating services.
f) Page number(s) or section heading(s) containing information on the subsidiaries with which the Company has a cross-shareholding relationship with a direct capital participation rate exceeding 5%	There are no subsidiaries with which the Company has a cross-shareholding relationship with a direct capital participation rate exceeding 5%.
g) Page number(s) or section heading(s) containing information on corporate social responsibility activities related to social rights and vocational training of employees and other company activities that have social and environmental consequences	Investor Relations / Financial Information / Annual Financial and Activity Reports / Annual Report / A- General Information / Personnel and Labor Movements, Collective Bargaining Practices, and Rights and Benefits Provided to Employees and Workers / Article 6

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

3. STAKEHOLDERS

3.1. Company Policy on Stakeholders

The name of the section on the corporate website that includes the compensation policy	Investor Relations/Corporate Governance/Compensation Policy
Number of judicial decisions finalized against the Company due to violation of employee rights	3
Title of the official in charge of the whistleblowing mechanism	None.
Information on access to the Company's whistleblowing mechanism	None.

3.2. Supporting Stakeholders' Participation in Company Management

The name of the section on the corporate website that includes the regulations on the employees' participation in the Company's management bodies	None.
Management bodies where employees are represented	Trade Union.

3.3. Company's Human Resources Policy

The role of the Board of Directors in developing a succession plan for key executive positions	The Board of Directors does not have a defined role outside the Company and market conditions.
The name of the section on the corporate website that includes the human resources policy on equal opportunities and recruitment criteria or a summary of the relevant articles of the HR policy	www.baticim.com.tr / Human Resources / Our Human Resources Policy
Whether there is an employee stock ownership program	Not, there is not an employee stock ownership program.
The name of the section on the corporate website that includes the human resources policy on measures to prevent discrimination among employees and protect them from mistreatment or a summary of the relevant articles of the HR policy	www.baticim.com.tr / Human Resources / Our Human Resources Policy; - Finding the right people, placing them in the right roles, and maintaining a productive workforce without discrimination based on religion, language, race, or gender, in line with the goals and strategies of our Group Companies, - Creating a fair and fulfilling work environment for our employees, supporting their personal and professional growth with effective career planning. - Fostering a family of employees who are diligent, honest, and have a strong sense of belonging, in alignment with our corporate culture and values. - Staying updated on all Human Resources developments and application of all innovations in line with the goals and policies of our Group Companies. - Implementing these principles while developing a Human Resources structure that is sensitive to environmental and social responsibilities.
Number of judicial decisions finalized against the Company due to liability related to occupational accidents	None.

3.5. Code of Ethics and Social Responsibility

The name of the section on the corporate website that includes the code of ethics policy	Investor Relations / Corporate Governance / Code of Ethics
The name of the section on the corporate website that includes the corporate social responsibility (CSR) report. If there is no corporate social responsibility report, measures taken on environmental, social and corporate governance issues	www.baticim.com.tr / Environment / Environmental Activities / Waste Management / Carbon Footprint
Measures to combat all forms of corruption, including extortion and bribery	Batiçim Board Members, employees, and all third parties must avoid any actions or behaviors that could place Batiçim under suspicion of corruption. Regardless of the public or private sector, it is prohibited to receive or give any kind of cash or non-cash benefits that may be perceived as corruption. During the general operation of the Company's activities, no transaction may be initiated and concluded by the same department. Therefore, an internal control mechanism has been established to continuously monitor operations and transactions between departments.

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)	
4. BOARD OF DIRECTORS-I	
4.2. Operating Principles of the Board of Directors	
Date of the last performance evaluation of the Board of Directors	There has not been any activity related to performance evaluation of the Board of Directors.
Whether independent experts were utilized in performance evaluation of the Board of Directors	No
Whether all board members are discharged	Yes
Names of the members of the Board of Directors to whom authority has been delegated, along with the content of those authorities	At the Board of Directors meeting held after the General Meeting with the agenda of distribution of duties; Sabit AYDIN - Chair of the Board of Directors, Gülant CANDAŞ - Vice Chair of the Board of Directors, Ömer Çağdaş SELVİ - Executive Member of the Board
Number of reports submitted by the internal control unit to the audit committee or other relevant committees	3
The section heading(s) or page number(s) of the annual report that includes the assessment on the effectiveness of the internal control system	Annual Report / D- Company Activities and Material Developments related to These Activities / Internal Control System and Internal Audit Activities / Article 2 and Annual Report / Corporate Governance Principles Compliance Report / Article 19
Name of the Chair of the Board of Directors	Sabit AYDIN
Name of the Chief Executive Officer/General Manager	The Company does not have a Chief Executive Officer. Mr. Gülant CANDAŞ serves as the Managing Director of the Company.
Link to the PDP disclosure stating the reason for the Chair of the Board of Directors and the Chief Executive Officer/General Manager being the same person	The Chair of the Board of Directors and the Chief Executive Officer/General Manager are two different individuals in our Company.
Link to the PDP disclosure regarding obtaining an executive liability insurance for an amount exceeding 25% of the Company's share capital for any damages the members of the Board of Directors may cause to the Company due to potential defaults while carrying out their duties	There is no executive liability insurance for damages the members of the Board of Directors may cause to the Company due to potential defaults in carrying out their duties.
The name of the section on the corporate website that provides information on the diversity policy to increase female representation on the Board of Directors	None.
Number and percentage of women members of the Board	The number of women members is one. The percentage is 14%.

Corporate Governance Information Form (CGIF)							
Structure of the Board of Directors							
First Name and Last Name of the Board Member	Whether Commissioned as an Executive Officer	Whether an Independent Member	Date of First Election to the Board of Directors	Link to the PDP Disclosure of Independence Declaration	Whether the Independent Member is Evaluated by the Nomination Committee	Whether any Member Lost Their Status of Independence	Whether There is a Minimum of 5 Years of Experience in Auditing, Accounting, and/or Finance
SABİT AYDIN	Executive Officer	No, not an Independent Member	August 17, 2021	-	Not evaluated	No	No
GÜLANT CANDAŞ	Executive Officer	No, not an Independent Member	August 17, 2021	-	Not evaluated	No	Yes
ERDOĞAN GÖĞEN	Not an Executive Officer	No, not an Independent Member	August 17, 2021	-	Not evaluated	No	Yes
ÖMER ÇAĞDAŞ SELVİ	Executive Officer	No, not an Independent Member	August 17, 2021	-	Not evaluated	No	No
ŞÜKRÜ SERDAR BAĞCIOĞLU	Not an Executive Officer	Independent Member	July 24, 2020	-	Evaluated	No	Yes
MUSTAFA TEOMAN GÜRGAN	Not an Executive Officer	Independent Member	July 24, 2020	-	Evaluated	No	Yes
UFUK BALAYÜCEL	Not an Executive Officer	Independent Member	October 6, 2022	-	Evaluated	No	Yes

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)	
4. BOARD OF DIRECTORS-II	
4.4. Format of Board of Directors Meetings	
Number of Board meetings held physically or electronically during the reporting period	The Board of Directors held a total of 34 meetings during 2023.
Average attendance rate at the Board of Directors meetings	95%
Whether an electronic portal is used to facilitate the activities of the Board of Directors	No
In accordance with the working principles of the Board of Directors, how many days prior to the meeting the information and documents are presented to the members	5 Days
The name of the section on the corporate website that contains information about the internal regulations determining how the Board of Directors meetings are conducted	www.baticim.com.tr / Investor Relations / Articles of Association, "The format of the Board of Directors meetings is set out in Article 9 of the Articles of Association of our Company under the title, Board of Directors Meetings."
The upper limit defined in the policy that restricts members from taking on other roles outside the Company	There are no restrictions in the Company's Articles of Association or as required by legal regulations.
4.5. Committees Established by the Board of Directors	
Page number(s) or section heading(s) of the annual report where information on the Board committees is presented	Annual Report / Corporate Governance Principles Compliance Report, Section-III Stakeholders / Article 17
Link to the PDP disclosure of the committees' working principles	-

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)				
Committees Established by the Board of Directors-I				
Names of the Board Committees	Name of the Committee Indicated as "Other" in the First Column	First Name and Last Name of the Committee Members	Whether a Committee Chair Has Been Elected	Whether They Are a Board Member
Corporate Governance Committee	-	ŞÜKRÜ SERDAR BAĞCIOĞLU	Yes	Board Member
Corporate Governance Committee	-	ERDOĞAN GÖĞEN	No	Board Member
Corporate Governance Committee	-	EMİR VURAL	No	Not a Board Member
Audit Committee	-	ŞÜKRÜ SERDAR BAĞCIOĞLU	Yes	Board Member
Audit Committee	-	MUSTAFA TEOMAN GÜRGAN	No	Board Member
Early Detection of Risks Committee	-	MUSTAFA TEOMAN GÜRGAN	Yes	Board Member
Early Detection of Risks Committee	-	UFUK BALA YÜCEL	No	Board Member

4.5. Committees Established by the Board of Directors-II	
Specify where the activities of the audit committee are presented in the annual report or corporate website (i.e., page number(s) or section headings(s) containing such information)	www.baticim.com.tr / Investor Relations / Corporate Governance / Regulations / Audit Committee Regulation
Specify where the activities of the corporate governance committee are presented in the annual report or corporate website (i.e., page number(s) or section headings(s) containing such information)	www.baticim.com.tr / Investor Relations / Corporate Governance / Regulations / Corporate Governance Committee Regulation
Specify where the activities of the nomination committee are presented in the annual report or corporate website (i.e., page number(s) or section headings(s) containing such information)	www.baticim.com.tr / Investor Relations / Corporate Governance / Regulations / Corporate Governance Committee Regulation / Nomination Committee
Specify where the activities of the early detection of risks committee are presented in the annual report or corporate website (i.e., page number(s) or section headings(s) containing such information)	www.baticim.com.tr / Investor Relations / Corporate Governance / Regulations / Early Detection of Risks Committee Regulation
Specify where the activities of the remuneration committee are presented in the annual report or corporate website (i.e., page number(s) or section headings(s) containing such information)	www.baticim.com.tr / Investor Relations / Corporate Governance / Regulations / Corporate Governance Committee Regulation / Remuneration Committee

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

4. BOARD OF DIRECTORS-II

4.6. Financial Benefits Provided to Board Members and Executives with Administrative Responsibilities

Page number(s) or section heading(s) of the annual report containing information about operational and financial performance targets and whether they have been achieved	Annual Report / D- Company Activities and Material Developments
The name of the section on the corporate website that includes the remuneration policy regarding executive and non-executive members	www.baticim.com.tr / Investor Relations / Corporate Governance / Board Committees / Corporate Governance Committee / Corporate Governance Committee Regulation / Remuneration Committee
Page number(s) or section heading(s) of the annual report containing information on the remuneration and all other benefits provided to board members and executives with administrative responsibilities	Annual Report / B- Total Amount of Financial Benefits such as Allowances, Salaries, Premiums, Bonuses, Dividends, and Other Financial Benefits Provided to Board Members and Senior Executives

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)

Committees Established by the Board of Directors-II

Names of the Board Committees	Name of the Committee Indicated as "Other" in the First Column	Percentage of Directors Not Commissioned as an Executive Officer	Percentage of Independent Members in the Committee	Number of Physical Meetings Held by the Committee	Number of Reports Submitted to the Board of Directors on the Committee Activities
Audit Committee	-	100%	100%	5	5
Corporate Governance Committee	-	100%	33%	2	2
Early Detection of Risks Committee	-	100%	100%	6	6

Sustainability Compliance Report	Compliance Status				Disclosure	Publicly Disclosed Information Report Details
	Yes	Partially	No	Not applicable		
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Objectives						
A1.1. Environmental, social and corporate governance (ESG) material topics, risks, and opportunities have been identified by the Company's Board of Directors.		X			Environmental, social and corporate governance risks and impacts are managed within the scope of the Integrated Management System. In addition, an OHS, Environment and Sustainability Department was established in 2024, and the Sustainability Committee, authorized by the Board of Directors as of 2024, identifies environmental, social and corporate governance (ESG) material topics, risks, and opportunities and carries out necessary activities in this regard.	-
A1.1. The Company's Board of Directors has created ESG policies (e.g., Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) and disclosed them to the public.		X			The Company's Board of Directors has created ESG policies. Integrated Management Systems Policy is available. Human Rights Policy, Anti-Bribery and Anti-Corruption Policy, Code of Ethics, and Working Principles are also available. These will be publicly disclosed during the year.	-
A1.2. Short- and long-term targets set within the scope of ESG policies have been publicly disclosed.		X			Partially mentioned in A1.1 of this report.	-
A2. Implementation/Monitoring						
A2.1. Committees and/or units responsible for implementing ESG policies, along with the top-level responsible individuals in the Company for ESG issues and their duties, have been defined and disclosed to the public.		X			A Sustainability Committee and a Sustainability Subcommittee have been established under the Board of Directors. Working topics have been identified and project teams will be formed from the subcommittee members. It is responsible for managing sustainability matters within the OHS, Environment and Sustainability Department established in 2024. These will be publicly disclosed during the year.	-
A2.1. The activities conducted by the responsible committee and/or unit under the policies have been reported to the Board of Directors at least once during the year.		X			A Sustainability Committee and a Sustainability Subcommittee have been established under the Board of Directors. The OHS, Environment and Sustainability Department established in 2024 is responsible for the management and coordination of sustainability matters. The Committee reports to the Board of Directors at least twice a year.	-
A2.2. Implementation and action plans aligned with the relevant ESG targets have been created and disclosed to the public.		X			Implementation and action plans aligned with the relevant ESG targets have been developed and included in the Sustainability Report. It is planned to be disclosed to the public during 2024.	-
A2.3. ESG Key Performance Indicators (KPIs) and the level of achievement of these indicators on an annual basis have been publicly disclosed.		X			Partially mentioned in A1.1 of this report.	-
A2.4. Activities to improve the sustainability performance of business processes or products and services have been publicly disclosed.		X			Activities are being carried out to improve the sustainability performance of business processes, products, and services. It will be disclosed to the public in the Sustainability Report planned for publication in 2024.	-
A3. Reporting						
A3.1. In the annual reports, information regarding the Company's sustainability performance, targets, and actions has been provided in a clear, accurate, and sufficient manner.			X		Information on the Company's sustainability performance, targets, and actions is included in the Sustainability Report to be published in 2024.	-

Sustainability Compliance Report	Compliance Status				Disclosure	Publicly Disclosed Information Report Details
	Yes	Partially	No	Not applicable		
A3. Reporting						
A3.2. The Company has publicly disclosed information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to.		X			As a result of the materiality/priority matrix developed, the Company has selected the Sustainable Development Goals (SDGs) that are currently being contributed to and those planned for future contributions, identified through value chain analyses. Activities carried out towards the Sustainable Development Goals will be publicly disclosed in the Sustainability Report planned for publication in 2024.	-
A3.3. Information on litigation and legal proceedings brought against and/or finalized on ESG issues, which are considered material in terms of ESG policies and/or which may materially affect operations, have been publicly disclosed.	X				There are no legal proceedings.	-
A4. Verification						
A4.1. The Company's ESG Key Performance Indicators (KPIs) have been verified by an independent third-party organization and disclosed to the public.		X			ESG performance targets and values are audited annually by independent third-party auditors as part of the Integrated Management Systems. In addition, the assessment of compliance with national Environmental Regulations is carried out through evaluations by the Ministry of Environment, Urbanization, and Climate Change and is documented. It will be disclosed to the public in the Sustainability Report planned for publication in 2024.	-
B. ENVIRONMENTAL PRINCIPLES						
B1. The Company has publicly disclosed its policies and practices, action plans, environmental management systems (i.e., the ISO 14001 standard), and programs implemented for environmental management.		X			Quality, Environmental, Occupational Health and Safety, and Energy Management Systems have been established and certified. Management systems are maintained in an integrated manner, with relevant policies and other documentation implemented accordingly. It will be disclosed to the public in the Sustainability Report planned for publication in 2024. https://www.batisoke.com.tr/yasal-bilgiler/the-management-systems-policy-of-bati-anadolu-group https://www.batisoke.com.tr/yasal-bilgiler/bati-anadolu-grubu-bilgi-guvenligi-politikasi	-
B2. Restrictions concerning the scope of the report, reporting period, reporting date, and reporting conditions related to the environmental reports prepared to provide information on environmental management have been publicly disclosed.		X			The obligations under the Environmental Regulations (e.g., notification of greenhouse gas emission reports, notification of waste, emission verification measurements, periodic measurements of waste incineration) are fulfilled within the periods specified in the applicable regulations, and the necessary disclosures are made in a timely manner without any undue delay. It will be disclosed to the public in the Sustainability Report planned for publication in 2024.	-
B4. Environmental targets included in the reward criteria of performance incentive systems for stakeholders (e.g., board members, managers, and employees) have been publicly disclosed.		X			In 2024, the Performance Management System was designed to be implemented and will be completed by the end of the first quarter.	-

Sustainability Compliance Report	Compliance Status				Disclosure	Publicly Disclosed Information Report Details
	Yes	Partially	No	Not applicable		
B. ENVIRONMENTAL PRINCIPLES						
B5. How the prioritized environmental issues have been integrated into business targets and strategies has been publicly disclosed.		X			Within the scope of the established and maintained ISO 14001 Environmental Management System, targets are set for identifying material environmental aspects and controlling these aspects with the necessary measures to prevent environmental harm or to minimize damage within legally permissible limits. These targets are monitored through relevant action plans and completed within the deadlines established by those responsible. In addition, the compliance of this management system is audited by the Turkish Standards Institute (TSE). It will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B7. The management of environmental issues and their integration into business targets and strategies throughout the operational process, including suppliers and customers across the Company's value chain, have been publicly disclosed.		X			Supplier assessments are conducted throughout the supply chain in the course of operations within the scope of integrated management systems and it will be publicly disclosed in the Sustainability Report to be published in 2024.	-
B8. Whether competent authorities and non-governmental organizations were involved in the environmental policy-making processes, as well as the cooperation with these institutions and organizations, has been publicly disclosed.		X			Activities and collaborations are shared in senior management reports and will be published from next year onward.	-
B9. In the light of environmental indicators (GHG emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity impacts), information on environmental impacts has been publicly disclosed in a periodically comparable manner.		X			In 2022, initiatives were launched to calculate the direct (Scope 1) and indirect (Scopes 2, 3, 4, 5, and 6) emissions arising from corporate activities in accordance with the ISO 14064 Greenhouse Gas Calculation and Reporting Standard. In order to ensure the validity of the data obtained from the calculations, emissions for the years 2022 and 2023 have been verified by a third-party independent verification organization accredited by TÜRKAK, in accordance with the ISO 14064-1 Standard for the Verification and Reporting of Greenhouse Gas (GHG) Emissions. It will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B10. Details of the standards, protocols, methodologies, and reference year used to collect and calculate the data have been publicly disclosed.		X			Data collection and calculations are conducted in accordance with applicable legal regulations and standards.	-
B11. The increase or decrease in environmental indicators for the reporting year compared to previous years have been publicly disclosed.		X			It will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B12. Short- and long-term targets have been established to reduce environmental impacts, and both these targets and the progress made against previous year's targets have been publicly disclosed.		X			It will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B13. A strategy to combat the climate crisis has been established, and the planned actions have been publicly disclosed.		X			Corporate carbon footprint calculations have been conducted, leading to the establishment of a strategy to combat the climate crisis, and corresponding actions have been planned. It will be disclosed to the public in the Sustainability Report to be published in 2024.	-

Sustainability Compliance Report	Compliance Status				Disclosure	Publicly Disclosed Information Report Details
	Yes	Partially	No	Not applicable		
B. ENVIRONMENTAL PRINCIPLES						
B14. Programs or procedures have been established and publicly disclosed to prevent or minimize the potential negative impacts of products and/or services on the environment.	X				Within the scope of the ISO 14001 standard, the Company monitors the environmental performance of its products. In addition, the EPD certification activities for two products were completed and disclosed to the public in 2023.	-
B14. Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g., suppliers, subcontractors, dealers, etc.), and these actions have been publicly disclosed.		X			Activities are being carried out to promote the reduction of greenhouse gas emissions from third parties, and this will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B15. Environmental benefits/gains and cost savings from initiatives and projects aimed at reducing environmental impacts have been publicly disclosed		X			Targets to reduce environmental impacts are established within the framework of integrated management systems and monitored through performance tables under the ISO 14001 management system. The benefits/gains and cost savings achieved are regularly reported to senior management. It will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B16. Data on energy consumption (e.g., natural gas, diesel, gasoline, LPG, coal, electricity, heating, and cooling) have been publicly disclosed as Scope 1 and Scope 2 emissions.		X			These data are monitored and will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B17. Public disclosures have been made regarding the electricity, heat, steam, and cooling generated in the reporting year.		X			Electricity generation at the heat recovery plant is continuously monitored and reported to management. It will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B18. Efforts were made to increase the use of renewable energy and transition to net-zero or low-carbon electricity, and this information has been publicly disclosed.	X				The green energy produced at the heat recovery plant has been registered with IREC and publicly disclosed.	-
B19. Renewable energy production and utilization data have been publicly disclosed.	X				The green energy produced at the heat recovery plant has been registered with IREC and publicly disclosed.	-
B20. Energy efficiency projects were carried out, and the amounts of energy consumption and emission reductions achieved through these projects have been publicly disclosed.		X			Within the framework of the integrated management system, energy efficiency projects are developed and reported to senior management. It will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B21. Water consumption, along with the amount of water withdrawn from underground or above ground (if applicable), as well as the quantities recycled and discharged, along with their sources and procedures, have been publicly disclosed.		X			This will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B22. Whether the Company's operations or activities are included in any carbon pricing system (e.g., Emissions Trading System, Cap & Trade, or Carbon Tax) has been publicly disclosed.				X	The Emissions Trading System has not yet been implemented in Türkiye.	-
B23. Information on carbon credits accumulated or purchased during the reporting period has been publicly disclosed.		X			The carbon credits accumulated from the energy generated by waste heat in our Company have been certified by VCS. This will be disclosed to the public in the Sustainability Report to be published in 2024.	-
B24. If carbon pricing is implemented within the Company, the details have been publicly disclosed.				X	The Emissions Trading System has not yet been implemented in Türkiye.	-

Sustainability Compliance Report	Compliance Status				Disclosure	Publicly Disclosed Information Report Details
	Yes	Partially	No	Not applicable		
B25. The platforms on which the Company discloses information about its environmental performance have been publicly disclosed.	X				Publicly disclosed. https://www.batisoke.com.tr/cevre	-
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.1. A Corporate Human Rights and Employee Rights Policy has been established in accordance with the Universal Declaration of Human Rights, the ILO Conventions ratified by Türkiye, and other applicable regulations. Those responsible for implementing the policy have been identified, and both the policy and the individuals responsible have been publicly disclosed.		X			In 2024, the Batı Anadolu Group Human Rights Policy is in place, and responsible parties have been identified. It is planned to be publicly disclosed in 2024.	-
C1.2. Considering the impacts of the supply and value chains, the employee rights policy includes fair labor practices, improvements in labor standards, and issues related to women's employment and inclusion (e.g., non-discrimination based on gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, and social and cultural differences).	X				The Batı Anadolu Group Human Rights Policy is established and outlines approaches and standards based on human rights for its business and solution partners, suppliers, and contractors, aligning with its commitment to economic, environmental, and social sustainability.	-
C1.3. Measures implemented across the value chain to protect the rights of vulnerable segments of society affected by specific economic, environmental, and social factors (e.g., low-income groups, women) as well as minority rights and equal opportunities have been publicly disclosed.		X			Measures for ensuring equal opportunities have been outlined within the framework of Batı Anadolu Group's Code of Business Ethics and Working Principles. It is planned to be publicly disclosed in 2024.	-
C1.4. Developments on preventive and corrective actions taken against discrimination, inequality, human rights violations, forced labor, and child labor has been publicly disclosed.		X			These have been outlined within the framework of Batı Anadolu Group's Code of Business Ethics and Working Principles as well as Batı Anadolu Group's Human Rights Policy. It is planned to be publicly disclosed in 2024.	-
C1.5. Investments in employees (e.g., training, development policies), compensation, fringe benefits, the right to unionize, work/life balance solutions, and talent management are included in the Company's policy on employee rights.	X				The Company's blue-collar employees are members of the Çimse-İş Trade Union, while the employer is a member of the Cement Industry Employers' Association (ÇEİS). The collective bargaining agreement signed between the union and the employers' association is implemented in our workplace. These have been outlined within the framework of Batı Anadolu Group's Integrated Management Systems Policy, Batı Anadolu Group's Code of Business Ethics and Working Principles, as well as Batı Anadolu Group's Human Rights Policy.	-
C1.5. Mechanisms for resolving employee complaints and disputes have been established and dispute resolution processes have been determined.	X				Dispute and conflict resolution processes have been outlined within the framework of Batı Anadolu Group's Code of Business Ethics and Working Principles.	-
C1.5. Activities carried out during the reporting period to ensure employee satisfaction have been publicly disclosed.		X			Employee satisfaction is monitored through individual interviews, and prompt actions are taken when necessary. An employee engagement survey is planned to be conducted next year. It will be disclosed to the public in the Sustainability Report to be published in 2024.	-
C1.6. Occupational health and safety policies have been established and publicly disclosed.	X				It was published under Batı Anadolu's Integrated Management System Policy. https://www.batisoke.com.tr/yasal-bilgiler/the-management-systems-policy-of-bati-anadolu-group	-

Sustainability Compliance Report	Compliance Status				Disclosure	Publicly Disclosed Information Report Details
	Yes	Partially	No	Not applicable		
C. SOCIAL PRINCIPLES						
C1.6. Measures taken to prevent occupational accidents and protect health, along with accident statistics, have been publicly disclosed.	X				Awareness activities aimed at preventing occupational accidents and protecting health are disseminated through various platforms, including meetings and digital channels. Accident statistics are monitored and presented in management reports. The number of accident-free days is displayed on the digital board at the entrance of the plant.	-
C1.7. Policies for the protection of personal data and data security have been established and publicly disclosed.	X				The relevant policies are available at: https://www.batisoke.com.tr/yasal-bilgiler/ki-sisel-verilerin-korunmasi-ve-gizlilik-politikasi	-
C1.8. An ethics policy has been established and publicly disclosed.		X			Batı Anadolu Group's Code of Business Ethics and Working Principles are in place. It is planned to be publicly disclosed in 2024.	-
C1.9. Activities related to social investment, social responsibility, financial inclusion, and access to finance have been disclosed.	X				Our projects are conducted in the domains of education, culture, and the arts. https://www.batisoke.com.tr/kurumsal/sosyal-sorumluluk	-
C1.10. Informational meetings and training programs have been organized for employees regarding ESG policies and practices.	X				Under Environmental Regulations, all employees receive training on ESG policies and practices annually. In addition, necessary training is provided and recorded within the framework of the Environmental Management System established and maintained by the Company.	-
C2. Stakeholders, International Standards and Initiatives						
C2.1. A customer satisfaction policy regarding the management and resolution of customer complaints has been established and publicly disclosed.		X			Surveys and practices are conducted to enhance customer satisfaction under the customer complaint evaluation guidelines. In addition, assessment and evaluation processes are conducted in accordance with the customer satisfaction survey guidelines. The relevant processes are monitored within management reports.	-
C2.2. Information regarding communications with stakeholders (e.g., stakeholders involved, subject matter, frequency, etc.) has been publicly disclosed.		X			Detailed information about communications with stakeholders is publicly disclosed in the Sustainability Report planned for publication in 2024.	-
C2.3. International reporting standards adopted in reporting have been disclosed.	X				The 'Sustainability Report' to be published in 2024 complies with the GRI Standards, 2021 version	-
C2.4. The sustainability principles adopted by the Company, along with the international organizations, committees, and principles of which it is a signatory or member, have been publicly disclosed.		X			This will be disclosed to the public in the Sustainability Report to be published in 2024.	-
C2.5. Developments have been made and necessary actions have been taken to be included in the sustainability indices of Borsa Istanbul and/or international index providers.			X		Development activities are set to commence in 2024.	-
D. CORPORATE GOVERNANCE PRINCIPLES						-
D1. Stakeholder feedback has been sought in determining measures and strategies related to sustainability.	X				The Company has gathered stakeholder opinions and feedback through an online materiality survey, which serves as the basis for the materiality matrix used to determine sustainability strategies with selected stakeholder groups. Strategies related to sustainability have been established through the development of a materiality/priority matrix.	-
D2. Social responsibility projects, awareness-raising events, and training activities have been implemented to enhance awareness of sustainability and its importance.	X				Our projects are conducted in the domains of education, culture, and the arts. https://www.batisoke.com.tr/kurumsal/sosy-al-sorumluluk	-

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INDEPENDENT AUDITOR'S REPORT TO THE GENERAL ASSEMBLY OF BATI ANADOLU ÇİMENTO SANAYİİ A.Ş. (JOINT STOCK COMPANY);

A) INDEPENDENT AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

1- Opinion

We have audited the consolidated financial statements of Batıçim Batı Anadolu Çimento Sanayii A.Ş. (the 'Company') and its Subsidiaries (collectively referred to as the 'Group'), which include the consolidated statement of financial position as of December 31, 2023, along with the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated cash flow statement for the fiscal year then ended. This also encompasses the notes to the consolidated financial statements, including a summary of material accounting policies.

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

2- Basis for the Opinion

We conducted our independent audit in accordance with the Independent Auditing Standards ('BDS'), which are part of the Turkish Auditing Standards issued by the Public Oversight, Accounting and Auditing Standards Authority ('KGK') and adopted under the regulations of the Capital Markets Board (CMB) of Türkiye. Our responsibilities under these Standards are detailed in the section of our report titled 'Independent Auditor's Responsibilities for the Independent Audit of the Financial Statements.' We declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors ('Code of Ethics') issued by KGK, and in compliance with the ethical principles under Capital Markets Board regulations and other applicable regulations governing the independent audit of financial statements. Other responsibilities related to ethics under the Code of Ethics and applicable regulations have also been fulfilled by us. We believe that the independent audit evidence obtained during the independent audit process is sufficient and appropriate to form the basis for our opinion.

3- Key Audit Matters

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

Key Audit Matters	How the Key Audit Matter is Addressed in the Audit
<p>Accounting for Property, Plant, and Equipment Using the Revaluation Method</p> <p>In the consolidated financial statements as of December 31, 2023, the Group measured its land and land improvements/plots, property, plant, and machinery/equipment at fair value based on valuations conducted by a CMB-authorized independent appraisal firm as of the end of the current period. The resulting increase in value for these assets, amounting to TRY 1,205,950 after tax effect, has been recognized in revaluation increases of property, plant, and equipment under other comprehensive income accounts.</p> <p>The processes for recognizing these transactions in the consolidated financial statements, as well as the valuation work requiring specialized and substantial expertise, judgment, and assumptions, are of importance to our audit. Accordingly, we have identified this as a key audit matter.</p> <p>Detailed disclosures on property, plant, and equipment are provided in Note 2 and Note 12.</p>	<p>During our audit, we applied the following audit procedures concerning the measurement of property, plant, and equipment in accordance with the revaluation model:</p> <p>In relation to the revaluation of property, plant, and equipment, we evaluated the qualifications, competence, and objectivity of the real estate appraisers appointed by management. In our audit, we evaluated the appropriateness of the methods used by the valuation experts in the valuation reports, which form the basis for the fair values of the related property, plant, and equipment measured under the revaluation model.</p> <p>In order to verify the conformity of the assumptions used by independent valuation experts during the valuation with market data, we involved the work of valuation experts from another organization and auditors from another firm within our audit network. In this context, based on the work and reviews performed by experts on the relevant real estate valuation calculations, we evaluated whether the estimates and assumptions used in the valuation report fall within an acceptable range of fair value as appraised by the Group's independent valuation experts.</p> <p>The appropriateness of the valuation method used was assessed by evaluating the related machinery, property, plant, and equipment in conjunction with their intended use.</p> <p>In addition, within the scope of the specific recognitions mentioned above, we have examined the compliance of the information presented in the consolidated financial statements and explanatory notes in accordance with TMS 16 (Turkish Accounting Standards).</p>

Key Audit Matter	How the Key Audit Matter is Addressed in the Audit
<p>TMS 29 Financial Reporting in Hyperinflationary Economies</p> <p>As explained in Note 2.1, as of December 31, 2023, the Turkish Lira, which is the functional currency of the Company and its subsidiaries, is considered a currency of a hyperinflationary economy. Consequently, the Group has commenced the application of 'TMS 29 Financial Reporting in Hyperinflationary Economies' in the preparation of the accompanying consolidated financial statements as of that date.</p> <p>In accordance with TMS 29, the consolidated financial statements and comparative consolidated financial information for prior periods have been restated to reflect changes in the general purchasing power of the Turkish Lira. Consequently, they are presented in terms of the purchasing power of the Turkish Lira at the reporting date.</p> <p>The application of TMS 29 has a material impact on the consolidated financial statements, both overall and in terms of the calculated values. Furthermore, considering the additional efforts expended to conduct the audit of this application, the application of TMS 29 has been identified by us as a key audit matter.</p> <p>The accounting policies and related disclosures regarding the application of TMS 29 are provided in Note 2.1.</p>	<p>During our audit, the following audit procedures were adopted for the application of the TMS 29 'Financial Reporting in Hyperinflationary Economies' standard:</p> <ul style="list-style-type: none"> - Verifying that the distinction between monetary and non-monetary items made by the Group management is in accordance with TMS 29; - Testing, through sampling, that historical costs and purchase dates of non-monetary items are accurately included in the calculation by obtaining their detailed lists and comparing them with supporting documentation; - Verifying that the index coefficients used in the calculations are consistent with the coefficients obtained from the Turkish Consumer Price Index (CPI) published by the Turkish Statistical Institute (TÜİK); - Testing the mathematical accuracy of the non-monetary items, as well as the consolidated statement of profit or loss and consolidated cash flow statement restated for the effects of inflation; and - Evaluating the adequacy and appropriateness of the disclosures in the notes to the consolidated financial statements concerning the application of TMS 29 in accordance with TFRS.

4- Responsibilities of the Group Management and Senior Management for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS and for establishing internal control as deemed necessary to ensure the consolidated financial statements are free from material misstatements, whether due to errors or fraud.

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

Those responsible for senior management are tasked with overseeing the Group's financial reporting process.

5- Independent Auditor's Responsibilities for the Independent Audit of the Financial Statements

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

Our objective is to obtain reasonable assurance that the consolidated financial statements, taken as a whole, are free from material misstatement, whether due to errors or fraud, and to issue an independent auditor's report that expresses our opinion. Reasonable assurance, which is a high level of assurance, does not guarantee that an independent audit conducted in accordance with the independent auditing standards issued by the Capital Markets Board (CMB) and the Independent Auditing Standards (BDS) will always detect a material misstatement when it exists. Misstatements may arise from errors or fraud. Misstatements are considered material if, individually or collectively, such misstatements could reasonably be expected to influence the economic decisions of users made based on these financial statements.

As part of an independent audit conducted in accordance with the independent auditing standards issued by the Capital Markets Board (CMB) and the Independent Auditing Standards (BDS), we exercise professional judgment and maintain professional skepticism throughout the audit. The following practices are also performed by us:

- Identification and assessment of the risks of material misstatements in the consolidated financial statements, whether due to errors or fraud; designing and performing audit procedures to address these risks; and obtaining sufficient and appropriate audit evidence to provide a basis for our opinion. (The risk of failing to detect a material misstatement due to fraud is higher than the risk of failing to detect a material misstatement due to error, as fraud may involve collusion, forgery, intentional neglect, misrepresentations, or violations of internal controls.)
- Obtaining an understanding of internal control relevant to the audit is done to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We assess the appropriateness of the accounting policies used by management, as well as the reasonableness of the accounting estimates and related disclosures.
- We 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 circumstances that may cast serious doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to highlight the relevant disclosures in the consolidated financial statements in our auditor's report or, if such disclosures are inadequate, to modify our favorable opinion accordingly. Our conclusions are based on the audit evidence obtained until the date of the independent auditor's report. However, future events or circumstances may cause the Group to cease its operations as a going concern.
- Evaluating the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and determining whether they fairly represent the underlying transactions and events.
- Obtaining sufficient and appropriate audit evidence regarding the financial information of the entities or operating segments within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, oversight, and execution of the Group's audit process. We are also solely responsible for our audit opinion.

We communicate with those responsible for senior management regarding, among other things, the planned scope and timing of the independent audit, as well as material audit findings, including any material deficiencies in internal control that we identify during our audit.

We have informed those responsible for senior management that we comply with the ethical provisions regarding independence. We have also communicated to those responsible for senior management all relationships and other matters that may reasonably affect independence, along with any relevant measures, if applicable.

Among the matters communicated to those responsible for senior management, we have identified the key audit matters, which are those that were of highest materiality in our independent audit of the consolidated financial statements for the current period. We may decide not to disclose a matter in our independent auditor's report if the applicable regulations prohibit disclosure, or in very exceptional circumstances where the adverse consequences of disclosure are reasonably expected to outweigh the public interest in making the disclosure.

B) OTHER OBLIGATIONS ARISING FROM APPLICABLE REGULATIONS

1) The Auditor's Report on the Early Detection of Risk System and Committee, issued in accordance with Article 398, paragraph 4 of the Turkish Commercial Code No. 6102 ('TCC'), was submitted to the Company's Board of Directors on May 20, 2024.

2) In accordance with Article 402, paragraph 4 of the TCC, nothing has come to our attention to suggest that the Company's bookkeeping for the fiscal year from January 1 to December 31, 2023, is not in compliance with the applicable laws, regulations, and provisions of the Company's Articles of Association related to financial reporting.

3) Pursuant to Article 402, paragraph 4 of the TCC, the Board of Directors provided the necessary disclosures and the requested documents within the scope of the audit.

Mehmet Başol Çengel is the responsible auditor who has duly conducted and finalized this independent audit.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Joint Stock Company) A member firm of Ernst & Young Global Limited

Mehmet Başol Çengel, Certified Public Accountant (CPA)
Responsible Auditor

May 20, 2024 İzmir,
Türkiye

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (JOINT STOCK COMPANY) and its Consolidated Statement of Financial Position as of December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ('TRY') in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

		Current period	Previous period
		Audited by an independent auditor	Audited by an independent auditor
	Note	December 31, 2023	December 31, 2022
Assets			
Current Assets			
Cash and cash equivalents	4	311,457	212,326
Trade receivables			
- Trade receivables from related parties	7	2,401	3,740
- Trade receivables from unrelated parties	8	1,703,339	1,242,109
Other receivables			
- Other receivables from related parties	7	798,838	-
- Other receivables from unrelated parties	9	23,357	4,189
Inventories	10	1,159,857	1,436,430
Prepaid expenses	11	104,214	129,451
Current tax assets	25	1,912	409
Other current assets	16	209,571	263,077
Total Current Assets		4,314,946	3,291,731
Fixed assets			
Financial investments	5	10	16
Other receivables			
- Other receivables from unrelated parties	9	15,378	24,110
Tangible fixed assets	12	14,556,250	13,086,623
Right-of-use Assets	13	144,024	30,467
Intangible assets	13	831,732	1,233,976
Prepaid expenses	11	13,514	48,162
Deferred tax assets	25	168,613	-
Total Fixed Assets		15,729,521	14,423,354
Total Assets		20,044,467	17,715,085

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (JOINT STOCK COMPANY) and its Consolidated Statement of Financial Position as of December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

		Current period	Previous period
		Audited by an independent auditor	Audited by an independent auditor
	Note	December 31, 2023	December 31, 2022
Liabilities			
Short-term liabilities			
Short-term borrowings	6	599,951	1,233,374
Current portions of long-term borrowings	6	791,778	315,873
Trade payables			
- Trade payables to unrelated parties	8	1,697,216	2,021,386
Liabilities for employee benefits	15	47,309	36,356
Other payables			
- Other payables to related parties	7	-	18
- Other payables to unrelated parties	9	24,649	15,536
Deferred revenues	11	178,274	167,272
Current period income tax payable	25	261,991	21,099
Short-term provisions			
- Other short-term provisions	14	7,608	35,731
Total Short-Term Liabilities		3,623,451	3,873,389
Long-term liabilities			
Long-term borrowings	6	3,369,290	3,849,711
Long-term provisions			
- Long-term provisions for employee benefits	15	153,740	211,988
- Other long-term provisions	14	48,739	44,296
Deferred tax liabilities	25	584,919	1,628,530
Total Long-term liabilities		4,156,688	5,734,525
Total Liabilities		7,780,139	9,607,914
Equity			
Paid-in capital	17	180,000	180,000
Adjustments to share capital differences	17	3,483,809	3,483,809
Repurchased (Treasury) Shares		(970)	(970)
Adjustments to share capital of cross shareholding (-)		-	(419,238)
Share Premiums (Discounts)		165,281	2,332
Other accumulated comprehensive income (expenses) not to be reclassified to profit or loss			
Gains (losses) on revaluation and measurement			
- Revaluation surplus (deficit) of property, plant, and equipment	17	1,455,355	397,764
- Gains (losses) on remeasurement of defined benefit plans	17	(118,067)	(80,946)
Restricted reserves appropriated from profit		442,891	462,590
Retained earnings (accumulated losses)		3,612,590	2,814,104
Net profit (loss) for the period		1,833,899	631,552
Equity attributable to the parent company		11,054,788	7,470,997
Non-controlling interests		1,209,540	636,174
Total equity		12,264,328	8,107,171
Total liabilities and equity		20,044,467	17,715,085

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (JOINT STOCK COMPANY) and its Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period from January 1 to December 31, 2023 (All amounts are expressed in thousands of Turkish Lira ('TRY') in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

		Current period	Previous period
		Audited by an independent auditor	Audited by an independent auditor
Profit or Loss Section	Note	January 1 – December 31, 2023	January 1 – December 31, 2022
Revenue	18	11,497,513	11,341,723
Cost of sales	18	(9,856,128)	(10,376,175)
Gross profit (loss) from trading activities		1,641,385	965,548
Gross profit (loss)		1,641,385	965,548
General administrative expenses	19	(310,992)	(224,322)
Marketing expenses	19	(352,584)	(284,014)
Other income from operating activities	21	547,088	351,118
Other expenses from operating activities	21	(815,471)	(548,958)
Operating profit (loss)		709,426	259,372
Income from investing activities	22	50,086	20,715
Expenses from investing activities	22	(63,327)	299,887
Operating profit (loss) before financing income (loss)		696,185	(19,800)
Financing income	23	91,420	55,375
Financing expenses	24	(2,846,551)	(2,339,287)
Net monetary gain (loss)		2,813,647	3,161,525
Profit (loss) before tax from continuing operations		754,701	857,813
Tax (expense) income from continuing operations			
Current tax (expense) income	25	(244,184)	(92,052)
Deferred tax (expense) income	25	1,544,540	(137,819)
Current profit (loss) from continuing operations		2,055,057	627,942
Distribution of current period profit (loss)			
Non-controlling interests		221,158	(3,610)
Parent company interests		1,833,899	631,552
Earnings (Loss) per Share	26	10.6098	3.6659
Other comprehensive income (expense)			
Other comprehensive income (loss) not to be reclassified			
- Revaluation surplus (deficit) of property, plant, and equipment	12	1,552,111	524,329
- Revaluation surplus (deficit) of property, plant, and equipment, tax effect	25	(346,161)	(104,866)
- Gains (losses) on remeasurement of defined benefit plans	15	(55,379)	(112,106)
- Gains (losses) on remeasurement of defined benefit plans, tax effect	25	13,845	22,421
Other comprehensive income (expense)		1,164,416	329,778
Total comprehensive income (expense)		3,219,473	957,720
Distribution of total comprehensive income			
Non-controlling interests		325,956	9,350
Parent company interests		2,893,517	948,370

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (JOINT STOCK COMPANY) and its Consolidated Statement of Changes in Equity for the Period from January 1 to December 31, 2023
(All amounts are expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

						Other accumulated comprehensive income or expenses not to be reclassified to profit or loss			Accumulated profits				
	Paid-in capital	Adjustments to share capital differences	Repurchased (Treasury) Shares	Adjustments to share capital of cross shareholding	Share premiums/discounts	Revaluation increases/decreases of tangible fixed assets	Gains (losses) on remeasurement of defined benefit plans	Restricted reserves appropriated from profit	Retained earnings (accumulated losses)	Net profit (loss) for the period	Equity attributable to the parent company	Non-controlling interests	Total equity
As of January 1, 2022 balance (beginning of the period)	180,000	3,483,809	(970)	(419,238)	2,332	-	-	462,590	2,814,104	-	6,522,627	667,891	7,190,518
Total comprehensive	-	-	-	-	-	397,764	(80,946)	-	-	631,552	948,370	9,350	957,720
Net profit (loss) for the period income (loss)	-	-	-	-	-	-	-	-	-	631,552	631,552	(3,610)	627,942
- Other comprehensive income (expense)	-	-	-	-	-	397,764	(80,946)	-	-	-	316,818	12,960	329,778
Increase (decrease) due to other changes	-	-	-	-	-	-	-	-	-	-	-	(41,067)	(41,067)
As of December 31, 2022 balance (end of period)	180,000	3,483,809	(970)	(419,238)	2,332	397,764	(80,946)	462,590	2,814,104	631,552	7,470,997	636,174	8,107,171
As of January 1, 2023 balance (beginning of the period)	180,000	3,483,809	(970)	(419,238)	2,332	397,764	(80,946)	462,590	2,814,104	631,552	7,470,997	636,174	8,107,171
Transfers	-	-	-	-	-	(35,679)	-	-	668,766	(631,552)	1,535	(1,535)	-
Total comprehensive	-	-	-	-	-	1,096,873	(37,255)	-	-	1,833,899	2,893,517	325,956	3,219,473
- Current period profit (loss)	-	-	-	-	-	-	-	-	-	1,833,899	1,833,899	221,158	2,055,057
- Other comprehensive income (expense)	-	-	-	-	-	1,096,873	(37,255)	-	-	-	1,059,618	104,798	1,164,416
Increase (decrease) resulting from changes in ownership interests in subsidiaries that do not lead to a loss of control (Note 2.1)	-	-	-	-	-	(3,603)	134	(19,699)	129,720	-	106,552	248,945	355,497
Increase (decrease) resulting from share repurchase transactions (Note 17)	-	-	-	419,238	162,949	-	-	-	-	-	582,187	-	582,187
As of December 31, 2023 balance (end of period)	180,000	3,483,809	(970)	-	165,281	1,455,355	(118,067)	442,891	3,612,590	1,833,899	11,054,788	1,209,540	12,264,328

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (JOINT STOCK COMPANY) and its Consolidated Cash Flow Statement for the Period from January 1 to December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

		Current period	Previous period
		Audited by an independent auditor	Audited by an independent auditor
		January 1 – December 31, 2023	January 1 – December 31, 2022
A. Cash flows from operating activities, net		625,190	831,849
Profit (loss) for the period			
Current profit (loss) from continuing operations (I)		2,055,057	627,942
Adjustments to reconcile net profit (loss) for the period (II)		(438,016)	278,308
Adjustments related to depreciation and amortization expenses	12.13	688,136	576,689
Adjustments related to impairment (reversal)			
- Adjustments related to impairment (reversal) of receivables	8	2,744	(66)
- Adjustments related to impairment (reversal) of inventory	10	(30,131)	30,131
Adjustments related to provisions			
- Provisions for employee benefits (reversal) related adjustments	15	57,693	46,991
Adjustments related to provisions for litigation and/or penalties (reversal)	14	(2,489)	34,902
- Adjustments related to other provisions (reversals)	14	27,945	20,596
Adjustments related to interest (income) and expenses			
- Adjustments related to interest income	22	(49,731)	(20,715)
- Adjustments related to interest expenses	24	1,058,437	906,700
- Unearned financing income from credit sales	21	(353,354)	(185,936)
- Deferred financing expense on credit purchases	21	385,640	223,846
Adjustments related to unrealized foreign currency translation differences		1,444,952	990,459
Adjustments related to tax expense (income)	25	(1,300,356)	229,871
Adjustments related to losses (gains) from the disposal of fixed assets tangible fixed assets			
- Adjustments related to losses (gains) from the disposal of tangible fixed assets	22	63,327	299,887
Adjustments related to losses (gains) from the disposal of subsidiaries or joint ventures		-	(41,067)
Adjustments related to monetary losses (gains)		(2,430,829)	(2,833,980)
Changes in working capital (III)		(715,474)	20,724
Adjustments related to decrease (increase) in trade receivables		(848,275)	(274,130)
Adjustments related to decreases (increases) in inventory	10	228,130	(401,457)
Decrease (increase) in prepaid expenses	11	59,885	(53,483)
Adjustments related to the increase (decrease) in trade payables		15,326	639,352
Increase (decrease) in liabilities related to employee benefits		10,842	12,869
Adjustments related to the increase (decrease) in other payables related to operating activities			
- Decrease (increase) in other receivables related to operating activities	9	(10,436)	(19,890)
- Increase (decrease) in other payables related to operating activities to unrelated parties	9	9,113	1,126

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (JOINT STOCK COMPANY) and its Consolidated Cash Flow Statement for the Period from January 1 to December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

	Note	Current period	Previous period
		Audited by an independent auditor	Audited by an independent auditor
		January 1 – December 31, 2023	January 1 – December 31, 2022
Adjustments related to other increases (decreases) in working capital			
Decrease (increase) in other assets related to operating activities		53,705	32,593
- Increase (decrease) in other liabilities related to operating activities		1,789	(3,833)
Increase (decrease) in deferred revenues		11,003	121,237
Other cash inflows (outflows)		(246,538)	(33,660)
Cash flows from operating activities (I+II+III)		901,567	926,974
Payments made under provisions related to employee benefits	15	(113,472)	(22,728)
Tax refunds (payments)	25	(162,905)	(72,397)
B. Cash flows from investing activities, net		156,843	(237,988)
Cash inflows from sales of subsidiaries that do not result in a loss of control	2,1	352,145	-
Cash inflows from the sale of tangible and intangible fixed assets			
- Cash inflows from the sale of tangible fixed assets		12,756	134,436
- Cash inflows from the sale of intangible fixed assets		222,625	-
Cash outflows from the purchase of tangible and intangible fixed assets			
- Cash outflows from the purchase of tangible fixed assets	12	(450,400)	(262,197)
- Cash outflows from the purchase of intangible fixed assets	13	(384)	28
Interest received	22	20,101	20,715
Cash advances and loans provided	11	-	(41,442)
Adjustments related to the increase (decrease) in other payables related to operating activities			
- Increase (decrease) in other payables related to operating activities to related parties	7	-	(89,472)
C. Cash flows from financing activities		(599,799)	(369,376)
Cash inflows from borrowings			
- Cash inflows from loans	6	1,431,807	5,733,220
- Cash inflows from factoring transactions	6	-	168,017
Cash outflows related to debt repayments			
- Cash outflows related to loan repayments	6	(1,490,795)	(5,891,903)
- Cash outflows from factoring transactions	6	(153,127)	-
Interest paid	6	(387,684)	(378,710)
D. Effect of monetary gains (losses) on cash and cash equivalents		(86,500)	(55,445)
E. Effect of foreign currency translation differences on cash and cash equivalents		3,397	7,451
Net increase (decrease) in cash and cash equivalents (A+B+C+D+E)		99,131	176,491
F. Cash and cash equivalents at the beginning of the period	4	212,326	35,835
Cash and cash equivalents at the end of the period (A+B+C+D+E+F)	4	311,457	212,326

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries Notes to the Consolidated Financial Statements as of December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ('TRY') in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

1. ORGANIZATION AND SCOPE OF ACTIVITIES OF THE GROUP

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (hereinafter referred to as the 'Company' or 'Batiçim') was incorporated in 1966 in İzmir, Türkiye, in accordance with the provisions of the Turkish Commercial Code (TCC).

The registered address of the Group is Ankara Caddesi No: 335, Bornova, İzmir, and the principal place of business is located at the same address.

The Company is registered with the Capital Markets Board of Türkiye ('CMB'), and its shares have been publicly traded on Borsa İstanbul A.Ş. ('Borsa İstanbul') since 1995.

The shareholding structure of the Group, based on historical values, is as follows:

Shareholders	December 31, 2023		December 31, 2022	
	Percentage of shares (%)	Share amount (Thousand TRY)	Percentage of shares (%)	Share amount (Thousand TRY)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş.	45.43	81,769	30.02	54,044
İstanbul Portföy Yönetimi A.Ş. Pre-IPO Girişim Sermayesi Yatırım Fonu	12.00	21,594	-	-
İstanbul Portföy İkinci Serbest Fon (Second Hedge Fund)	5.50	9,891	-	-
Çimko Çimento ve Beton Sanayi Ticaret A.Ş.	-	-	13.75	24,744
Fatma Gülgün Ünal	-	-	13.89	25,005
Other	37.07	66,746	42.34	76,207
Nominal capital	100.00	180,000	100.00	180,000

The members of the Company's Board of Directors are as follows:

Chair	: Sabit Aydın
Vice Chair	: Güllant Candaş
Executive Member	: Ömer Çağdaş
Selvi Member	: Erdoğan Göğen
Independent Member	: Ufuk Bala Yücel
Independent Member	: Şükrü Serdar Bağcıoğlu
Independent Member	: Mustafa Teoman Gürkan

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries Notes to the Consolidated Financial Statements as of December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ('TRY') in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

1. ORGANIZATION AND SCOPE OF ACTIVITIES OF THE GROUP (CONTINUED)

The details of the Group's subsidiaries as of December 31, 2023, are provided below:

Subsidiaries	Exchanges where subsidiaries are traded	Scope of activities
Batisöke Söke Çimento Sanayii T.A.Ş. ('Batisöke')	Borsa Istanbul	Production and sale of clinker and cement
ASH Plus Yapı Malzemeleri Sanayi ve Ticaret A.Ş. ('ASH Plus')	-	Ash production and sales
Batiçim Enerji Elektrik Üretim A.Ş. ('Batiçim Enerji')	-	Electricity generation and sales
Batibeton Sanayi A.Ş. ('Batibeton')	-	Ready-mixed concrete production and sales
Batılman Liman İşletmeleri A.Ş. ('Batılman')	-	Port Operations and Management
Batiçim Enerji Toptan Satış A.Ş. ('Batiçim Enerji Toptan')	-	Sales and distribution

The Company and its subsidiaries (collectively referred to as the 'Group') are engaged in the production and marketing of cement, ready-mixed concrete, aggregate, and clinker, as well as port management and the generation and sale of electrical energy. Segment reporting is disclosed in Note 3.

The number of personnel in the Group by category is as follows:

	December 31, 2023	December 31, 2022
Manager	33	32
Officer	182	173
Worker	791	764
	1,006	969

2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic Principles of Presentation

The Company and its subsidiaries maintain their books of account and prepare their statutory financial statements in accordance with the accounting principles stipulated in the Turkish Commercial Code ('TCC') and applicable tax regulations.

The accompanying consolidated financial statements have been prepared in accordance with the provisions of the Capital Markets Board of Türkiye ('CMB') Communiqué No. II-14.1 on Principles Regarding Financial Reporting in Capital Markets, published in the Official Gazette No. 28676 dated June 13, 2013. According to Article 5 of the Communiqué, the Turkish Financial Reporting Standards ('TFRS') issued by the Public Oversight, Accounting and Auditing Standards Authority ('KGK') have been adopted.

According to Article 5 of the Communiqué, companies reporting in accordance with CMB regulations apply the Turkish Accounting Standards / Turkish Financial Reporting Standards and their related appendices and interpretations ('TMS/TFRS') issued by the Public Oversight, Accounting and Auditing Standards Authority ('KGK').

The consolidated financial statements of the Group are prepared on a historical cost basis, except for land/land improvements and machinery, equipment, and facilities, which are recognized at fair value using the revaluation model in accordance with TMS 16. The determination of historical cost is generally based on the fair value of the amount paid for the assets.

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries Notes to the Consolidated Financial Statements as of December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

21 Basic Principles of Presentation (Continued)

Functional and Reporting Presentation Currency

The Company and its subsidiaries determine the currency of the primary economic environment in which they operate (functional currency) and prepare their financial statements in that currency in accordance with TMS 21, The Effects of Changes in Foreign Exchange Rates. The functional currency of each of the Group's entities is the Turkish Lira. The financial position and operating results of the Group are expressed in TRY, which is both the functional currency of the Group and the presentation currency for the consolidated financial statements.

Restatement of Financial Statements in Hyperinflationary Periods

Following the announcement made by the Public Oversight, Accounting and Auditing Standards Authority (KGK) on November 23, 2023, entities applying TFRS have begun to implement inflation accounting in accordance with TMS 29 Financial Reporting in Hyperinflationary Economies for the annual reporting period ending on or after December 31, 2023. TMS 29 is applicable to the financial statements, including the consolidated financial statements, of entities whose functional currency is that of a hyperinflationary economy.

The accompanying consolidated financial statements are prepared on a historical cost basis, except for land and land improvements, as well as machinery and equipment asset groups, which are measured at fair value using the revaluation model in accordance with TMS 16.

These consolidated financial statements, along with all comparative figures for prior periods, have been adjusted for changes in the general purchasing power of the Turkish lira in accordance with TMS 29 and are expressed in terms of the purchasing power of the Turkish lira as of December 31, 2023. In applying TMS 29, the Group has used adjustment factors based on the Consumer Price Index (CPI) published by the Turkish Statistical Institute, following the guidance of KGK. The CPI and corresponding adjustment factors for the current and prior periods since January 1, 2005, the date on which the Turkish lira was no longer designated as the currency of a hyperinflationary economy, are as follows:

End of year	Index	Index, %	Correction coefficient
2004	113.86	13.86	16.33041
2005	122.65	7.72	15.16005
2006	134.49	9.65	13.82542
2007	145.77	8.39	12.75557
2008	160.44	10.06	11.58926
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

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries Notes to the Consolidated Financial Statements as of December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

21 Basic Principles of Presentation (Continued)

In order to make the necessary adjustments to the financial statements in accordance with TMS 29, assets and liabilities are first separated into monetary and non-monetary categories, with non-monetary assets and liabilities further classified into those measured at current value and those measured at cost. Monetary items (excluding those linked to an index) and non-monetary items measured at their current values as of the end of the reporting period are not subject to inflation adjustment, as they are already expressed in terms of the measuring unit current at December 31, 2023. Non-monetary items that are not expressed in terms of the measuring unit current at December 31, 2023, have been adjusted for inflation using the relevant coefficient. When the inflation-adjusted carrying amount of a non-monetary item exceeds its recoverable amount or net realizable value, the carrying amount is reduced in accordance with the relevant TFRS. In addition, inflation adjustments have been applied to all items in equity components, as well as in the statement of profit or loss and other comprehensive income.

Non-monetary items acquired or assumed before January 1, 2005, the date on which the Turkish lira ceased to be designated as the currency of a hyperinflationary economy, as well as equity items contributed or incurred before that date, are restated based on the changes in the CPI from January 1, 2005, to December 31, 2023.

The application of TMS 29 necessitated adjustments due to the decrease in the purchasing power of the Turkish lira, which are presented as Net Gains (Losses) on Monetary Positions in the profit or loss section of the statement of profit or loss and other comprehensive income. Unless the value of monetary assets or liabilities is tied to changes in the index, during an inflationary period, the purchasing power of entities holding more monetary assets than liabilities weakens, while the purchasing power of those holding more monetary liabilities than assets increases. Net gain or loss on monetary position is derived from the restatement differences of non-monetary items, equity, items in the statement of profit or loss and other comprehensive income, as well as index-linked monetary assets and liabilities.

Additionally, in the reporting period when TMS 29 is first applied, the provisions of the Standard are implemented under the assumption of persistent hyperinflation in the relevant economy. Therefore, the opening balance sheet as of January 1, 2022, indicating the beginning of the earliest comparative period, has been adjusted for inflation to serve as a basis for subsequent reporting periods. The inflation-adjusted amount of retained earnings/accumulated losses in the statement of financial position as of January 1, 2022, is derived from the balance sheet equivalence that should exist after the inflation adjustment of the other items in the statement.

Going Concern

In the consolidated financial statements of the Group as of December 31, 2023, current assets are sufficient to cover short-term liabilities, and total equity reached TRY 12,264,328, which includes a net profit for the period of TRY 2,055,057 according to the consolidated results for the current year ending on the same date.

On the other hand, as of December 31, 2023, the short-term liabilities of Batisöke, a subsidiary of the Group, have exceeded its current assets by TRY 940,040. Total equity has reached TRY 3,803,474, which includes a net profit for the period of TRY 872,513 for the current year ending on the same date.

The measures taken by the Group management in 2023 to ensure the sustainable continuity of the substantial amount of cash flow generated during 2023, alongside the total equity that has increased to a positive level as a result of the implementation of TMS 29 inflation accounting, which came into effect in 2023, as well as the business plans for the upcoming period, are outlined below.

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries Notes to the Consolidated Financial Statements as of December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ('TRY') in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

21 Basic Principles of Presentation (Continued)

Going Concern (Continued)

In 2023, the Group reduced its clinker exports by approximately half in terms of quantity (tons) compared to the previous year, considering production and inventory management as well as customer profitability. Additionally, it increased domestic cement sales by 13% in tons compared to the previous year and substantially boosted cement exports in terms of quantity compared to the previous year. However, the Group plans to maintain its clinker exports at the same volume (tons) level as of the end of 2023 while following the same strategy in 2024. In 2024, the objective is to increase cement sales in the domestic market, which has a higher profit margin, and to boost export revenues through a ton-based increase in cement exports compared to the previous year. In light of the projections made for 2024, the Group does not foresee any risks regarding the realization of principal and interest payments due within 2024, based on the EBITDA and cash flows generated from its core activities. However, as of the approval date of the year-end 2023 financial statements, the following transactions are in progress and are intended to be completed in accordance with the disclosures made on the Public Disclosure Platform (PDP):

i) In accordance with the resolution of Batisöke's Board of Directors dated January 26, 2024, it is planned to increase the Company's issued capital from TRY 400,000,000 in 2024, provided that it remains within the registered capital ceiling of TRY 2,000,000,000.

ii) As a result of the sale by Batiliman Liman İşletmeleri A.Ş., a subsidiary of the Group, of all 772,189,137 Class B shares, totaling a nominal value of TRY 7,721,891.37 and representing approximately 4.29% of Batiçim's share capital, to Çiftay İnşaat Taahhüt ve Ticaret A.Ş.—one of Batiçim's main shareholders—it is intended to generate cash flow amounting to approximately USD 25 million. This balance will be used for the early repayment of the existing refinancing loan.

iii) As publicly disclosed in December 2023, Batiliman Liman İşletmeleri A.Ş. is currently working on the public offering of its shares through a capital increase and/or the sale of shares by existing shareholders. The cash flow generated from these transactions is planned to be used for the early repayment of Batisöke's existing refinancing loan, in line with the previously stated purpose. By reducing the loan debt, the aim is to minimize the potential foreign currency exchange differences and interest expenses that may arise in the future. Batisöke aims to gradually reduce the balance of its refinancing loan.

In addition to the aforementioned business plans, the Group management, as a requirement of the refinancing agreement, anticipates that the net cash flows projected to be generated within the framework of the consolidated business plans and cash flow projections—excluding the energy segment, which were prepared for Batiçim Group by independent expert institutions appointed by the lenders—along with the previously mentioned non-operating cash flows, will be sufficient to fulfill short-term liabilities and reduce the refinancing loan before maturity.

The Group management has timely made the first principal and interest payments on the refinancing loan, which was signed to cover the financial borrowings of its subsidiary Batisöke, with a maturity date of December 2023.

As of December 31, 2023, it is evident that the debt service coverage ratio, which the Group is committed to fulfilling under the refinancing agreement, has been met. Furthermore, regarding the forward-looking commitments in the same agreement, the net cash flow anticipated in 2024 indicates that the Group, as a whole, will not face any issues in making the related payments on time for the financial obligations that will become due within 12 (twelve) months.

In light of all these assessments, the Group's financial statements as of December 31, 2023, have been prepared in accordance with the going concern principle.

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries Notes to the Consolidated Financial Statements as of December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

21 Basic Principles of Presentation (Continued)

Approval of Financial Statements:

The consolidated financial statements were approved and authorized for issue by the Board of Directors on May 20, 2024. The General Assembly and the relevant legal entities have the right to approve the consolidated financial statements prepared in accordance with legal regulations and to amend these financial statements.

Principles of Consolidation

The consolidated financial statements include the financial statements of the Company and the entities controlled by the Company and its subsidiaries. Control is achieved when the Group fulfills the following conditions:

- Having control over the investee company/asset;
- Being open to or entitled to variable returns from the investee company/asset; and
- Being able to use its power to influence the returns.

The Company reassesses whether it has control over its investment if a condition or event arises that may lead to a change in at least one of the criteria listed above.

In cases where the Group does not hold majority voting rights over the investee company/asset, it still has control over the relevant investee if it possesses sufficient voting rights to independently direct/manage its operations. The Company considers all relevant facts and circumstances, including the following factors, when assessing whether holding the majority of the voting power in the relevant investee is sufficient to establish control over that investee:

- Comparison of the voting rights held by the Group with those held by other shareholders;
- Potential voting rights held by the Company and other shareholders;
- Rights arising from other contractual agreements; and
- Any other events and circumstances that may indicate whether the Group currently has the power to direct the relevant operations when a decision needs to be made (including votes at general meetings in previous periods).

The consolidation of a subsidiary begins when the Company gains control over the subsidiary and ends when it loses such control. The 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 acquisition date to the disposal date.

Each item in the statement of profit or loss and other comprehensive income is attributable to the shareholders of the parent company and to non-controlling interests. The total comprehensive income of subsidiaries is attributed to the shareholders of the parent company and non-controlling interests, even if the non-controlling interests result in a reversal of the balance. Where necessary, adjustments have been made to the financial statements of subsidiaries to align with the accounting policies followed by the Group. All intragroup assets and liabilities, equity, income and expenses, as well as cash flows related to transactions between Group companies, are eliminated upon consolidation.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

21 Basic Principles of Presentation (Continued)

The details of the Group's subsidiaries as of December 31, 2023, and December 31, 2022, are provided below:

Subsidiary	Place of incorporation	December 31,		December 31,	
		Direct share percentage	Indirect share share percentage	Direct share percentage	Indirect percentage
Batisöke	Aydın, Türkiye	74.62%	74.62%	74.62%	74.62%
Batıçım Enerji	İzmir, Türkiye	100%	100%	100%	100%
Batıçım Enerji Toptan	İzmir, Türkiye	-	100%	-	100%
Batıbeton	İzmir, Türkiye	100%	100%	100%	100%
Batılıman (*)	İzmir, Türkiye	90%	90%	100%	100%
ASH Plus	Manisa, Türkiye	100%	100%	100%	100%

(*) The Group has transferred 578,345,800 shares, with a total nominal value of TRY 5,783,458, representing 10% of the capital and owned through its subsidiary Batılıman Liman İşletmeleri A.Ş., to İstanbul Portföy Yönetimi A.Ş. PRE-IPO Girişim Sermayesi Yatırım Fonu in exchange for USD 12,000,000 as of December 26, 2023, as well as the dividend amount payable for the shares subject to this transfer for 2023, should the dividend be distributed.

22 Changes in Accounting and Reporting Standards

New and Revised Standards and Interpretations

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended December 31, 2023, are consistent with those used in the previous fiscal year, except for the adoption of new and amended TFRS and TFRS interpretations effective from January 1, 2023. The effects of these standards and interpretations on the Group's financial position and performance are explained in the relevant paragraphs.

i) New Standards, Amendments, and Interpretations Effective from January 1, 2023

Amendments to TMS 8 - Definition of Accounting Estimates

In August 2021, KGK issued amendments to TMS 8, introducing a new definition for 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies, and corrections of errors. In addition, the amended standard clarifies that the effects of a change in an input or a change in a measurement technique on an accounting estimate are considered changes in accounting estimates, unless they result from corrections of prior period errors. The previous definition of a change in accounting estimate indicated that changes in accounting estimates could arise from new information or developments. Therefore, such changes are not regarded as corrections of errors. This aspect of the definition has been preserved by the KGK. The amendments will apply to changes in accounting estimates or changes in accounting policies that occur on or after the effective date.

The amendment did not have a material impact on the Group's financial position or performance.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

22 Changes in Accounting and Reporting Standards (Continued)

Amendments to TMS 1 - Disclosure of Accounting Policies

In August 2021, KGK issued amendments to TMS 1 that provide guidance and examples to assist entities in applying materiality estimates to their accounting policy disclosures. Since there is no definition of the term 'significant' in TFRS, the KGK has decided to replace it with the term 'material' in the context of disclosing information on accounting policies. 'Material' is a defined term in TFRS and, according to KGK, is generally understood by users of financial statements. In assessing the materiality of accounting policy information, entities should consider both the size of the transactions and other events or circumstances, as well as their nature. Examples of circumstances in which an entity may consider accounting policy information to be material have also been included.

The amendment did not have a material impact on the Group's financial position or performance.

Amendments to TMS 12 - Deferred Tax on Assets and Liabilities Arising from a Single Transaction

In August 2021, KGK issued amendments to TMS 12 that narrow the scope of the initial recognition exception, ensuring that the exception does not apply to transactions that give rise to equal taxable and deductible temporary differences. The amendments clarify that when payments related to a liability are tax-deductible, it is a matter of judgment, considering applicable tax law, as to whether such deductions are attributable for tax purposes to the liability (and interest expense) or the related asset component (and interest expense) recognized in the financial statements. This judgment is essential in determining whether any temporary differences exist on initial recognition of an asset or liability. The amendments are applied to transactions occurring on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, deferred tax assets (provided there is sufficient taxable income) and deferred tax liabilities are recognized for all deductible and taxable temporary differences related to leases, decommissioning, restoration, and similar liabilities.

The amendment did not have a material impact on the Group's financial position or performance.

Amendments to TMS 12 - International Tax Reform - Pillar Two Model Rules

In September 2023, KGK published amendments to TMS 12 that introduce a mandatory exception for the recognition and disclosure of deferred tax assets and liabilities related to Pillar 2 income taxes. The amendments clarify that TMS 12 applies to income taxes arising from tax laws that have been enacted, or are practically certain to be enacted, for the purpose of applying the Pillar 2 Model Rules issued by the Organization for Economic Cooperation and Development (OECD). These amendments also establish specific disclosure requirements for entities impacted by such tax laws. The exemption for not recognizing and disclosing information about deferred taxes within this scope, as well as the disclosure requirement regarding the application of this exemption, comes into effect with the issuance of the amendment. However, specific disclosure requirements introduced by the amendments are not mandatory for interim periods ending before December 31, 2023.

The amendment did not have a material impact on the Group's financial position or performance.





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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

22 Changes in Accounting and Reporting Standards (Continued)

ii) Standards Issued but Not Yet Effective and Not Early Adopted New standards, interpretations, and amendments to existing standards that have been issued but are not yet effective as of the approval date of the consolidated financial statements, and that have not been early adopted by the Group, are as follows. Unless otherwise stated, the Group will make all necessary changes that will affect its consolidated financial statements and notes following the effective date of the new standards and interpretations.

Amendments to TFRS 10 and TMS 28: Sales of Assets or Contributions to a Subsidiary or Joint Venture by the Investor Company

In December 2017, KGK indefinitely postponed the effective date of the amendments to TFRS 10 and TMS 28, pending further revisions based on the findings of its ongoing research project on the equity method. However, they still permit early adoption.

The Group will assess the effects of these amendments once the standards are finalized.

TFRS 17 - New Insurance Contracts Standard

In February 2019, KGK issued TFRS 17, a comprehensive new accounting standard for insurance contracts that encompasses recognition and measurement, presentation, and disclosure. TFRS 17 introduces a model that measures insurance contract liabilities at their current balance sheet values and recognizes profit over the period in which the services are provided. According to the announcement made by KGK, the mandatory effective date of the Standard has been postponed to accounting periods that begin on or after January 1, 2024.

The Standard is not applicable to the Group and will not impact the Group's financial position or performance.

Amendments to TMS 1 - Classification of Liabilities as Short-Term and Long-Term

In March 2020 and January 2023, KGK made amendments to TMS 1 to clarify the principles for classifying liabilities as short-term (i.e., current) and long-term (i.e., non-current). As amended in January 2023, if an entity's right to defer payment of a liability depends on its ability to comply with the terms of a loan agreement at a date after the reporting period, the entity retains the right to defer payment of that liability at the end of the reporting period (even if it is not in compliance with those terms at that time). The January 2023 amendments require entities to make various disclosures when a liability arising from a loan agreement is classified as long-term and the entity's right to defer payment depends on compliance with the terms of the loan agreement within the next 12 months. These disclosures should include information on the terms of loan agreements and related obligations. In addition, the amendments clarify that the right to defer payment for long-term classification must exist at the end of the reporting period, regardless of whether compliance with the terms of the agreement will be tested at the reporting date or at a later date. The amendments clarify that the possibility of an entity not exercising its right to defer payment for at least twelve months after the reporting period does not affect the classification of the liability. The amendments are effective for annual periods commencing on or after January 1, 2024. The amendments are applied retroactively in accordance with TMS 8. They permit early adoption. However, an entity that chooses to early adopt one of the amendments is required to also early adopt the other amendment.

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

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

22 Changes in Accounting and Reporting Standards (Continued)

Amendments to TFRS 16 - Lease Liabilities in Sale and Leaseback Transactions

In January 2023, KGK issued amendments to TFRS 16. The amendments clarify the requirements for measuring lease liabilities arising from a sale and leaseback transaction by a seller-lessee, ensuring that no gain or loss is recognized in relation to the retained right of use. In this context, the seller-lessee will determine the 'lease payments' or 'revised lease payments' to ensure that no gain or loss related to the remaining right of use is recognized after the commencement date of the sale and leaseback transaction, while applying the provisions of TFRS 16 under the heading 'Subsequent Measurement of a Lease Liability'. The amendments do not include a specific requirement for measuring lease liabilities arising from leaseback transactions. The initial measurement of a lease liability may lead to the identification of payments, other than those included in the definition of lease payments in TFRS 16, as lease payments. The seller-lessee will need to develop and apply an accounting policy that provides reliable and relevant information in accordance with TMS 8. The amendments are effective for annual periods commencing on or after January 1, 2024. They permit early adoption. The seller-lessee applies the amendments retrospectively to sale and leaseback transactions entered into after the initial application date of TFRS 16, in accordance with TMS 8.

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

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

The amendments issued by KGK in September 2023 provide clarifications that improve existing requirements, helping users of financial statements understand the effects of supplier financing arrangements on an entity's liabilities, cash flows, and liquidity risks. Supplier finance arrangements are defined as agreements in which one or more finance providers undertake to pay an entity's debt to its supplier, while the entity agrees to repay the finance providers on the same day or after the payments are made to the supplier. The amendments require disclosures regarding the terms and conditions of such arrangements, quantitative information about the liabilities arising from them at both the beginning and end of the reporting period, and the nature and effects of non-cash changes in the carrying amount of those liabilities. In addition, within the framework of quantitative disclosures for liquidity risk mandated by TFRS 7, supplier finance arrangements are provided as examples of other factors that may require disclosure. The amendments are effective for annual reporting periods commencing on January 1, 2024. Early adoption is permitted, and this fact must be disclosed if early adoption occurs.

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

iii) Amendments Issued by the International Accounting Standards Board (IASB) Not Yet Issued by KGK

The following amendments to IAS 21 and 'IFRS 18' Standard have been issued by the IASB but not yet adapted for TFRS and/or issued by KGK. Therefore, they do not form part of the 'TFRS' Standards. The Group will make the necessary modifications to its consolidated financial statements and notes after the aforementioned Standard and amendments to TFRS become effective.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

22 Changes in Accounting and Reporting Standards (Continued)

Amendments to IAS 21 - Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21. The amendments clarify how to assess whether a currency is exchangeable and outline the method for determining the exchange rate when the currency is not exchangeable. According to the amendment, when an exchange rate is estimated due to a currency being non-exchangeable, information is disclosed to help users of the financial statements understand how the currency's lack of exchangeability has impacted, or is expected to impact, the entity's performance, financial position, and cash flows. The effects of the amendment on the Group's financial position and performance are being evaluated.

IFRS 18 - New Standard for Presentation and Disclosures in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaced IAS 1. IFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including the presentation of specific totals and subtotals. IFRS 18 requires entities to present all income and expenses included in the statement of profit or loss in one of the following five categories: the operating category, the investing category, the financing category, the income taxes category, and the discontinued operations category. The Standard also requires disclosure of performance measures established by the management and introduces new requirements for aggregation or disaggregation of financial information in accordance with the roles defined for the primary financial statements and the notes thereto. With the issuance of IFRS 18, certain amendments have also occurred in other financial reporting standards such as IAS 7, IAS 8, and IAS 34. The effects of the amendment on the Group's financial position and performance are being evaluated.

23 Comparative Information and Restatement of Prior Period Financial Statements

The consolidated statement of financial position of the Group as of December 31, 2023 has been prepared comparatively with the consolidated statement of financial position as of December 31, 2022 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended December 31, 2023 have been prepared comparatively with the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year ended December 31, 2022.

24 Changes in Accounting Policies, Estimates, and Errors

Changes in accounting policies arising from the first time adoption of a new standard are applied retrospectively or prospectively in accordance with the transition requirements, if any. Amendments that do not include any transition requirements, as well as optional material changes in accounting policies or identified accounting errors, are applied retrospectively, and prior period consolidated financial statements are restated.

If the changes in accounting estimates pertain to only one period, they are applied in the period in which the change is made. If they relate to future periods, they are applied in the period of change and prospectively in subsequent periods. Identified material accounting errors are applied retrospectively, and prior period consolidated financial statements are restated.

25 Summary of Material Accounting Policies

Revenue

Revenue is measured at the fair value of the receivable amount collected or to be collected. Net sales are stated as the sales amount of goods sold, less estimated and actual returns, discounts, commissions, turnover bonuses, and sales-related taxes.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Sale of Goods

Revenue related to performance obligations arising from commitments to transfer goods or services is recognized as the Group fulfills its obligations by transferring the goods or services to its customers. In the sale of goods, the asset is transferred, and revenue is recognized when control of the asset passes to the customer. This typically occurs when the asset is delivered to the customer. However, if the Group has not created an asset with alternative use and holds a legally enforceable right to collect payment for the performance completed to date, it transfers control of the goods over time and recognizes revenue accordingly, as production occurs. When assessing the transfer of control of the goods or services sold to the customer, the Group considers the following conditions:

- a) The Group's ownership of the right to collect for the goods or services,
- b) The customer's legal ownership of the goods or services,
- c) Transfer of possession of the goods or services,
- d) The customer's possession of significant risks and benefits arising from ownership of the goods or services, and
- e) Conditions for the customer's acceptance of the goods or services.

At the beginning of the contract, the Group assesses whether there are different performance obligations that require consideration to be allocated. No material service components have been identified in the Group's customer contracts.

If there is a material financing component in the revenue, the revenue value is determined by discounting the future collections using the interest rate included in the financing component. The difference is recognized as other income from operating activities for the relevant periods on an accrual basis.

Service Delivery

Revenue from service delivery contracts is recognized based on the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Revenue from time-and-material contracts is recognized at contract rates as hours and direct costs are incurred.

Dividend and Interest Income

Dividend income from equity investments is recognized when the shareholders' right to receive dividends is established (provided that it is probable that the Group will receive the economic benefits and that the income can be measured reliably) and is entered as an item of income from investing activities.

Interest income from financial assets is recognized provided that it is probable that the Group will receive the economic benefits and the income can be measured reliably. Interest income is accrued based on the remaining principal balance of the financial asset and its expected life, using the effective interest rate that discounts the estimated future cash inflows over the asset's expected life to its carrying amount. This income is recognized in income from investing activities.

Related Parties

Related parties are individuals or entities that are associated with the entity preparing its consolidated financial statements (the reporting entity).

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

(a) An individual or a close member of that individual's family is considered related to a reporting entity under

the following conditions: If that individual:

- i. has control or joint control over the reporting entity,
- ii. has material influence over the reporting entity,
- iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

- i. If the entity and the reporting entity are members of the same group,
- ii. If the entity is a subsidiary or joint venture of the other entity (or of a member of a group of which the other entity is a member),
- iii. If both entities are joint ventures of the same third party,
- iv. If one entity is a joint venture of a third-party entity and the other entity is a subsidiary of the third-party entity,
- v. If the entity has a post-employment benefit plan for the employees of the reporting entity or of an entity related to the reporting entity, the sponsoring employers are also considered related to the reporting entity if the reporting entity itself has such a plan.
- vi. If the entity is controlled or jointly controlled by an individual as defined in item (a) above,
- vii. If an individual identified in item (a)(i) above has material influence over the entity or is a member of the key management personnel of the entity (or of its parent).

Related party transactions are transactions in which assets, services, and liabilities are transferred between related parties, regardless of whether consideration is received. For the purpose of the consolidated financial statements, the Group's shareholders, the companies they own, their directors, and other known related groups are defined as related parties. The carrying amounts of receivables from and payables to related parties are assumed to approximate their fair values.

Inventories

Inventories are measured at the lower of cost or net realizable value, expressed in terms of the purchasing power of the Turkish Lira as of December 31, 2023. Costs, which include a portion of fixed and variable overhead costs, are valued using the method appropriate to the specific class of inventory, most commonly the weighted average method. Net realizable value is determined by the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. When the net realizable value of inventories falls below cost, the inventories are written down to their net realizable value, and the loss is recognized as an expense in the statement of profit or loss in the year the write-down occurs. The provision for impairment of inventory is reversed when the conditions that previously led to the write-down of inventories to net realizable value no longer apply, or when there is evidence of an increase in net realizable value due to changing economic conditions. The amount reversed is limited to the previously recognized amount of the provision for impairment of inventory.

Right-of-use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date when the asset is available for use). Right-of-use assets are measured at cost less accumulated amortization and impairment losses.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Right-of-use assets (continued)

This amount is also adjusted when finance lease liabilities are revalued. The cost of the

right-of-use asset includes the following components:

- (a) the initial measurement amount of the lease liability,
- (b) all lease payments made on or before the commencement date, less any lease incentives received; and
- (c) all initial direct costs incurred by the Group.

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease term is reasonably certain, the Group amortizes the right-of-use asset from the commencement date until the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment testing.

Lease Liabilities

The Group measures the lease liability at the present value of the unpaid lease payments at the date the lease commences.

At the commencement date, the lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term, which are unpaid at the commencement date:

- (a) Fixed payments,
- (b) Variable lease payments based on an index or rate, initially measured using an index or rate at the commencement date,
- (c) Amounts expected to be paid by the Group under residual value obligations,
- (d) If the Group is reasonably certain that it will exercise the purchase option, the exercise price of the option, and
- (e) Penalty payments related to the termination of the lease if the lease term indicates that the Group will exercise an option to terminate the lease.

Variable lease payments not linked to an index or rate are recognized as an expense in the period in which the triggering event or condition occurs.

The Group determines the revised discount rate for the remaining lease term as the interest rate implicit in the lease, if readily determinable, or as the Group's alternative borrowing rate at the date of reassessment if not readily determinable. The Group has applied an interest rate of 10% for lease contracts denominated in Euros.

After the commencement date, the Group measures the lease liability as follows:

- (a) Increases the carrying amount to account for interest on the lease liability, and
- (b) Reduces the carrying amount to reflect the lease payments made.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Lease Liabilities (Continued)

In addition, the value of finance lease liabilities is remeasured if there is a change in the lease term, a change in the in-substance fixed lease payments, or a change in the assessment of the option to purchase the underlying asset.

Assets Classified as Held for Sale

Fixed assets or asset groups that meet the criteria for classification as held for sale are measured at the lower of fair value less costs to sell and carrying amount. No provision for depreciation is made on these assets.

Property, Plant, and Equipment

Property, plant, and equipment are carried at restated cost, reflecting the purchasing power of the Turkish Lira as of December 31, 2023, less accumulated depreciation and accumulated impairment losses, except for land and land improvements held for own use, and machinery/equipment, which are measured at fair value in accordance with the revaluation model under TMS 16. The cost of property, plant, and equipment comprises the purchase price, import duties, non-refundable taxes and charges, and costs incurred to prepare the asset for its intended use.

Land and land improvements are not subject to provisions for depreciation. Assets under construction for administrative purposes or for other purposes not yet determined are carried at cost less any impairment losses. Assets that require a substantial amount of time to be prepared for their intended use and sale are defined as qualifying assets, and borrowing costs incurred until these qualifying assets are ready for use are capitalized. When the construction of these assets is completed and they are ready for their intended use, they are reclassified to the appropriate category of property, plant, and equipment. Such assets are depreciated when they are ready for use, following the same depreciation method applied to other fixed assets.

Effective from December 31, 2017, the Group has decided to apply the revaluation model for land and land improvements under property, plant, and equipment, and has changed its accounting policy prospectively in accordance with the relevant standards under TFRS. However, the Group has changed its accounting policy to the revaluation model for the machinery and equipment asset group, effective September 30, 2022. The fair value measurements of property, plant, and equipment measured in accordance with the Group's revaluation model have been performed by a licensed real estate appraisal company authorized by the Capital Markets Board (CMB). As of December 31, 2023, the Group has renewed the revaluation measurements of land and land improvements, as well as machinery and equipment. These assets are reflected in the financial statements as of December 31, 2023, based on their fair values in the current valuation reports prepared by a real estate appraisal company authorized by the CMB.

For assets measured in accordance with the revaluation model, the valuation differences between the adjusted cost value and the fair value, expressed in the purchasing power of the Turkish Lira as of December 31, 2023, are recognized in the 'Gains (losses) on revaluation and measurement of property, plant, and equipment' account under equity, through other comprehensive income/expense accounts, net of the deferred tax effect. When a revalued fixed asset is disposed of, the portion of the revaluation reserve relating to the asset sold is transferred directly to prior year losses. On the other hand, a portion of the increase in value is transferred to prior year's profit/loss as the asset is used by the entity.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Property, Plant, and Equipment (Continued)

Costs incurred after property, plant, and equipment is put into use, such as repairs and maintenance, are recognized as expenses in the period in which they are incurred. If the expenditures result in an increase in the economic value of the related property, plant, and equipment for its future use, those expenditures are added to the asset's cost and depreciated over its remaining economic life.

The frequency of revaluations depends on indications of material changes in the items of property, plant, and equipment subject to revaluation.

If the carrying amount of an asset has increased as a result of a revaluation, the increase is recognized in other comprehensive income and accounted for directly in equity as a revaluation surplus. However, a revaluation increase is recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset that was previously recognized in profit or loss.

If the carrying amount of an asset decreases as a result of a revaluation, the decrease is recognized as an expense. However, this decrease is recognized in other comprehensive income to the extent of any credit balance in the revaluation surplus relating to that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

An item of property, plant, and equipment is derecognized (i.e., removed from the financial statements) upon disposal or when no future economic benefits are expected from its use or disposal. When these assets are sold or disposed of, the profit or loss arising on the carrying amount of the related property, plant, and equipment is recognized in the income statement under income (expense) from investing activities.

The cost of property, plant, and equipment, excluding land and land improvements as well as investments in progress, is depreciated using the straight-line method over their estimated useful lives. The estimated useful life, residual value, and depreciation method are reviewed at the end of each year, with the effects of any changes in estimates accounted for on a prospective basis.

The estimated useful lives of property, plant, and equipment for depreciation purposes are as follows:

	Useful Life (Years)
Subsurface and Surface Installations	15-30
Buildings	10-50
Fixtures and Fittings	2-20
Plant, Machinery, and Equipment	2-25
Vehicles	4-10
Other Property, Plant, and Equipment (Mining Assets)	10-30

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Intangible Assets

Intangible assets consist of acquired computer software. The cost of these assets consists of the purchase price and costs incurred at the time of acquisition.

Acquired intangible assets with finite useful lives are carried at cost less accumulated amortization and accumulated impairment losses. These assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each year to identify potential effects of any changes in estimates, and any changes in estimates are accounted for on a prospective basis. Acquired intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

An item of intangible assets is derecognized from the financial statements upon disposal or when no future economic benefits are expected from its use or disposal. The profit or loss arising from the derecognition of an intangible asset is calculated as the difference, if any, between the net proceeds from the asset's disposal and its carrying amount. This difference is recognized in the profit or loss statement when the related asset is derecognized from the statement of financial position.

The estimated useful lives of tangible and intangible assets for depreciation and amortization purposes are as follows:

	Useful Life (Years)
Rights	3-15
Assets subject to depletion	5

Impairment of intangible assets, excluding property, plant, and equipment and goodwill At each reporting date, the Group assesses the carrying amounts of its tangible and intangible assets to determine if there is any impairment in value. In the event of impairment of assets, the recoverable amount of the assets is measured, if applicable, to determine the amount of impairment loss. In the event that the recoverable amount of an asset cannot be measured, the Group measures the recoverable amount of the cash-generating unit associated with the asset. The Group's assets are allocated to cash-generating units when a reasonable and consistent basis of allocation can be determined. If this is not possible, the Group's assets are allocated to the smallest cash-generating unit to determine a reasonable and consistent basis of allocation.

When the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. If the asset is not measured at revalued amount, the impairment loss is recognized directly in profit or loss. In this case, the impairment loss is recognized as a revaluation decrease.

When an impairment loss is reversed in a subsequent period, the carrying amount of the asset (or related cash-generating unit) is increased to match the updated estimate of its recoverable amount. The increased carrying amount should not exceed the carrying amount that the asset (or related cash-generating unit) would have reached had no impairment loss been recognized for the asset in prior periods. Unless the asset is measured at revalued amount, the reversal of the impairment loss is recognized directly in profit or loss. The reversal of an impairment loss on a revalued asset is recognized as a revaluation increase.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Borrowing Costs

For assets that require a substantial amount of time to be prepared for their intended use or sale, borrowing costs that are directly attributable to the acquisition, construction, or production of these assets are included in the cost of the relevant assets until they are ready for their intended use or sale.

Borrowing costs comprise interest and other financing costs incurred in connection with borrowing. When the Group borrows funds in currencies other than its functional currency, TRY, for general purposes, and a portion of those funds is used to finance a qualifying asset, the amount of borrowing costs that can be capitalized is determined using a borrowing rate. This rate is applied to ascertain the real borrowing costs that would have been incurred had the expenditure on the asset been made in TRY. The borrowing rate in question represents the borrowing costs that would have been incurred if the Company had borrowed in TRY under the same terms and conditions, as an alternative to the borrowings made for the construction of qualifying assets. Financial investment income earned by temporarily investing the unspent portion of the loan related to the investment in financial assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs determined not to be capitalizable, along with all other borrowing costs, are recognized as finance expenses in the statement of profit or loss in the period in which they are incurred.

Financial Instruments

A financial instrument is any contract that creates a financial asset for one entity and a financial liability or equity instrument for another entity.

A financial asset is any asset that is:

- Cash
- A contractual right to receive cash or other financial assets from another entity
- A contractual right to exchange financial instruments with another entity under potentially favorable conditions
- An equity instrument of another entity.

A financial liability is an obligation based on a contract to:

- Deliver cash or other financial assets to another entity, or
- Exchange financial assets with another company/entity under potentially unfavorable conditions.

When a financial asset or liability is initially recognized, it is measured at cost, which is the fair value of the consideration given (for the asset) or received (for the liability).

Effective Interest Method

It is the method of valuing financial instruments at amortized cost and allocating the related interest income to the corresponding period. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial instrument or, where appropriate, over a shorter period, to the net present value of the financial asset.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Financial Assets

Classification

The Group accounts for its financial assets at 'amortized cost'. The classification is based on the business model used by the entity to manage financial assets and the characteristics of the contractual cash flows associated with those financial assets. The Group classifies its financial assets at the time of acquisition.

Financial assets are not reclassified after initial recognition, except in cases where the Group's business model for managing financial assets changes. In such cases, the financial assets are reclassified on the first day of the reporting period following the change.

Recognition and Measurement

'Financial assets measured at amortized cost' are non-derivative financial assets that are held within a business model whose objective is to collect contractual cash flows and whose contractual cash flows are solely payments of principal and interest on the principal amount outstanding at specified dates. The Group's financial assets carried at amortized cost comprise 'cash and cash equivalents,' 'trade receivables,' 'other receivables,' and 'financial investments'. The related assets are measured at fair value on initial recognition and subsequently measured at amortized cost using the effective interest rate method. Gains and losses arising from the valuation of non-derivative financial assets measured at amortized cost are recognized in the income statement.

Derecognition from Financial Statements

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers its rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any rights created or retained by the Group in relation to transferred financial assets are recognized as a separate asset or liability.

Impairment

Impairment of financial assets and contract assets is calculated using the 'Expected Credit Loss' (ECL) model. The impairment model is applied to financial assets and contract assets measured at amortized cost.

Loss provisions are measured based on the following criteria:

- 12-month ECLs: ECLs resulting from potential default events within 12 months following the reporting date.
- Lifetime ECLs: ECLs arising from all potential default events over the expected life of a financial instrument.

Lifetime ECL measurement is applied when, at the reporting date, the credit risk associated with a financial asset has increased significantly since its initial recognition. In all other cases where the relevant increase did not occur, the 12-month ECL calculation is applied.

The Group may conclude that the credit risk of a financial asset has not increased significantly if the financial asset has a low credit risk at the reporting date. However, the lifetime ECL measurement (simplified approach) always applies to trade receivables and contract assets that do not have a significant financing component.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and other short-term investments with maturities of three months or less that are easily convertible to cash and carry a low risk of significant value changes.

Financial Liabilities

Financial liabilities are classified as at amortized cost and at fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it meets the definition of a financial liability held for trading. A financial liability is classified as held for trading if it is a derivative instrument or is designated as such upon initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value, and net gains and losses, including interest expenses, are recognized in profit or loss. Other financial liabilities are measured at amortized cost, subsequent to initial recognition, using the effective interest rates of future principal and interest cash flows, less any impairment losses. Interest expenses and foreign exchange differences are recognized in profit or loss. Gains or losses arising from the derecognition of these liabilities are recognized in profit or loss.

Effects of Exchange Rate Changes

The financial position and operating results of the Group are presented in Turkish Lira (TRY), which serves as both the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements, transactions denominated in foreign currencies (currencies other than TRY) are recorded at the exchange rates prevailing on the transaction dates. Monetary assets and liabilities indexed to foreign currencies listed in the statement of financial position are translated into Turkish Lira at the exchange rates prevailing at the reporting date. Non-monetary items measured at fair value through profit or loss that are denominated in foreign currencies are translated into Turkish Lira at the exchange rates prevailing on the dates when the fair value is determined. Non-monetary items in foreign currencies measured at historical cost are not subject to retranslation.

Exchange differences are recognized in the statement of profit or loss in the period in which they arise, except for exchange differences related to qualifying assets under construction for future use. These are treated as an adjustment to interest costs on foreign currency-denominated liabilities and included in the cost of such assets.

Earnings (Loss) per Share

Earnings (loss) per share disclosed in the statement of profit or loss are calculated by dividing net profit (loss) by the weighted average number of shares outstanding during the year.

In Türkiye, companies can increase their paid-in capital by distributing 'bonus shares' to shareholders from retained earnings. Such 'bonus share' distributions are considered as issued shares in the calculation of earnings (loss) per share. Therefore, the weighted average number of shares used in these calculations is determined by accounting for the retrospective effects of the aforementioned share distributions.

For the purpose of earnings (loss) per share calculations, the weighted average number of ordinary shares outstanding during the period is adjusted for changes in shares issued due to cash-based paid-in capital increases, based on the date of the capital increase.

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries
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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Events after the Reporting Date

Subsequent events encompass all events occurring between the reporting date and the date the consolidated financial statements are authorized and approved for issuance, even if they arise after any announcement of net profit or loss for the period or the public disclosure of other selected financial information.

The Group revises the amounts recognized in the consolidated financial statements to reflect any subsequent events that require adjustment after the reporting date. Matters arising after the reporting date that do not require adjustment are disclosed in the notes based on their materiality.

Provisions, Contingent Assets, and Liabilities

Provision is recognized in the consolidated financial statements when there is a present obligation arising from a past event, it is probable that the obligation will be settled, and a reliable estimate can be made of its amount.

The provision amount is calculated as the best estimate of the expenditure needed to settle the obligation as of the balance sheet date, factoring in the risks and uncertainties associated with the obligation. When the depreciation in the value of money over time becomes significant, provisions are reflected at the discounted value of the future probable expenses as of the reporting date. Provisions are reviewed at each reporting date and adjusted as necessary to reflect management's best estimates.

Contingent Assets and Liabilities

A contingent liability is a present obligation that arises from past events and is not entirely under the control of the Group, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events, or a present obligation that arises from past events but cannot be recognized in the consolidated financial statements for the following reasons:

- (i) The likelihood of an outflow of resources embodying economic benefits to settle the obligation is not probable; or
- (ii) The amount of the liability cannot be measured with sufficient reliability.

Contingent assets are those that arise from past events and are not entirely under the control of the Group, with their existence being confirmed only by the occurrence or non-occurrence of one or more uncertain future events.

The recognition of contingent assets in the consolidated financial statements may lead to the recording of revenue that may never be realized; therefore, such assets are not included in the consolidated financial statements. However, if the receipt of revenue is virtually certain, the asset is not considered a contingent asset and is recognized in the consolidated financial statements.

Provision for Mine Site Rehabilitation

Costs of reclamation, rehabilitation, and closure of mine sites are recognized in the financial statements at cost as of the reporting date to cover the highly probable expenditures that will be incurred during the closure and rehabilitation of the mines. Changes resulting from adjustments in management estimates used to calculate the provision for reclamation, rehabilitation, and closure of mine sites are reflected in the associated costs.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Provision for Mine Site Rehabilitation (Continued)

On the other hand, the costs of reclamation, rehabilitation, and closure of mine sites are amortized based on the lower of the remaining economic lives of the related mine or the depreciation rate calculated by dividing the quantity of ore extracted from the open pit during the period by the remaining visible and probable recoverable reserves. Costs incurred for the prevention of environmental pollution and the protection of the environment within the scope of existing programs are recognized as expenses in the statement of profit or loss in the period they are incurred.

Segment Reporting of Financial Information

The Group has identified operating segments based on internal reports that are regularly reviewed by the chief operating decision-maker. The Group's decision-making authority rests with the executive board. The Group's chief operating decision-maker reviews the results and activities by product categories to make decisions regarding resource allocation to the segments and to evaluate their performance. The distribution of the Group's activities by product categories is as follows: Stone and soil-based products, ready-mixed concrete, port services, and electricity generation.

Taxes on Corporate Income

Turkish Tax Regulations do not permit a parent company and its subsidiaries to prepare a consolidated tax return. Therefore, the provisions for taxes, as reflected in the accompanying consolidated financial statements, represent the Group's calculations.

Tax expense includes current tax expense and deferred tax expense. Tax is included in the income statement, except when it relates to items recognized directly in equity. Otherwise, the tax is recognized in equity together with the related transaction.

Current Corporate Tax

Current income tax expense is calculated in accordance with the tax laws enacted at the date of the statement of financial position in the countries where the Company and its equity-accounted investees operate. According to Turkish tax regulations, corporations with their legal headquarters or principal place of business in Türkiye are subject to corporate income tax. Current year tax liability is calculated based on the taxable portion of the profit for the period. Taxable profit differs from the profit reported in the income statement as it excludes items of income or expense that can be taxed or deducted in other years, as well as items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted as of the balance sheet date.

The corporate tax rate in Türkiye is 25%. (Applied at a rate of 23% for corporate income for the 2022 taxation period.) Corporate tax is payable at a rate applicable to the net corporate income of companies, calculated after adding back certain non-deductible expenses and deducting specific exemptions and reductions provided by tax laws. Corporate tax is declared by the evening of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment by the end of that month.

Companies calculate advance tax at a rate of 25% on their quarterly financial profits, declare it by the 17th day of the second month following the relevant period, and pay it by the evening of the 17th day. Advance tax paid during the year is credited against the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If, despite the offset, there remains an amount of advance tax paid, this amount may be refunded in cash or applied against any other financial obligation owed to the government.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Current Corporate Tax (Continued)

According to the Turkish Corporate Tax Law, financial losses reported on the corporate tax return may be deducted from the corporate tax base for the period, provided they do not exceed five years. Tax returns and related accounting records may be examined by the tax office within five years.

Dividend payments made to companies resident in Türkiye, excluding those exempt from and not liable for corporate and income tax, as well as dividend payments made to resident and non-resident individuals and non-resident legal entities, are subject to a 10% income tax in accordance with Turkish law.

Dividend payments made by companies resident in Türkiye to joint stock companies also resident in Türkiye are not subject to income tax. In addition, no income tax is calculated if the profit is not distributed or is added to capital.

Provisions for taxes as of December 31, 2023, and December 31, 2022, have been made in accordance with the applicable tax regulations in effect.

75% of the gains arising from the sale of subsidiary shares, founders' shares, redeemable shares, and preemptive rights held in the Group's assets for more than two years, as well as 25% of the gains from the sale of real estate held in the assets for the same duration, are exempt from tax under the provisions of the Corporate Tax Law, provided they are either added to capital or maintained in a special fund account in liabilities for 5 years.

Deferred Tax

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the carrying amounts of assets and liabilities presented in the consolidated financial statements and the amounts considered in the calculation of the taxable profit, in accordance with the balance sheet method, taking into account the enacted tax rates. Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are recognized only to the extent that it is highly probable that future taxable profit will be available against which these deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (excluding business combinations) of other assets and liabilities in a transaction that does not affect either taxable profit or accounting profit.

In the deferred tax calculation, a tax rate of 25% is applied to temporary differences expected to be realized or settled in 2023 and beyond.

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries, affiliates, and interests in joint ventures, except in cases where the Company can control the reversal of the temporary difference and it is unlikely that the temporary difference will reverse in the foreseeable future. Deferred tax assets arising from taxable temporary differences associated with such investments and interests are recognized on the condition that it is highly probable to benefit from these differences by generating sufficient taxable profit in the foreseeable future and that it is probable that the related differences will reverse in the future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The carrying amount of deferred tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to enable the recovery of all or part of the asset.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Deferred Tax (Continued)

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period when the liability is settled or the asset is realized, based on tax rates (and applicable tax regulations) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax assets and liabilities reflects the tax implications that would arise from the methods the Company expects to use, as of the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, when they relate to income taxes imposed by the same tax authority, and when the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax income or expense is recognized in profit or loss for the period, except to the extent that it relates to items recognized directly in equity. If deferred tax arises from a transaction recognized in equity, it is recorded under the corresponding equity item.

Deferred tax liabilities are calculated for all taxable temporary differences, while deferred tax assets comprising deductible temporary differences are recognized in the financial statements only to the extent that it is highly probable that future taxable profits will be generated, allowing for the utilization of these differences. If there are sufficient taxable temporary differences and they are expected to reverse in the period in which the tax loss carryforward arises, it is considered probable that sufficient taxable profit will be available to utilize the deductible temporary differences, and the related tax assets are recognized in the period in which the deductible temporary difference arises.

Deferred tax assets and deferred tax liabilities are offset against each other, provided that there is a legally enforceable right to offset current tax assets against current tax liabilities and that both are subject to the tax regulations of the same country. Deferred tax assets and liabilities are classified as long-term (i.e., non-current) in the financial statements.

Employee Benefits

Long-term provisions for employee benefits recognized in the consolidated financial statements consist of provisions for severance pay, liabilities for employee termination incentive bonuses, and accrued vacation pay liabilities.

Under applicable Turkish laws and regulations, as well as the provisions of collective bargaining agreements, severance pay is provided to employees in the event of retirement or involuntary termination of employment by the Group. In accordance with TMS 19 Employee Benefits, such payments are classified as defined benefit plans for retirement purposes. The Group has calculated the provision for severance pay in the consolidated financial statements using the 'Projected Unit Credit Method,' based on its historical experience regarding employees completing their service and becoming eligible for severance pay (i.e., employment termination benefits). The discounted amount has been recognized as of the balance sheet date.

The Group makes various assumptions in the calculation of provisions for employee benefits, including the discount rate, inflation rate, real salary increase rate, and the probability of voluntary termination by the employee. Actuarial gains and losses arising from the measurement of provisions for severance pay and liabilities for employee termination incentive plans, classified as defined benefit plans in accordance with TMS 19, are recognized in other comprehensive income.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Employee Benefits (Continued)

Liabilities arising from entitlements to unused paid absences, classified as long-term employee benefit provisions, are accrued and recognized in the periods in which the entitlement is earned.

Capital and Dividends

Ordinary shares are classified as equity. Dividends on ordinary shares are recognized as a deduction from retained earnings in the period in which the dividend is declared.

Share Premiums (Discounts)

Share premiums represent the difference arising from the sale of shares in subsidiaries or affiliates held by the Group at a price higher than their nominal value, as well as the difference between the nominal value and the fair value of shares issued by the Group in connection with acquired companies. Amounts arising on the disposal of the Group's repurchased (treasury) shares are recognized in this account.

Repurchased (Treasury) Shares

In the event that the Group repurchases its own shares, the cost of these shares, including any amount exceeding their nominal value, is deducted from equity and presented as 'treasury shares' (repurchased shares). Profits or losses arising from transactions involving the Group's treasury shares are also recognized in equity. If shares are acquired by other entities within the scope of consolidation, the acquired shares are presented as a 'Adjustments to share capital of cross shareholding' in accordance with TMS 32.

Cash flow statement

In the cash flow statement, cash flows for the period are categorized and reported according to operating, investing, and financing activities. Cash flows from operating (core) activities reflect the cash flows associated with the Group's primary business operations. Cash flows from investing activities reflect the cash used in and generated from the Group's investing activities, including property, plant, equipment, intangible assets, and financial investments. Cash flows from financing activities represent the resources obtained and repaid by the Group in connection with its financing activities.

Netting

Financial assets and liabilities are offset and presented on a net basis in the statement of financial position when there is a legally enforceable right to offset the recognized amounts, and when there is an intent to either settle on a net basis or to realize the asset and settle the liability simultaneously.

2.6 Material Accounting Judgments, Estimates, and Assumptions

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated statements of financial position, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimates. Estimates are reviewed regularly, adjusted as necessary, and recognized in the statement of comprehensive income in the period in which they are realized. However, actual results may differ from these estimates.

The assumptions below are based on estimates that existed at the date of the consolidated statements of financial position or that may be realized in the future, along with disclosures that may have a material effect on the amounts reflected in the consolidated financial statements:

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Deferred Tax

The Group recognizes deferred tax assets and liabilities based on temporary differences arising between its statutory financial statements, adjusted for the purchasing power of the Turkish Lira (TRY) as of December 31, 2023, and its TFRS financial statements prepared in accordance with TMS 29.

Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are recognized only to the extent that it is highly probable that future taxable profit will be available against which these deductible temporary differences can be utilized.

Deferred tax assets and liabilities are measured using the tax rates expected to apply in the period when the liability is settled or the asset is realized, based on tax rates (and regulations) that have been enacted by the balance sheet date. In measuring deferred tax assets and liabilities, the Group considers the tax implications of the methods it estimates it will use to recover the carrying amounts of its assets or settle its liabilities as of the balance sheet date.

The Group recognizes deferred tax assets and liabilities based on tax losses carried forward that may be deducted from future profits, tax assets arising from cash capital increases, and other deductible temporary differences. The partially or fully recoverable amount of deferred tax assets has been estimated based on current conditions. During the assessment, the 5-year projection prepared by the Company management for the foreseeable future and the timing of the recovery of taxable temporary differences were taken into account. If the Company has taxable temporary differences related to the same tax authority that are expected to reverse in the same period as the deductible temporary differences, or in the period when it is probable that the tax loss carryforward of the deferred tax asset will reverse, deferred tax assets are recognized in the period in which the deductible temporary differences arise (Note 25).

Fair Value of Property, Plant, and Equipment (Land and Land Improvements) Based on Revaluation Method

The Group recognizes land and land improvements, as well as machinery and equipment, under property, plant, and equipment using the revaluation model, updated based on their fair values in accordance with TMS 16. The Group collaborates with independent valuation companies authorized by the Capital Markets Board of Türkiye to determine the fair value of these assets. The revaluation activities for land and land improvements, as well as machinery and equipment asset groups, were conducted as of December 31, 2023. The real fair value increases and decreases, adjusted for the effect of inflation in accordance with the provisions of TMS 29, have been recognized in the other comprehensive income (expense) accounts in the accompanying consolidated financial statements. In determining the fair values of property, plant, and equipment, assessments have been made considering the current condition of the related assets, market conditions, and the most efficient use of the assets, employing both the market comparison method and the cost method (Notes 12 and 29).

Estimated Useful Lives of Tangible and Intangible Assets

The Group management estimates and regularly reviews the useful economic lives of depreciable assets, as described in Note 2.5, at the date of initial recognition. The Group determines the useful life of an asset by taking into account the estimated benefits of that asset. This assessment is based on the Group's experience with similar assets. When determining the useful life of an asset, the Group also considers the possibility that the asset may become technically and/or commercially obsolete due to changes or developments in the market.

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2. PRINCIPLES OF PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of Material Accounting Policies (Continued)

Provision for Mine Site Rehabilitation

The Group recognizes a provision for mine site rehabilitation in relation to the rehabilitation of lands disturbed by stone and soil-based mining activities. In calculating the provision, assumptions are made based on the opinions of technical personnel. As a result of these efforts, disclosures related to the provisions for mine site rehabilitation are included in Note 14. Provisions for mine site rehabilitation are reassessed at each reporting date based on the activities carried out at the sites and any additional costs anticipated to be incurred. The expense recognized during the period when the provision is updated is recorded in the cost of sales as the cost of rehabilitation.

Provisions for Employee Benefits

The severance pay and employee termination incentive bonus liabilities are determined through actuarial calculations based on several assumptions, including discount rates, future salary increases, and employee turnover rates. Due to the long-term nature of these plans, these assumptions involve significant uncertainties. Details regarding the provisions for employee benefits are included in Note 15.

3. SEGMENT REPORTING

The Group has identified operating segments based on internal reports that are regularly reviewed by the chief operating decision-maker. The Group's decision-making authority rests with the executive board. The majority of the Group's international sales are composed of sales to various geographical regions. Details of revenue are presented in Note 18, categorized as domestic and international sales.

The Group's business activities are managed and organized based on the content of the products it offers. The distribution of the Group's activities is as follows: Stone and soil-based products, ready-mixed concrete, port services, and electricity generation.

As of December 31, 2023, and December 31, 2022, segment assets, liabilities, capital expenditures, depreciation and amortization, as well as interest income and expenses are as follows:

December 31, 2023	Stone and Soil-based Products	Ready-Mixed Concrete	Port Services	Electricity Generation	Total
Total Assets	14,011,318	1,861,652	3,042,031	1,129,466	20,044,467
Total Liabilities	(6,033,479)	(1,014,760)	(583,308)	(148,592)	(7,780,139)
Current period capital expenditures	133,352	13,248	304,105	80	450,785
Current period depreciation and amortization expenses	560,767	61,488	37,896	27,985	688,136
Interest income	12,052	1,809	30,949	4,921	49,731
Financing expenses	2,732,199	44,047	34,928	35,377	2,846,551

December 31, 2022	Stone and Soil-based Products	Ready-Mixed Concrete	Port Services	Electricity Generation	Total
Total Assets	12,513,283	1,362,699	2,372,091	1,467,012	17,715,085
Total Liabilities	(7,697,046)	(719,985)	(545,337)	(645,546)	(9,607,914)
Current period capital expenditures	243,165	6,809	605	11,646	262,225
Current period depreciation and amortization expenses	477,855	34,017	30,747	34,070	576,689
Interest income	5,449	8,051	585	6,630	20,715
Financing expenses	2,165,665	18,525	19,719	135,378	2,339,287

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3. SEGMENT REPORTING (CONTINUED)

Segment results for the fiscal year ended December 31, 2023 are as follows:

January 1 – December 31, 2023	Stone and Soil-based Products	Ready-Mixed Concrete	Port Services	Electricity Generation	Total
Revenue	6,189,662	2,678,955	709,291	1,919,605	11,497,513
Cost of sales (-)	(4,969,487)	(2,692,369)	(287,307)	(1,906,965)	(9,856,128)
Gross profit	1,220,175	(13,414)	421,984	12,640	1,641,385
General administrative expenses (-)	(262,693)	(25,383)	(9,081)	(13,835)	(310,992)
Marketing expenses (-)	(309,252)	(37,338)	-	(5,994)	(352,584)
Other income from operating activities	357,443	156,300	15,158	18,187	547,088
Other expenses from operating activities (-)	(626,304)	(148,141)	(25,211)	(15,815)	(815,471)
Operating profit / (loss)	379,369	(67,976)	402,850	(4,817)	709,426
Income from investing activities	20,001	457	29,628	-	50,086
Expenses from investing activities	-	-	-	(63,327)	(63,327)
Financing income (expenses), net	(2,607,967)	(41,524)	(33,378)	(72,262)	(2,755,131)
Net monetary gain / (loss)	2,779,309	86,622	(10,263)	(42,021)	2,813,647
Profit / (loss) before tax	570,712	(22,421)	388,837	(182,427)	754,701

Segment results for the fiscal year ended December 31, 2022 are as follows:

January 1 – December 31, 2022	Stone and Soil-based Products	Ready-Mixed Concrete	Port Services	Electricity Generation	Total
Revenue	5,859,053	1,822,958	739,151	2,920,561	11,341,723
Cost of sales (-)	(5,442,101)	(1,849,935)	(341,683)	(2,742,456)	(10,376,175)
Gross profit	416,952	(26,977)	397,468	178,105	965,548
General administrative expenses (-)	(167,924)	(36,199)	(9,501)	(10,698)	(224,322)
Marketing expenses (-)	(265,200)	(14,423)	-	(4,391)	(284,014)
Other income from operating activities	254,380	76,661	18,961	1,116	351,118
Other expenses from operating activities (-)	(404,177)	(77,168)	(65,189)	(2,424)	(548,958)
Operating profit / (loss)	(165,969)	(78,106)	341,739	161,708	259,372
Income from investing activities	6,301	3,044	8,710	2,660	20,715
Expenses from investing activities	299,887	-	-	-	299,887
Financing income (expenses), net	(2,167,255)	9,832	(16,688)	(109,801)	(2,283,912)
Net monetary gain / (loss)	3,001,883	44,713	(32,800)	147,729	3,161,525
Profit / (loss) before tax	375,073	(20,517)	300,961	202,296	857,813

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4. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash	42	79
Cash at bank		
- Demand deposits	29,305	101,757
- Time deposits	282,110	110,490
	311,457	212,326

The details of the time deposits as of December 31, 2023, and December 31, 2022, are as follows:

December 31, 2023				
Currency	Weighted average interest rate	Maturity date	Original currency amount	TRY equivalent
TRY	33.36%	January 2024	282,110	282,110
Total				282,110

December 31, 2022				
Currency	Weighted average interest rate	Maturity date	Original currency amount	TRY equivalent
TRY	9.34%	January 2023	110,490	110,490
Total				110,490

5. FINANCIAL INVESTMENTS

	December 31,	December 31,
Other financial assets	10	16
	10	16

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6. FINANCIAL BORROWINGS

	December 31, 2023	December 31, 2022
Short-term bank loans	372,586	1,065,357
Current portion of long-term lease liabilities	20,025	4,315
Current portion of long-term bank loans	771,753	311,558
Long-term bank loans	3,309,816	3,834,913
Long-term lease liabilities	59,474	14,798
Letter of credit borrowings	227,365	-
Factoring borrowings	-	168,017
	4,761,019	5,398,958

December 31, 2023				
Currency	Interest type	Interest rate	Original foreign currency amount	TRY equivalent
Short-term borrowings				
US Dollar	Fixed	8.75% - 11.5%	8,535	251,713
US Dollar	Floating	6M LIBOR + 5.5%	4,099	120,873
Current portion of long-term bank loans				
US Dollar	Floating	6M LIBOR + 5.75%	5,627	165,970
US Dollar	Floating	6M LIBOR + 7.5%	18,350	541,152
US Dollar	Fixed	8.75% - 11.5%	280	8,256
US Dollar	Floating	6M LIBOR + 5.5%	803	23,688
Turkish Lira	Fixed	13.80% - 29.5%	32,687	32,687
Long-term borrowings				
US Dollar	Floating	6M LIBOR + 5.75%	8,300	244,778
US Dollar	Floating	6M LIBOR + 7.5%	101,026	2,979,408
US Dollar	Floating	6M LIBOR + 5.5%	750	22,118
US Dollar	Fixed	8.75% - 11.5%	1,756	51,777
Turkish Lira	Fixed	13.80% - 29.5%	11,735	11,735
Borrowings related to letter of credit transactions				
US Dollar	Floating	12M LIBOR + 5.75%	7,710	227,365
				4,681,520

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6. FINANCIAL BORROWINGS (CONTINUED)

December 31, 2022				
Currency	Interest type	Interest rate	Original foreign currency amount	TRY equivalent
Short-term borrowings				
US Dollar	Floating	3M LIBOR + 4.5%	2,533	78,167
US Dollar	Floating	3M LIBOR + 6.5%	2,529	78,045
US Dollar	Floating	3M LIBOR + 7.25%	892	27,519
US Dollar	Floating	3M LIBOR + 6.35%	1,043	32,195
US Dollar	Fixed	2.9% - 3.0%	4,500	138,894
Turkish Lira	Fixed	9.0% - 29.5%	710,537	710,537
Current portion of long-term bank loans				
US Dollar	Floating	6M LIBOR + 7.5%	7,384	227,920
US Dollar	Floating	3M LIBOR + 6.95%	941	29,044
Turkish Lira	Fixed	13.8% - 29.5%	54,594	54,594
Long-term borrowings				
US Dollar	Floating	6M LIBOR + 7.5%	114,774	3,542,541
US Dollar	Floating	3M LIBOR + 6.95%	4,233	130,653
US Dollar	Fixed	8.75%	2,665	82,253
Turkish Lira	Fixed	13.8%-29.5%	79,466	79,466
Borrowings related to factoring transactions				
Turkish Lira	Fixed	23.5%-39.0%	168,017	168,017
				5,379,845

The details of the repayment schedule of long-term bank loans principal as of December 31, 2023, and December 31, 2022, are as follows:

	December 31, 2023	December 31, 2022
1-2 years	559,382	503,910
2-3 years	430,427	522,085
3-4 years	430,427	498,476
4-5 years	430,427	452,000
over 5 years	1,459,153	1,858,442
	3,309,816	3,834,913

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6. FINANCIAL BORROWINGS (CONTINUED)

The movements of financial borrowings for the years ended December 31, 2023, and December 31, 2022 are as follows:

	2023	2022
Opening, January 1	5,398,958	6,670,331
In-period inflows	1,431,807	5,901,237
Principal repayments	(1,643,922)	(5,891,903)
Interest payment	(387,684)	(378,710)
Effects of foreign exchange losses and interest accruals	2,444,432	1,873,758
Monetary loss / (gain)	(2,482,572)	(2,775,755)
Closing, December 31	4,761,019	5,398,958

7. RELATED PARTY DISCLOSURES

a) Trade receivables from related parties

	December 31, 2023	December 31, 2022
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	2,401	3,740
	2,401	3,740

b) Other receivables from related parties

	December 31, 2023	December 31, 2022
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1) (*)	798,838	-
	798,838	-

(*) The shares of Batiçim Batı Anadolu Çimento Sanayii A.Ş. held by the Company's subsidiary, Batıliman Liman İşletmeleri A.Ş., were sold to Çiftay İnşaat Taahhüt ve Ticaret A.Ş. on December 4, 2023, for TRY 977,876. The maturity date for the related amount is June 30, 2024, and a rediscount of TRY 208,665 has been applied on the transaction date based on the interest rate applicable to intra-group borrowings. As of the transaction date, nominal interest is calculated on the receivable at the same interest rate, and the amount of nominal interest recognized in the statement of profit or loss as of the balance sheet date is TRY 29,628.

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7. RELATED PARTY DISCLOSURES (CONTINUED)

c) Transactions with related parties

January 1 – December 31, 2023			
	Purchases of goods or services	Sales of goods or services	Other income (expense)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	551	100,961	29,628
	551	100,961	29,628

January 1 – December 31, 2022			
	Purchases of goods or services	Sales of goods or services	Other income (expense)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	(279)	6,972	-
	(279)	6,972	-

(1) Shareholder

d) Benefits provided to key management personnel

The benefits provided to key management personnel during the period are as follows:

	January 1 – December 31, 2023	January 1 – December 31, 2022
Wages, bonuses, social welfare benefits	9,569	9,640
Employee termination incentive bonus, other benefits, and payments	3,525	60
	13,094	9,700

8. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

	December 31, 2023	December 31, 2022
Trade receivables	1,124,488	819,381
Notes receivable	582,747	425,612
Allowance for doubtful trade receivables (-)	(3,896)	(2,884)
	1,703,339	1,242,109

The average maturity of trade receivables is approximately 1-2 months (December 31, 2022: 1-2 months).

As of December 31, 2023, the Group has trade receivables amounting to TRY 80,813 that are past due by 30-60 days but have not suffered impairment (December 31, 2022: TRY 5,953).

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8. TRADE RECEIVABLES AND PAYABLES (CONTINUED)

As of December 31, 2023, an allowance for doubtful trade receivables has been made for an amount of TRY 3,896 (December 31, 2022: TRY 2,884). The allowance for doubtful trade receivables has been determined based on historical experience of non-collection.

The movements of the allowance for doubtful trade receivables as of December 31, 2023, and December 31, 2022, are as follows:

	2023	2022
Opening balance	2,884	4,829
Current period provision expense / (reversal)	2,744	(66)
Monetary loss / (gain)	(1,732)	(1,879)
Closing balance	3,896	2,884

Collaterals received and credit risk disclosures regarding the Group's trade receivables are presented in Note 14 and Note 28, respectively.

b) Trade payables:

	December 31, 2023	December 31, 2022
Trade payables	1,697,216	2,021,386
	1,697,216	2,021,386

As of December 31, 2023, the Group has opened letters of credit with banks totaling TRY 118,463, corresponding to USD 3,132 and EUR 973, as collateral for raw material purchases under trade payables (December 31, 2022: USD 8,291 and EUR 1,771, totaling TRY 310,003).

The average maturity of trade payables is 1-2 months. (December 31, 2022: 1-2 months).

9. OTHER TRADE RECEIVABLES AND PAYABLES

a) Other short-term receivables		
	December 31, 2023	December 31, 2022
Other receivables	23,357	4,189
	23,357	4,189

b) Other long-term receivables		
	December 31, 2023	December 31, 2022
Deposits and guarantees given	15,378	24,110
	15,378	24,110

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9. OTHER TRADE RECEIVABLES AND PAYABLES (CONTINUED)

c) Other short-term payables	December 31, 2023	December 31, 2022
Taxes and funds payable	24,421	15,223
Deposits and guarantees received	228	313
	24,649	15,536

10. INVENTORIES

	December 31, 2023	December 31, 2022
Raw materials and supplies	166,938	211,220
Semi-finished products	363,154	581,282
Finished goods	9,014	68,843
Other inventories	620,751	605,216
	1,159,857	1,466,561
Provision for impairment of inventory (-)	-	(30,131)
	1,159,857	1,436,430

Other inventories consist of auxiliary materials, operating supplies, and spare parts that can be utilized in production.

There is insurance coverage on inventories amounting to USD 9,534, which is approximately TRY 280,649 (December 31, 2022: USD 6,580, which is approximately TRY 202,728).

The movements of the provision for inventory impairment are as follows:

	2023	2022
January 1	(30,131)	-
Provisions (booked)/reversed during the period	30,131	(30,131)
December 31	-	(30,131)

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11. PREPAID EXPENSES AND DEFERRED REVENUES

a) Short-term prepaid expenses

	December 31, 2023	December 31, 2022
Order advances given for inventory purchases	98,674	124,265
Expenses for the coming months	5,342	5,177
Personnel advances	198	9
	104,214	129,451

b) Long-term prepaid expenses

	December 31, 2023	December 31, 2022
Expenses for future years	10,723	33,641
Order advances given for the purchase of fixed assets	2,791	14,521
	13,514	48,162

c) Deferred revenues

	December 31, 2023	December 31, 2022
Order advances received	178,274	167,093
Income for the coming months	-	179
	178,274	167,272

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12. TANGIBLE FIXED ASSETS

	January 1, 2023	Additions	Disposals	Transfers	Revaluation n effect	December 31, 2023
Cost:						
Land and land improvements	5,480,832	-	-	-	755,483	6,236,315
Subsurface and surface installations	1,284,737	2,681	-	1,472	-	1,288,890
Buildings	4,371,952	3,612	-	-	-	4,375,564
Machinery, plant, and equipment	4,042,358	6,354	(3,463)	123,297	11,421	4,179,967
Vehicles	34,713	20,239	(3,531)	-	-	51,421
Fixtures and fittings (*)	1,016,828	17,313	(7,332)	78,574	-	1,105,383
Mining assets	20,967	-	-	-	-	20,967
Special costs	282,531	-	(4,659)	-	-	277,872
Ongoing investments	162,775	400,201	-	(124,769)	-	438,207
	16,697,693	450,400	(18,985)	78,574	766,904	17,974,586
Accumulated depreciation:						
Subsurface and surface installations	(917,937)	(39,169)	-	-	-	(957,106)
Buildings	(1,316,301)	(94,428)	-	-	-	(1,410,729)
Machinery, plant, and equipment	(437,068)	(352,517)	674	-	785,207	(3,704)
Vehicles	(29,507)	(2,732)	3,527	-	-	(28,712)
Fixtures and fittings	(809,695)	(99,679)	1,161	-	-	(908,213)
Mining assets	(20,967)	-	-	-	-	(20,967)
Special costs	(79,595)	(10,176)	866	-	-	(88,905)
	(3,611,070)	(598,701)	6,228	-	785,207	(3,418,336)
Net book value	13,086,623				1,552,111	14,556,250

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12. TANGIBLE FIXED ASSETS (CONTINUED)

	January 1, 2022	Additions	Transfers	Disposals	Revaluation effect	December 31, 2022
Cost:						
Land and land improvements	5,908,278	-	(427,446)	-	-	5,480,832
Subsurface and surface installations	1,281,169	415	-	3,153	-	1,284,737
Buildings	4,371,405	300	-	247	-	4,371,952
Machinery, plant, and equipment	8,893,663	21,680	(385)	3,648	(4,876,248)	4,042,358
Vehicles	33,232	1,481	-	-	-	34,713
Fixtures and fittings (*)	847,835	114,644	(5,290)	59,639	-	1,016,828
Mining assets	20,967	-	-	-	-	20,967
Special costs	282,531	-	-	-	-	282,531
Ongoing investments	52,458	123,677	(6,312)	(7,048)	-	162,775
	21,691,538	262,197	(439,433)	59,639	(4,876,248)	16,697,693
Accumulated depreciation:						
Subsurface and surface installations	(878,844)	(39,093)	-	-	-	(917,937)
Buildings	(1,221,730)	(94,571)	-	-	-	(1,316,301)
Machinery, plant, and equipment	(5,531,427)	(306,234)	16	-	5,400,577	(437,068)
Vehicles	(28,193)	(1,314)	-	-	-	(29,507)
Fixtures and fittings	(739,535)	(75,395)	5,235	-	-	(809,695)
Mining assets	(20,967)	-	-	-	-	(20,967)
Special costs	(67,879)	(11,716)	-	-	-	(79,595)
	(8,488,575)	(528,323)	5,251	-	5,400,577	(3,611,070)
Net book value	13,202,963				524,329	13,086,623

(*) Consists of firebricks reclassified from inventories to property, plant, and equipment during the period.

There are no borrowing costs capitalized in the current period for ongoing investments as of December 31, 2023 (December 31, 2022: none).

As of December 31, 2023, the Group has recognized land and land improvements, along with machinery and equipment, measured in accordance with the TMS 16 revaluation model within property, plant, and equipment, while considering the current valuation reports prepared by a valuation company licensed by the CMB.

As of December 31, 2023, the Group has a first-degree mortgage of USD 400 million and a second-degree mortgage of TRY 2.6 billion on its property, plant, and equipment (as of December 31, 2022, there is a first-degree mortgage of USD 400 million and a second-degree mortgage of TRY 2.6 billion). Details of additional guarantees, liens, and mortgages provided under the refinancing agreement signed by the Group on February 28, 2022, are disclosed in Note 14.

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12. TANGIBLE FIXED ASSETS (CONTINUED)

There is insurance coverage on tangible fixed assets amounting to USD 166,825, which is approximately TRY 4,911,028. (December 31, 2022: USD 148,954, which is approximately TRY 4,589,222)

The distribution of depreciation and amortization is as follows:

	January 1 – December 31, 2023	January 1 – December 31, 2022
Tangible fixed assets	598,701	528,323
Intangible assets (Note 13)	28,827	36,070
Right-of-use assets (Note 13)	60,608	12,296
	688,136	576,689

	January 1 – December 31, 2023	January 1 – December 31, 2022
Cost of sales	646,333	555,221
Sales and marketing expenses	6,309	899
General administrative expenses	35,494	20,569
	688,136	576,689

13. INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS

a) Other intangible assets

	January 1, 2023	Additions	December 31, 2023
Cost:			
Rights	278,448	384	278,832
Assets subject to depletion	8,971	-	8,971
	287,419	384	287,803
Accumulated amortization:			
Rights	(178,649)	(6,435)	(185,084)
Assets subject to depletion	(8,971)	-	(8,971)
	(187,620)	(6,435)	(194,055)
Net book value	99,799		93,748

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13. INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (CONTINUED)

a) Other intangible assets (continued)

	January 1, 2022	Additions	December 31, 2022
Cost:			
Rights	278,420	28	278,448
Assets subject to depletion	8,971	-	8,971
	287,391	28	287,419
Accumulated amortization:			
Rights	(172,175)	(6,474)	(178,649)
Assets subject to depletion	(8,971)	-	(8,971)
	(181,146)	(6,474)	(187,620)
Net book value	106,245		99,799

The 'Port Operation License,' included in the rights and with a cost value of TRY 171,387, has a useful life of 49 years and is being amortized over the remaining useful life of 35 years from the date of transfer to the Group. The license expires in 2041.

b) Intangible fixed assets related to concessions

The movements of intangible assets related to concessions and their accumulated amortization for the years ended December 31, 2023, and December 31, 2022, are as follows:

	January 1, 2023	Additions	Disposals (*)	December 31, 2023
Cost:				
Intangible fixed assets related to concessions	1,450,191	-	(470,654)	979,537
	1,450,191	-	(470,654)	979,537
Accumulated amortization:				
Intangible fixed assets related to concessions	(316,013)	(22,392)	96,852	(241,553)
	(316,013)	(22,392)	96,852	(241,553)
Net book value	1,134,178			737,984

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13. INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (CONTINUED)

	January 1, 2022	Additions	Disposals	December 31, 2022
Cost:				
Intangible fixed assets related to concessions	1,450,191	-	-	1,450,191
	1,450,191	-	-	1,450,191
Accumulated amortization:				
Intangible fixed assets related to concessions	(286,418)	(29,596)	-	(316,014)
	(286,418)	(29,596)	-	(316,014)
Net book value	1,163,773			1,134,177

(*) The operating right of the Hasanlar Hydroelectric Power Plant was transferred to Sim Yenilenebilir Enerji Üretim A.Ş. on April 6, 2023, for a consideration of TRY 188,665.

The Group's subsidiary Batıçım Enerji signed an Operating Rights Transfer Agreement ("Agreement") with the Privatization Administration of Türkiye and Elektrik Üretim A.Ş. ("EÜAŞ") on December 7, 2011, for Group 4: Kovada I and Kovada II Hydroelectric Power Plants; and on March 1, 2013, for Group 7: Hasanlar Hydroelectric Power Plant. According to these agreements, Batıçım Enerji has acquired the right to operate the power plants for 49 years and is responsible for transferring them to EÜAŞ at the end of this period in a complete and operational condition. During the contractual term, Batıçım Enerji is obliged to carry out all necessary maintenance, repair, and improvement works to ensure the availability and efficiency of the power plants for production activities at its sole expense. Batıçım Energy is solely responsible for any damage and loss that may occur in the power plants. Intangible assets related to concession agreements are amortized over the term of the related agreement.

c) Right-of-use Assets

	January 1, 2023	Additions	December 31, 2023
Cost:			
Vehicles	24,669	47,748	72,417
Land and buildings	34,420	126,417	160,837
	59,089	174,165	233,254
Accumulated depreciation:			
Vehicles	(17,133)	(28,073)	(45,206)
Land and buildings	(11,489)	(32,535)	(44,024)
	(28,622)	(60,608)	(89,230)
Net book value	30,467		144,024

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13. INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS (CONTINUED)

c) Right-of-use assets (continued)

	January 1, 2022	Additions	Disposals	December 31, 2022
Cost:				
Vehicles	36,102	149	(11,582)	24,669
Land, plots, and buildings	8,549	26,896	(1,025)	34,420
	44,651	27,045	(12,607)	59,089
Accumulated depreciation:				
Vehicles	(18,689)	(8,196)	9,752	(17,133)
Land, plots, and buildings	(8,413)	(4,100)	1,024	(11,489)
	(27,102)	(12,296)	10,776	(28,622)
Net book value	17,549			30,467

14. PROVISIONS, CONTINGENT ASSETS, AND LIABILITIES

a) Short-term provisions

	December 31, 2023	December 31, 2022
Provision for litigation and penalties	2,650	30,270
Other provisions	4,958	5,461
	7,608	35,731

b) Long-term provisions

The details of the provision for mine site rehabilitation for the years ended December 31, 2023, and December 31, 2022, are as follows:

	December 31, 2023	December 31, 2022
Provision for mine site rehabilitation	48,739	44,296
	48,739	44,296

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14. PROVISIONS, CONTINGENT ASSETS, AND LIABILITIES (CONTINUED)

The movements of the provision for mine site rehabilitation for the years ended December 31, 2023, and December 31, 2022, are as follows:

	2023	2022
January 1	44,296	44,190
Current period expense, net	27,945	20,596
Monetary loss / (gain)	(23,502)	(20,490)
December 31	48,739	44,296

This amount is the provision for expenses related to the mine site rehabilitation aimed at rehabilitation of sites disturbed by stone and soil-based mining activities. The expense for the related period is included in the cost of sales as a rehabilitation cost.

Guarantees, liens, and mortgages

The details of the guarantees and collaterals provided by the Group as of December 31, 2023, and December 31, 2022, are as follows:

	December 31, 2023	December 31, 2022
A. Total amount of guarantees, liens, and mortgages (GLM) provided in its own corporate name (*)	12,805,698	13,895,683
B. Total amount of guarantees, liens, and mortgages provided in favor of subsidiaries included in the scope of full consolidation (**)	315,036	6,752,416
C. Total amount of guarantees, liens, and mortgages provided to secure the liabilities of third parties for the purpose of conducting ordinary commercial activities	-	-
D. Total amount of other guarantees, liens, and mortgages given		
i. Total amount of guarantees, liens, and mortgages provided in favor of the parent company	-	-
ii. Total amount of guarantees, liens, and mortgages provided in favor of other group companies not included in items B and C.	-	-
iii. Total amount of guarantees, liens, and mortgages provided in favor of third parties not included in item C	-	-
Total amount of GLMs provided	13,120,734	20,648,099
Ratio of other GLMs to total equity	0%	0%

(*) Within the scope of the 'Refinancing Agreement' signed with the consortium banks (Emlak Katılım, Halk Bankası, İş Bankası, TSKB, Vakıf Katılım, Vakıfbank, Ziraat Bankası, Ziraat Katılım), a first-degree mortgage of USD 400 million and a second-degree mortgage of TRY 2.6 billion have been established on the immovable properties of Batiçim and Batisöke as 'Borrowers,' and a commercial movable lien of the same amount has been placed on their movable assets, with Batiliman and Batibeton acting as 'Guarantors.'

(**) The Group has provided intragroup guarantees amounting to TRY 315,036 in relation to general loan agreements.

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14. PROVISIONS, CONTINGENT ASSETS, AND LIABILITIES (CONTINUED)

The details of the guarantees and collaterals provided by the Group as of December 31, 2023, and December 31, 2022, are as follows:

	December 31, 2023	December 31, 2022
Mortgages, liens, and pledges given	11,796,520	12,323,893
Guarantee letters issued	890,715	1,261,787
Letter of credits issued	118,463	310,003
Total	12,805,698	13,895,683

The details of the bank letters of guarantee issued by the Group to various financial and non-financial institutions are as follows:

	December 31, 2023	December 31, 2022
Guarantee letters issued in relation to the Eximbank loan	773,210	1,037,415
Guarantee letters issued to suppliers	74,271	119,955
Guarantee letters issued to public institutions	28,722	45,596
Guarantee letters issued to tax offices	11,772	56,400
Guarantee letters issued to the execution office	2,740	2,421
Total	890,715	1,261,787

Guarantees received

The details of the guarantees received by the Group as of December 31, 2023, and December 31, 2022, are as follows:

a) Liabilities for employee benefits

	December 31, 2023	December 31, 2022
Guarantees received (*)	768,775	714,651
	768,775	714,651

(*) Consists of bank letters of guarantee received from customers.

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15. EMPLOYEE BENEFITS

a) Liabilities for employee benefits

	December 31, 2023	December 31, 2022
Social security premiums payable	29,976	24,126
Wages payable to employees	17,333	12,230
	47,309	36,356

b) Long-term provisions for employee benefits

	December 31, 2023	December 31, 2022
Provision for severance pay	61,899	142,423
Provision for employee termination incentive bonus	79,279	55,189
Provision for unused paid absences	12,562	14,376
	153,740	211,988

Provision for severance pay:

Under the Turkish Labor Law, the Group is required to pay severance pay to each employee who has completed at least one year of service, whose employment is terminated without just cause, is called up for military service, dies, or retires after completing 25 years of service and reaching the retirement age (58 for women and 60 for men).

As of December 31, 2023, the payable severance pay is subject to a monthly ceiling of TRY 23,489.83 (December 31, 2022: TRY 15,371.40). As of January 1, 2023, the severance pay ceiling was updated to TRY 35,058.58.

The severance pay obligation is not legally subject to any funding. The provision for severance pay is calculated by estimating the present value of the Group's future probable obligations arising from the retirement of employees. TMS 19 Employee Benefits stipulates that actuarial valuation methods should be used to estimate the Group's obligations under defined benefit plans. Accordingly, the actuarial assumptions utilized in calculating total liabilities are outlined below:

The primary assumption is that the maximum liability for each year of service will increase in accordance with inflation. Therefore, the discount rate applied reflects the expected real rate after adjusting for the effects of future inflation. For this reason, in the accompanying financial statements as of December 31, 2023, provisions are calculated by estimating the present value of the probable future obligations arising from the retirement of employees. The provisions at the respective reporting dates have been calculated based on an annual inflation rate of 21.75% and an interest rate of 24.85%, resulting in a real net discount rate of approximately 2.55% (December 31, 2022: 2.26%). Voluntary termination rates are considered to be 2.70% for employees with 0-15 years of service and 0% for those with more than 15 years of service.

The movements of the provision for severance pay:

	2023	2022
January 1	142,423	100,406
Interest cost	23,516	15,559
Service cost	23,791	16,519
Actuarial loss (gain)	28,122	80,761
Payments during the period	(106,802)	(16,577)
Monetary loss (gain)	(49,151)	(54,245)
December 31	61,899	142,423

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15. EMPLOYEE BENEFITS (CONTINUED)

As of December 31, 2023, the sensitivity analysis of the significant assumptions used in the calculation of provision for severance pay is as follows:

Sensitivity level	Net discount rate		Employee turnover rate related to the probability of vesting	
	0.5% decrease	0.5% increase	0.5% basis point decrease	0.5% basis point increase
Percentage	2.05%	3.05%	96.80%	97.80%
Change in severance pay liability (TRY)	6,064	(5,465)	(1,688)	1,682

Provision for employee termination incentive bonus

The provision for employee termination incentive bonus is a benefit provided to employees in accordance with Group policy, and the value that has created a liability as of the reporting dates has been accounted for at its present value, discounted at the net interest rate.

The movements of the provision for employee termination incentive:

	2023	2022
January 1	55,189	22,985
Interest cost	8,999	3,215
Service cost	28,996	20,368
Actuarial loss / (gain)	27,291	31,346
Payments during the period	(6,670)	(6,151)
Monetary loss / (gain)	(34,526)	(16,574)
December 31	79,279	55,189

The movements of the provision for unused paid absences are as follows:

	2023	2022
Opening, January 1	14,376	9,598
Service cost	4,906	10,104
Monetary loss / (gain)	(6,720)	(5,326)
Closing, December 31	12,562	14,376

16. OTHER ASSETS AND LIABILITIES

i) Other assets

a) Other current assets

	December 31, 2023	December 31, 2022
Value added tax (VAT) carried forward	209,104	263,037
Other	467	40
	209,571	263,077

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16. OTHER ASSETS AND LIABILITIES (CONTINUED)

ii) Other liabilities

a) Other short-term liabilities:	December 31, 2023	December 31, 2022
Mining tax accruals	14,303	15,199
Value added tax (VAT) payable	372	5,325
Other	-	6,220
	14,675	26,744

17. CAPITAL, RESERVES, AND OTHER EQUITY ITEMS

a) Paid-in capital

The Company is subject to a registered capital ceiling, with the ceiling amount as of December 31, 2023, being TRY 400,000 (December 31, 2022: TRY 400,000). The Group's share capital consists of Class A and Class B shares.

The shareholding structure of the Group is as follows:

	December 31, 2023		December 31, 2022	
	Percentage of shares	Share amount	Percentage of shares	Share amount
Shareholders	(%)	(Thousand TRY)	(%)	(Thousand TRY)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş.	45.43	81,769	30.02	54,044
İstanbul Portföy Yönetimi A.Ş. Pre-IPO Girişim Sermayesi Yatırım Fonu	12.00	21,594	-	-
İstanbul Portföy İkinci Serbest Fon (Second Hedge Fund)	5.50	9,891	-	-
Çimko Çimento ve Beton Sanayi Ticaret A.Ş.	-	-	13.75	24,744
Fatma Gülgün Ünal	-	-	13.89	25,005
Other	37.07	66,746	42.34	76,207
Nominal capital	100.00	180,000	100.00	180,000

Class A shareholders have the following rights and privileges:

- All members of the Board of Directors are elected from among the candidates proposed by the majority of Class A bearer shareholders.
- Each Class A share entitles its holder to 15 (fifteen) votes and each Class B share entitles its holder to 1 (one) vote at the General Meetings.
- Without prejudice to the first dividend, 10% of the net profit is distributed to Class A shareholders in proportion to their respective shares.
- For the amendment of Articles 7 (excluding the first paragraph that defines the number of members of the Board of Directors), 8, 9, 10, 15, 18, 19, 24, 25, and 27 of the Articles of Association, the decision to dissolve the Company, the increase of the Company's capital by issuing more Class A bearer shares or new Class A registered shares than stated in Article 6 of the Articles of Association, the change in types, classes, or quantities of Class A bearer shares, and the conversion of issued or future Class B bearer or registered shares, or any other class of registered or bearer shares into Class A shares, or the exchange of Class A registered or bearer shares, it is required that the affirmative vote of at least 3/4 (three-fourths) of the Class A bearer shareholders be obtained for the decisions made at the General Meeting.

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17. CAPITAL, RESERVES, AND OTHER EQUITY ITEMS (CONTINUED)

	December 31, 2023	December 31, 2022
Inflation adjustments to share capital differences	3,483,809	3,483,809
	3,483,809	3,483,809

According to the 'Communiqué on Principles Regarding Financial Reporting in Capital Markets' (Communiqué No. II-14.1) published in the Official Gazette dated June 13, 2013, and numbered 28676, which has entered into force, the amounts of 'Paid-in capital,' 'Restricted reserves appropriated from profit,' and 'Share premium' must be presented based on their values in the statutory records. During the application of the aforementioned Communiqué, any differences arising from valuations (such as those resulting from inflation adjustments) must be associated with:

- 'Adjustments to share capital differences' item, to be opened following the 'Paid-in capital' item, if they arise from 'Paid-in capital' and have not yet been added to the capital; and
- 'Retained earnings/losses from prior years,' if they arise from 'Restricted reserves appropriated from profit' and 'Share premium,' and have not yet been subject to profit distribution or capital increase.

The other equity items are presented at their values as measured under the Turkish Accounting Standards (TMS).

Adjustments to share capital differences have no other use except to be added to share capital.

Publicly traded companies distribute dividends in accordance with the CMB's Communiqué on Dividends No. II-19.1, effective as of February 1, 2014.

Group companies distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the applicable regulations. The Communiqué does not establish a minimum distribution rate for publicly listed companies. Companies pay dividends as specified in their articles of association or profit/dividend distribution policies. In addition, dividends may be paid in equal or different installments and advance dividends may be distributed in cash based on the profit in the interim consolidated financial statements.

Unless and until the reserves required to be set aside pursuant to the Turkish Commercial Code and the dividends specified for shareholders in the articles of association or dividend distribution policy are allocated, no decision can be made to set aside other reserves, to carry profits forward to the following year, or to distribute dividends to holders of redeemable shares, members of the board of directors, company employees, or non-shareholder persons. Furthermore, dividends cannot be distributed to these individuals unless the dividend specified for shareholders is paid in cash.

Shareholders' equity inflation adjustment differences and the carrying amount of extraordinary reserves can be utilized for issuing bonus shares, distributing cash dividends, or offsetting losses. However, shareholders' equity inflation adjustment differences will be subject to corporate tax if they are utilized in cash dividend distribution.

Legal reserves and share premiums, classified as legal reserves under Article 466 of the Turkish Commercial Code, are presented at their statutory amounts. In this context, differences arising from inflation adjustments in valuations made in accordance with TFRS principles, which have not been subject to profit distribution or capital increase as of the reporting date, are associated with retained earnings.

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17. CAPITAL, RESERVES, AND OTHER EQUITY ITEMS (CONTINUED)

Legal reserves are appropriated from the statutory profits at a rate of 5% per annum until the total reserve reaches 20% of the paid-in/issued capital, in accordance with the first paragraph of Article 519 of the New TCC No. 6102. After deducting the amount allocated as the first legal reserve from the 'profit,' the first dividend is set aside for shareholders from the remaining amount. The General Assembly, considering the Company's dividend distribution policy, is authorized to decide whether to set aside or distribute the remaining balance after the first legal reserves and the first dividend have been allocated as extraordinary reserves. According to subparagraph 3 of the second paragraph of Article 519 of the New TCC, the second legal reserve is appropriated at the rate of one-tenth of the amount remaining after deducting the dividend, calculated at 5% of the issued/paid-in capital, from the amount designated for distribution. In the event that a decision is made to distribute bonus shares by capitalizing the profits, the second legal reserve shall not be appropriated.

b) Share Premiums / (Discounts)

They represent the difference between the nominal value of the newly issued shares resulting from the capital increase and the proceeds from their sale. As of December 31, 2023, it is TRY 165,281 (December 31, 2022: TRY 2,332). On December 4, 2023, all 772,189,137 Class B shares, with a total nominal value of TRY 7,721,891.37 and representing approximately 4.29% of the Company's share capital, held by Batiçim, the primary shareholder of Batiliman—a subsidiary of the Group—were sold to Çiftay İnşaat Taahhüt ve Ticaret A.Ş., another shareholder of the Group. The difference of TRY 162,949 between the value of the shares recorded in the Company's cross-shareholding capital adjustment account and the sales price is recognized in the share premiums/(discounts) account within equity.

c) Other comprehensive income and expenses not reclassified to profit or loss

The movements in balances for accumulated other comprehensive income or loss not to be reclassified to profit or loss, under the equity attributable to the parent company, are as follows:

Revaluation surplus (deficit) fund of property, plant, and equipment attributable to the parent company:

	2023	2022
Opening balance, January 1	397,764	-
- Revaluation effect of property, plant, and equipment	1,408,064	497,205
Deferred tax effect	(311,191)	(99,441)
Transfer	(35,679)	-
Effect of changes in minority interests	(3,603)	-
Closing balance, December 31	1,455,355	397,764

Actuarial gain (loss) fund for defined benefit plans of the parent company:

	2023	2022
Opening balance, January 1	(80,946)	-
Current period remeasurement effect	(49,674)	(101,183)
Deferred tax effect	12,419	20,237
Effect of changes in minority interests	134	-
Closing balance, December 31	(118,067)	(80,946)

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17. CAPITAL, RESERVES, AND OTHER EQUITY ITEMS (CONTINUED)

d) Retained earnings / (accumulated losses):

According to the Turkish Tax Procedure Law and the relevant Communiqué published in the Official Gazette dated December 30, 2023, No. 32415 (2nd Duplicate), the balance sheet dated December 31, 2023, prepared in accordance with the Tax Procedure Law, has been adjusted using the Producer Price Indices (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting practices. The accompanying financial statements have been adjusted for inflation in accordance with TMS 29, using the Consumer Price Index (CPI) published by the Turkish Statistical Institute. Consequently, the amounts for the current and prior reporting periods are expressed in terms of purchasing power as of December 31, 2023. Due to the use of different indices in the inflation accounting applications of the Tax Procedure Law and TMS 29, and the adjustment of prior reporting periods' amounts to the purchasing power as of December 31, 2023 under TMS 29, differences have arisen between the amounts reported in the balance sheet prepared in accordance with the Tax Procedure Law and those reported in the financial statements prepared in accordance with TMS/IFRS for the items 'Adjustments to Share Capital Differences,' 'Share Premiums (Discounts),' 'Restricted Reserves Appropriated from Profit,' and 'Other Reserves'.

These differences are reflected in 'Retained Earnings or Accumulated Losses' in the TMS/IFRS financial statements, and further details regarding these differences are provided below:

December 31, 2023							
	Adjustments to Share Capital Differences	Share Premiums	Legal Reserves	Repurchased (Treasury) Share Reserves	Special Provision for Recorded Commodities	Special Reserves	Extraordinary Reserves
As per the TMS/IFRS Financial Statements	3,483,809	(671,679)	442,891	(970)	-	-	-
As per Turkish Tax Procedure Law	5,030,173	205,400	2,078,038	-	79,510	56,291	4,560,618
Difference*	(1,546,364)	(877,079)	(1,635,147)	(970)	(79,510)	(56,291)	(4,560,618)
December 31, 2022							
	Adjustments to Share Capital Differences	Share Premiums	Legal Reserves	Repurchased (Treasury) Share Reserves	Special Provision for Recorded Commodities	Special Reserves	Extraordinary Reserves
As per the TMS/IFRS Financial Statements	3,483,809	2,332	462,590	(970)	-	-	-
As per Turkish Tax Procedure Law	101,216	14,256	112,183	-	20,227	9,355	327,710
Difference*	3,382,593	(11,924)	350,407	(970)	(20,227)	(9,355)	(327,710)

As of January 1, 2022, the amount of 'Retained Earnings (Accumulated Losses)' in the TFRS consolidated financial statements, prior to any inflation adjustment, is TRY (295,738). After applying the inflation adjustment in accordance with TMS 29, the amount of 'Retained Earnings' as of January 1, 2022, adjusted to the purchasing power as of December 31, 2023, is TRY 2,814,104.

e) Non-controlling interests:

	December 31, 2023	December 31, 2022
Non-controlling interests	1,254,659	636,174
	1,254,659	636,174

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17. CAPITAL, RESERVES, AND OTHER EQUITY ITEMS (CONTINUED)

The movements of non-controlling interests are as follows:

	2023	2022
Opening balance, January 1	636,174	667,891
Profit (loss) for the period	221,158	(3,610)
Other comprehensive income (expense)	104,798	12,960
Disposal effect due to sale of property (plots), plant, and equipment	-	(41,067)
Effect of change in shareholding rate of subsidiary	248,945	-
Other transfers	(1,535)	-
Closing balance, December 31	1,209,540	636,174

18. REVENUE AND COST OF SALES

a) Revenue

	January 1 – December 31, 2023	January 1 – December 31, 2022
Domestic sales	8,330,587	8,851,161
Export sales	3,211,830	2,503,565
Other income	167,175	103,948
Sales returns (-)	(27,273)	(1,556)
Sales discounts (-)	-	(559)
Other discounts (-)	(184,806)	(114,836)
Net sales	11,497,513	11,341,723

The Group recognizes revenue by transferring control of all goods and services to customers at a specific point in time, thereby fulfilling its performance obligations.

Details regarding the reportable segments used in the Group's management reporting are disclosed in Note 3.

b) Cost of sales

	January 1 – December 31, 2023	January 1 – December 31, 2022
Raw materials and supplies expenses	3,705,365	3,033,808
General production expenses	2,797,562	2,959,884
Electricity generation costs	2,086,128	2,853,045
Personnel expenses	602,691	354,162
Depreciation expenses, amortization, and depletion allowances	646,333	555,221
Cost of service production	225,318	284,942
Provision for severance pay and employee termination incentive bonus	42,743	11,596
Provision for mine site rehabilitation	27,945	20,596
Change in semi-finished goods and finished goods inventories (Note 10)	(277,957)	302,921
	9,856,128	10,376,175

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19. GENERAL ADMINISTRATIVE EXPENSES, MARKETING, SALES AND DISTRIBUTION COSTS

c) General administrative expenses

	January 1 – December 31, 2023	January 1 – December 31, 2022
Personnel expenses	121,819	89,587
Benefits and services from external sources	50,645	48,104
Real estate and stamp tax expenses	54,751	34,336
Depreciation expenses, amortization, and depletion allowances	35,494	20,569
Consulting expenses	9,345	5,381
Provision for severance pay and employee termination incentive bonus	6,994	2,553
Security expenses	4,024	8,434
Fuel expenses	2,896	4,167
Tax, duty, and fee expenses	2,196	2,938
Other expenses	22,828	8,253
	310,992	224,322

d) Marketing, sales, and distribution expenses:

	January 1 – December 31, 2023	January 1 – December 31, 2022
Transportation and loading expenses	282,922	234,338
Personnel expenses	33,181	30,215
Depreciation expenses, amortization, and depletion allowances	6,309	899
Provision for severance pay and employee termination incentive bonus	3,658	6,674
Other	26,514	11,888
	352,584	284,014

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20. EXPENSES BY CATEGORY

	January 1 – December 31, 2023	January 1 – December 31, 2022
Raw materials and supplies expenses	3,705,365	3,033,808
General production expenses	2,797,562	2,959,882
Electricity purchase expenses	2,086,128	2,853,045
Personnel expenses	757,691	473,964
Depreciation expenses, amortization, and depletion allowances	688,136	576,689
Change in semi-finished and finished goods inventories	(277,957)	302,921
Transportation and loading expenses	282,922	234,338
Cost of service production	225,318	284,942
Real estate and stamp tax expenses	54,751	34,336
Provision for severance pay and employee termination incentive bonus	53,395	20,823
Benefits and services from external sources	50,645	48,104
Provision for mine site rehabilitation expenses	27,945	20,596
Consulting expenses	9,345	5,381
Security expenses	4,024	8,434
Fuel expenses	2,896	4,167
Tax, duty, and fee expenses	2,196	2,938
Other expenses	49,342	20,143
	10,519,704	10,884,511

21. OTHER INCOME / (EXPENSES) FROM OPERATING ACTIVITIES

a) Other income from operating activities

	January 1 – December 31, 2023	January 1 – December 31, 2022
Deferred financing (maturity difference) income	353,354	185,936
Foreign exchange gains from operating activities	177,388	136,778
Other	16,346	28,404
	547,088	351,118

b) Other expenses from operating activities

	January 1 – December 31, 2023	January 1 – December 31, 2022
Foreign exchange loss from operating activities	385,694	275,685
Deferred financing expenses	385,640	223,846
Other	44,137	49,427
	815,471	548,958

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22. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

	January 1 – December 31, 2023	January 1 – December 31, 2022
Income from investing activities:		
Interest income	49,731	20,715
Gains on sale of property, plant, and equipment	355	-
	50,086	20,715
Expenses from investing activities:		
Loss on sale of intangible assets	(63,327)	-
Loss on sale of property, plant, and equipment	-	299,887
	(63,327)	299,887

23. FINANCING INCOME

	January 1 - December 31, 2023	January 1 -
Foreign exchange gains	91,420	55,375
	91,420	55,375

24. FINANCING EXPENSES

	January 1 – December 31, 2023	January 1 – December 31, 2022
Foreign exchange loss	1,741,337	1,405,358
Interest expenses	996,083	879,480
Interest expenses on provisions for employee benefits	32,515	18,774
Interest expenses on lease transactions	29,839	8,446
Letter of guarantee commission expenses	15,771	24,167
Other	31,006	3,062
	2,846,551	2,339,287

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25. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES)

Corporate Tax

The corporate tax rate in Türkiye is 25%. (Applied at a rate of 23% for corporate income for the 2022 taxation period.) Corporate tax is payable at a rate applicable to the net corporate income of companies, calculated after adding back certain non-deductible expenses and deducting specific exemptions and reductions provided by tax laws. Corporate tax is declared by the evening of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment by the end of that month. A provisional tax rate of 25% has been calculated on the earnings for the accounting year ended December 31, 2023.

	January 1 – December 31, 2023	January 1 – December 31, 2022
Current tax expense	(244,184)	(92,052)
Deferred tax income	1,544,540	(137,819)
Tax income / (expense) in the statement of profit or loss	1,300,356	(229,871)
	January 1 – December 31, 2023	January 1 – December 31, 2022
Current period corporate tax provision	(244,184)	(92,052)
Prepaid taxes	140,303	57,534
Current tax expense recognized in equity	(187,022)	-
Monetary (loss) gain effect	28,912	13,419
Current period income tax payable	(261,991)	(21,099)
Assets related to current period tax	1,912	409
Assets / liabilities related to current period tax, net	(260,079)	(20,690)

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25. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES)

Deferred Tax

As of December 31, 2023, a tax rate of 25% has been used in the calculation of deferred tax assets and liabilities.

	Taxable temporary differences		Deferred tax assets (liabilities)	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Tangible and intangible fixed assets	2,351,286	-	587,822	-
Taxable financial losses carried forward	-	-	563,375	116,108
Cash capital increase interest incentive	-	-	107,604	90,000
Difference between the carrying amounts and tax bases of intangible assets related to concessions	640,016	-	160,004	-
Investment allowance available	-	-	-	1,658
Provision for mine sites rehabilitation	48,739	44,296	12,185	8,859
Provisions for employee benefits	153,740	211,988	38,435	42,398
Other	150,190	22,306	37,707	4,516
Deferred tax assets	3,343,971	278,590	1,507,132	263,539
Tangible and intangible fixed assets	-	(5,695,996)	-	(1,139,199)
Difference between the carrying amounts and tax bases of intangible assets related to concessions	-	(837,035)	-	(167,407)
Revaluation effect of land and land improvements as per TMS 16	(4,591,539)	(5,287,245)	(860,914)	(528,726)
Inventories	(325,279)	(286,167)	(81,320)	(56,737)
Other	-	-	-	-
Deferred tax liabilities	(4,916,818)	(12,106,443)	(942,234)	(1,892,069)
Deferred tax assets / (liabilities), net	(1,572,847)	(11,827,853)	564,898	(1,628,530)
Provision for deferred tax assets	-	-	(981,204)	-
Deferred tax assets / (liabilities), net	-	-	(416,306)	(1,628,530)
Deferred tax assets	-	-	168,613	-
Deferred tax liabilities	-	-	(584,919)	(1,628,530)

The partially or fully recoverable amount of deferred tax assets has been estimated based on current conditions. During the assessment, the Group management has considered a 5-year projection for the foreseeable future and the timing of the recovery of taxable temporary differences. In accordance with the financial profit projections prepared for the foreseeable future, the Group has reviewed the deferred tax effects arising as of the reporting date regarding the temporary differences from the carried forward taxable financial losses and inflation accounting under the provisions of the Turkish Tax Procedure Law, and has not recognized deferred tax for the portion that is not expected to be recoverable in the foreseeable future.

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25. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (CONTINUED)

As of the reporting dates, the maturity distribution and expected expiration dates of the carried forward taxable financial losses for which deferred tax assets have been recognized are as follows:

Expected expiration date	December 31, 2023	December 31, 2022
December 31, 2024	25,139	45,940
December 31, 2025	-	76,399
December 31, 2026	26,393	127,626
December 31, 2027	443,418	54,899
December 31, 2028	964,805	-
	1,459,755	304,864

The maturity distribution and expected expiration dates of the carried forward taxable financial losses, for which deferred tax assets have not been recognized as of the reporting dates, are as follows:

Expected expiration date	December 31, 2023	December 31, 2022
December 31, 2024	183,987	243,220
December 31, 2025	386,239	458,762
December 31, 2026	259,141	601,933
December 31, 2027	-	528,839
December 31, 2028	-	-
	829,367	1,832,754

Pursuant to Law No. 6637, titled 'Law Amending Certain Laws and Statutory Decrees,' published in the Official Gazette dated April 7, 2015, 50% of the amount calculated by taking into account the weighted average annual interest rate applied to commercial loans announced by the Central Bank of Türkiye (CBRT) will be deductible from the corporate tax base for cash capital increases in capital companies and the cash portion of the paid-in capital in newly established capital companies, effective from July 1, 2015, until the end of the relevant accounting year. With the decision numbered 2015/7910 published in the Official Gazette dated December 31, 2017, the 50% rate is adjusted as follows:

- For publicly traded capital companies whose shares are listed on the stock exchange, based on the shares that are recorded as publicly tradable at Merkezi Kayıt Kuruluşu A.Ş on the last day of the year for which the discount is applied, if the nominal value of these shares has a paid-in or issued capital ratio that is registered in the trade registry of 50% or less, an additional 25 points will be granted; for those with a ratio above 50%, an additional 50 points will be granted.
- In cases where the cash-increased capital is used in investments in production and industrial facilities that have investment incentive certificates, as well as in investments in machinery and equipment related to these facilities and/or in land and plots investments allocated for the construction of these facilities, the discount shall be applied by adding 25 points, limited to the fixed investment amount specified in the investment incentive certificate.

The Group has recorded a deferred tax asset amounting to TRY 107,604 as of December 31, 2023, based on projections of future taxable profits related to the cash-capital increase interest incentive, which is considered to have an indefinite life under the applicable regulations.

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25. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (CONTINUED)

The movements of net deferred tax assets and liabilities are presented as follows:

	January 1 – December 31, 2023	January 1 – December 31, 2022
January 1 balance	(1,628,530)	(1,408,266)
Deferred tax income / (expense) recognized in the statement of profit or loss	1,544,540	(137,819)
Tax income / (expense) related to other comprehensive income items	(332,316)	(82,445)
December 31	(416,306)	(1,628,530)

A reconciliation of the income tax expense, calculated at the statutory income tax rate on profit before tax, to the total income tax expense recognized in the statement of total income, including deferred tax expense:

	January 1 – December 31, 2023	January 1 – December 31, 2022
Profit (loss) before tax from continuing operations	754,701	857,813
Effective statutory tax rate	25%	23%
Calculated tax income (expense)	(188,675)	(197,297)
Effect of cash capital increase interest incentive	17,603	(36,241)
Effect of non-deductible expenses	(113,595)	(65,692)
Effect of carried forward financial losses	206,065	(105,115)
Effect of other adjustment items	(156,486)	(13,141)
Deferred tax effect arising from temporary differences related to inflation accounting as per the provisions of the Turkish Tax Procedure Law (*)	1,917,475	-
Effect of non-taxable monetary gains / (losses)	(382,031)	187,615
Total tax income (expense) reported in the statement of profit or loss	1,300,356	(229,871)

(*) It consists of the deferred tax effect arising from the temporary differences created by the adjustments related to inflation accounting pursuant to the Communiqué No. 32415 (2nd Duplicate) of the Tax Procedure Law dated December 30, 2023.

26. EARNINGS / (LOSS) PER SHARE

	January 1 – December 31, 2023	January 1 – December 31, 2022
Net profit / (loss) attributable to parent company interests	1,833,899	631,552
Weighted average number of shares issued	172,850	172,279
Earnings / (loss) per 100 shares with a nominal value of TRY 1	10.6098	3.6659

Earnings / (loss) per share is determined by dividing net income by the weighted average number of shares outstanding during the relevant year. Companies can increase their share capital by distributing shares ('Bonus Shares') to existing shareholders on a pro-rata basis from retained earnings. In the calculation of earnings per share, these bonus shares are considered as issued shares. Accordingly, the weighted average number of shares used in the calculation of earnings per share is obtained by applying a retroactive effect to the bonus issue of shares.

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27. DERIVATIVE FINANCIAL INSTRUMENTS

As of December 31, 2023, the Group has no foreign exchange derivatives. (December 31, 2022: none).

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Credit risk:

Credit risk is the risk that a party to a financial instrument will default on a contractual obligation, resulting in a financial loss to the Group. The Group aims to mitigate credit risk by engaging only with creditworthy counterparties and, where possible, obtaining adequate collateral and guarantees. The Group's exposure to credit risks is continuously monitored.

Trade receivables primarily consist of a large number of customers in the construction sector. Credit assessments are conducted continuously on customers' trade receivable balances, and guarantees for receivables are obtained when deemed necessary.

The allowance for doubtful trade receivables related to financial assets is determined based on historical experience of non-collection.

The credit risk analysis by types of financial instruments as of December 31, 2023, and December 31, 2022, is as follows:

December 31, 2023

Receivables							
	Trade receivables		Other receivables		Financial investments	Deposits in banks	Total
	Related parties	Other parties	Related parties	Other parties			
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (*)	2,401	1,703,339	798,838	38,735	10	311,415	2,854,738
- The portion of maximum risk secured by guarantees, etc. (**)	-	768,775	-	-	-	-	768,775
A. The net book value of financial assets that have not matured or are not impaired	2,401	1,622,526	798,838	38,735	10	311,415	2,773,925
B. The carrying amount of financial assets whose terms have been renegotiated and that would otherwise be considered past due or impaired	-	-	-	-	-	-	-
A. The net book value of assets that are past due but not impaired	-	80,813	-	-	-	-	80,813
A. The net book values of impaired assets	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	3,896	-	-	-	-	3,896
- Impairment (-)	-	(3,896)	-	-	-	-	(3,896)
E. Off-balance sheet items containing credit risk	-	-	-	-	-	-	-

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

December 31, 2022

Receivables							
	Trade receivables		Other receivables				
	Related Parties	Other parties	Related parties	Other parties	Financial investments	Deposits in banks	Total
Maximum credit risk exposure as of reporting date (A+B+C+D+E) (*)	3,740	1,242,109	-	28,299	16	212,247	1,486,411
- The portion of maximum risk secured by guarantees, etc. (**)	-	714,651	-	-	-	-	714,651
A. The net book value of financial assets that have not matured or are not impaired	3,740	1,236,156		28,299	16	212,247	1,480,458
B. The carrying amount of financial assets whose terms have been renegotiated and that would otherwise be considered past due or impaired	-	-	-	-	-	-	-
A. The net book value of assets that are past due but not impaired	-	5,953	-				5,953
A. The net book values of impaired assets	-	-	-	-	-	-	-
- Past due (gross carrying amount)	-	2,884	-	-	-	-	2,884
- Impairment (-)	-	(2,884)	-	-	-	-	(2,884)
E. Off-balance sheet items containing credit risk	-	-	-	-	-	-	-

(*) In determining the amount, factors that enhance credit reliability, such as guarantees received, are not taken into consideration. (**) Guarantees consist of letters of guarantee obtained from customers.

b) Liquidity risk:

The primary responsibility for liquidity risk management rests with the Board of Directors. The Board of Directors has established an appropriate liquidity risk management framework to address the short-, medium-, and long-term funding and liquidity requirements of the Group management. The Group manages liquidity risks by regularly monitoring estimated and actual cash flows, and by matching the maturities of financial assets and liabilities to ensure the continuity of sufficient funds and borrowing reserves.

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

The following table presents the maturity profile of the Group's non-derivative financial liabilities. Non-derivative financial liabilities are presented on an undiscounted basis, reflecting the earliest settlement dates. Interest payable on these liabilities is included in the table below.

December 31, 2023

Contractual maturities	Carrying amount	Contractual total cash outflows (I+II+III)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years and over (III)	Over 5 years (IV)
Non-derivative financial liabilities						
Bank loans	4,454,155	6,554,891	377,078	1,275,018	3,048,433	1,854,362
Trade payables	1,697,216	1,740,737	1,740,737	-	-	-
Other payables and liabilities	24,649	24,649	24,649	-	-	-
Lease liabilities	79,499	194,545	10,575	22,481	64,976	96,513
Other financial liabilities	227,365	235,855	159,443	76,412	-	-
	6,482,884	8,750,677	2,312,482	1,373,911	3,113,409	1,950,875

December 31, 2022

Contractual maturities	Carrying amount	Contractual total cash outflows (I+II+III)	Less than 3 months (I)	3 to 12 months (II)	1 to 5 years and over (III)	Over 5 years (IV)
Non-derivative financial liabilities						
Bank loans	5,211,828	7,660,127	408,254	1,738,287	3,163,133	2,350,453
Trade payables	2,021,386	2,049,999	2,049,999	-	-	-
Other payables to related parties	18	18	18	-	-	-
Other payables and liabilities	15,536	15,536	15,536	-	-	-
Lease liabilities	19,113	25,866	11,068	-	14,798	-
Other financial liabilities	168,017	168,438	168,438	-	-	-
	7,435,898	9,919,984	2,653,313	1,738,287	3,177,931	2,350,453

c) Market risk:

Currency risk management

The Group is primarily exposed to foreign currency risk in USD and EUR. The following table illustrates the Group's sensitivity to a 10% increase and decrease in the exchange rates of the US Dollar and Euro. This 10% sensitivity rate is used when reporting foreign currency risk internally to senior management and reflects the Group management's assessment of potential changes in foreign exchange rates.

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Currency risk management (continued)

The sensitivity analysis encompasses only outstanding monetary items denominated in foreign currencies at year-end and illustrates the effects of a 10% change in exchange rates on these items' year-end translation. This analysis includes external borrowings as well as loans for foreign operations within the Group that are denominated in a currency other than the functional currency of both the borrower and the lender. A positive value signifies an increase in profit/loss and other equity items.

	December 31, 2023			December 31, 2022		
	TRY equivalent	US Dollar	EUR	TRY equivalent	US Dollar	EUR
1. Trade receivables	394,812	8,802	4,166	105,031	3,409	-
2a. Monetary financial assets (including cash and bank accounts)	17,462	591	3	54,820	1,774	5
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	41,749	1,047	335	16,785	-	511
4. Current assets (1+2+3)	454,023	10,440	4,504	176,636	5,183	516
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	13,495	438	-
8. Fixed assets (5+6+7)	-	-	-	13,495	438	-
9. Total assets (4+8)	454,023	10,440	4,504	190,131	5,621	516
10. Trade payables	529,310	15,552	2,166	904,951	25,591	3,496
11. Financial borrowings	1,339,017	45,404	-	611,784	19,822	-
12a. Other monetary liabilities	261	-	8	-	-	-
12b. Other non-monetary liabilities	-	-	-	-	-	-
13. Short-term liabilities (10+11+12a+12b)	1,868,588	60,956	2,174	1,516,735	45,413	3,496
14. Trade payables	-	-	-	-	-	-
15. Financial borrowings	3,298,082	111,832	-	3,755,447	121,672	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17. Long-term liabilities (14+15+16a+16b)	3,298,082	111,832	-	3,755,447	121,672	-
18. Total liabilities (13+17)	5,166,670	172,788	2,174	5,272,182	167,085	3,496
19. Net asset / (liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-
19a. Amount of off-balance sheet derivatives denominated in foreign currency with asset characteristics	-	-	-	-	-	-
19b. Amount of off-balance sheet derivatives denominated in foreign currency with liability characteristics	-	-	-	-	-	-
20. Net foreign currency (liability) / asset position (9-18+19)	(4,712,647)	(162,348)	2,330	(5,082,051)	(161,464)	(2,980)
21. Net foreign currency (liability) / asset position of monetary items (TFRS7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(4,754,396)	(163,395)	1,995	(5,112,331)	(161,902)	(3,491)
22. Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-	-
23. Amount of the hedged portion of foreign currency assets	-	-	-	-	-	-
24. Amount of the hedged portion of foreign currency liabilities	-	-	-	-	-	-
25. Exports	1,675,861	72,131	14,516	2,686,014	84,836	805
26. Imports	556,166	19,047	-	598,286	15,188	4,064

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28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Foreign Currency Sensitivity Analysis Table

		December 31, 2023
		Effect of profit (loss) before tax
		Depreciation of foreign currency
		Appreciation of foreign currency
In case of a 10% appreciation of the US Dollar against the TRY		
1- US Dollar net asset / liability	(483,029)	483,029
2- US Dollar hedged portion (-)	-	-
3- US Dollar net effect (1+2)	(483,029)	483,029
In case of a 10% appreciation of the EUR against the TRY		
4- EUR net asset / liability	7,590	(7,590)
5- EUR hedged portion (-)	-	-
6- EUR net effect (4+5)	7,590	(7,590)
Total (3 + 6)	(475,439)	475,439

		December 31, 2022
		Effect of profit (loss) before tax
		Depreciation of foreign currency
		Appreciation of foreign currency
In case of a 10% appreciation of the US Dollar against the TRY		
1- US Dollar net asset / liability	(499,746)	499,746
2- US Dollar hedged portion (-)	-	-
3- US Dollar net effect (1+2)	(499,746)	499,746
In case of a 10% appreciation of the EUR against the TRY		
4- EUR net asset / liability	(11,488)	11,488
5- EUR hedged portion (-)	-	-
6- EUR net effect (4+5)	(11,488)	11,488
Total (3 + 6)	(511,234)	511,234

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries Notes to the Consolidated Financial Statements as of December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as

28. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk:

The Group's borrowings at fixed and floating interest rates expose the Group to interest rate risk. This risk is managed by the Group. Hedging strategies are regularly evaluated to ensure alignment with interest rate expectations and the identified risk. Thus, the objective is to establish the optimal hedging strategy, review the balance sheet position, and control interest expenses across various interest rates.

The Group's interest rate position as of December 31, 2023, and December 31, 2022, is presented below:

	2023	2022
Financial instruments with a fixed interest rate		
Financial assets	282,110	110,490
Financial liabilities	435,667	1,252,874
Financial instruments with a floating interest rate		
Financial liabilities	4,325,352	4,146,084

If the interest rates on floating rate borrowings were to change by +/- 1%, the interest expenses would change by +/- TRY 2,595 (December 31, 2022 – TRY 12,468).

d) Capital risk management

The Group manages its capital to ensure its ability to continue as a going concern while aiming to maximize returns for stakeholders through the optimal use of the debt and equity balance.

The capital structure of the Group comprises debt, including the borrowings disclosed in Note 6, and equity attributable to equity holders of the parent, which includes cash and cash equivalents, issued capital, reserves, and retained earnings.

The Group's Board of Directors reviews the capital structure biannually. During these reviews, the Board evaluates the cost of capital along with the risks associated with each class of share capital. Based on the recommendations made by the Board, the Group aims to preserve the balance of its capital structure.

The Group reviews its capital in relation to leverage ratio, aligning with other firms in the industry. This leverage ratio is calculated by comparing net financial borrowings to total equity. Net financial borrowings are calculated by subtracting cash and cash equivalents from total financial borrowings. Total capital is calculated by summing the 'Equity' item in the statement of financial position with net financial borrowings.

	December 31, 2023	December 31, 2022
Total financial borrowings	4,761,019	5,398,958
Minus: Cash and cash equivalents	(311,457)	(212,326)
Net financial borrowings	4,449,562	5,186,632
Total equity	11,054,788	7,470,997
Ratio of net financial borrowings / total equity	0.402	0.694

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(All amounts are expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

29. FAIR VALUE DISCLOSURES

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best determined by a quoted market price, if available.

The estimated fair values of financial instruments have been determined by the Group using available market information and suitable valuation methods. However, judgment is necessary when interpreting market data for the purposes of estimating fair value. Therefore, the estimates used may differ from the values that the Group could obtain in current market transactions.

The following methods and assumptions have been used to estimate the fair value of financial instruments for which fair value can be determined:

Financial Assets

The fair values of foreign currency-denominated balances, translated at the exchange rates prevailing at the reporting date, are considered to approximate their carrying values. Cash and cash equivalents are presented at their fair value. The fair values of trade receivables and receivables from related parties are assumed to approximate their carrying values due to their short-term nature.

Financial Liabilities

Trade payables, borrowings from related parties, and other monetary liabilities are estimated to be presented at amounts that approximate their fair values, which are based on their discounted carrying values. It is also assumed that the fair values of balances denominated in foreign currencies, translated at the exchange rates prevailing at the reporting date, approximate their respective carrying values. The fair values of short-term bank loans and other monetary liabilities are considered to approximate their carrying values due to their short-term nature. Since the interest rates of long-term floating rate bank loans are updated in accordance with changing market conditions, the fair values of these loans are considered to represent their carrying values.

Fair Value Levels

The fair value classifications of the Group's financial assets and liabilities are as follows:

- Level 1: Based on quoted (unadjusted) prices in active markets;
- Level 2: Based on observable data, either directly (through prices in active markets) or indirectly (derived from prices in active markets);
- Level 3: Not based on observable market data.

Non-Financial Assets

In the real estate appraisal reports used to determine the fair values of the Group's immovable properties measured under the revaluation model, the values appraised by independent and CMB-licensed valuation experts are primarily determined using the comparable sales approach for land and land improvements/plots, the market approach for machinery, plants, and equipment, and the cost model.

Valuation is defined as determining the value of the real estate to be appraised by applying the necessary adjustments based on these criteria to the sale prices of recently sold properties that possess similar characteristics to the property being valued, using appropriate comparison criteria. Comparable properties are analyzed in relation to property rights, financing, sales conditions, after-sales expenses, market conditions, location, and physical characteristics. Quantitative and qualitative techniques are applied in the adjustments to be made. It is considered to be the most appropriate approach for the valuation of all types of immovable property if sufficient and reliable data is available, and the best approach for determining the value when data is present.

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries Notes to the Consolidated Financial Statements as of December 31, 2023

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29. FAIR VALUE DISCLOSURES (CONTINUED)

The Group's machinery, plant, and equipment are revalued using the 'market approach' and the 'cost approach' methods. In the market approach, once it is determined that there is sufficient sales data for the assets, the value is appraised by comparing the sales of similar assets in the open market or by evaluating the asking prices and bids received. In the cost approach, the costs actually incurred by the entity in the acquisition or construction of the assets are considered the replacement value. Based on this value, impairment losses / (depreciation) due to physical wear and tear, as well as functional and economic obsolescence, were estimated, and the remaining value was appraised as the fair value.

December 31, 2023	Fair value level as of the reporting date		
	Level 1 TRY	Level 2 TRY	Level 3 TRY
Land and land improvements	-	6,236,315	-
Machinery, plant, and equipment	-	4,176,263	-
	-	10,412,578	-

December 31, 2022	Fair value level as of the reporting date		
	Level 1 TRY	Level 2 TRY	Level 3 TRY
Land and land improvements	-	5,480,833	-
Machinery, plant, and equipment	-	3,605,289	-
	-	9,086,122	-

The fair values of land and land improvements measured at fair value in accordance with the revaluation model in the financial statements are based on real estate appraisal reports prepared by a real estate appraisal company authorized by the CMB, and the relevant evaluation has been updated as of December 31, 2023.

The methods and unobservable material assumptions used to determine the fair value of land and land improvements measured at fair value are as follows:

December 31, 2023				
	Revaluation method	Key inputs	Data range	Weighted
Property, Plant, and Equipment				
Land and land improvements	Market approach	Precedent sales price - (TRY/m ²)	TRY 80 - TRY 16,500	TRY 3,713

Batiçim Batı Anadolu Çimento Sanayii A.Ş. (Joint Stock Company) and its Subsidiaries
Notes to the Consolidated Financial Statements as of December 31, 2023

(All amounts are expressed in thousands of Turkish Lira ("TRY") in terms of the purchasing power of the Turkish Lira as of December 31, 2023, unless otherwise indicated.)

30. FEES FOR SERVICES RECEIVED FROM INDEPENDENT AUDITOR/INDEPENDENT AUDIT FIRM

The Group's disclosure regarding the fees for services provided by independent audit firms, prepared in accordance with the Board Decision of the KGK published in the Official Gazette on March 30, 2022, and based on the KGK's letter dated August 19, 2023, is as follows:

	January 1 – December 31, 2023	January 1 – December 31, 2022
Independent audit fee for the reporting period	3,964	2,255
Fees for tax advisory services	848	2,132
	4,812	4,387

31. EVENTS AFTER THE BALANCE SHEET DATE

The registered capital of the Group's subsidiary Batisöke has been increased from TRY 800,000,000 to TRY 2,000,000,000, as approved by the Capital Markets Board and the General Directorate of Domestic Trade of the Ministry of Trade of the Republic of Türkiye. This change was registered by the İzmir Trade Registry Office on January 16, 2024. In accordance with Resolution No. 710, dated January 26, 2024, of the Board of Directors of Batisöke, it was decided to increase the paid-in capital of the Company from TRY 400,000,000 to TRY 1,600,000,000 within the registered capital ceiling of TRY 2,000,000,000. This increase will consist of TRY 304,517,841.66 in cash and TRY 895,482,158.34 attributed to the amounts transferred by the Company's main partner, Batiçim Batı Anadolu Çimento Sanayii A.Ş., to Batisöke. The total increase of TRY 1,200,000,000, which represents a 300% increase, will be offset against the liabilities of Batisöke Söke Çimento Sanayii T.A.Ş. to Batiçim Batı Anadolu Çimento A.Ş. The relevant application for the approval of the prospectus was submitted to the Capital Markets Board on January 30, 2024.

The negotiations for the new term Group Collective Bargaining Agreement between the Cement Industry Employers' Association (ÇEİS), of which the Group is a member, and the T. Çimse İş Trade Union have concluded with a 2-year agreement effective as of January 1, 2024.

With the public disclosure made by the Company on November 23, 2023, it has been announced that an investigation has been initiated by the Competition Board against several concrete production companies operating in Aydın province, including Batibeton Sanayi A.Ş., one of the Company's subsidiaries. The Competition Board decided to include Batiçim Batı Anadolu Çimento Sanayii A.Ş. in the investigation and to consolidate both investigations.

The Board of Directors of the Company has decided to authorize the Executive Board to initiate the necessary work for establishing a grinding and packaging plant with a minimum annual production capacity of 2,000,000 (two million) tons of cement in the İzmir Aliğa region, and to complete all necessary permit application processes, including obtaining Environmental Impact Assessment (EIA) permits.

BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş. (JOINT STOCK COMPANY) 2023 STATEMENT OF PROFIT DISTRIBUTION (TRY)

BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş. (JOINT STOCK COMPANY) 2023 STATEMENT OF PROFIT DISTRIBUTION (TRY)			
1	Paid-in / Issued Capital	180,000,000.00	
2	Total Legal Reserves (Based on Statutory Records)	16,000,000.00	
	If there are any privileges related to profit distribution in accordance with the Articles of Association, information regarding such privileges	Without prejudice to the first dividend, 10% of the net profit is distributed to privileged shareholders.	
3		According to the CMB	According to Statutory Records (SR)
	Profit for the Period	754,701,000	507,202,196
4	Taxes Payable (-)	1,300,356,000	139,859,130
5	NET PROFIT FOR THE PERIOD	1,833,899,000	367,343,067
6	Accumulated Losses (-)	-	-
7	General Legal Reserve (-)	9,000,000	9,000,000
8	NET DISTRIBUTABLE PROFIT FOR THE PERIOD	1,824,899,000	358,343,067
9	Donations Made During the Year	957,386	957,386
10	NET DISTRIBUTABLE PROFIT FOR THE PERIOD INCLUDING DONATIONS FOR CALCULATING THE FIRST DIVIDEND	1,825,856,386	359,300,452
11	First Dividend to Shareholders	-	-
	- Cash	-	-
	- Bonus Shares	-	-
	- Total	-	-
12	Dividends Distributed to Preferred Shareholders	-	-
13	Dividends Distributed to Members of the Board of Directors, Employees, etc.	-	-
14	Dividends Distributed to the Holders of Redeemable Shares	-	-
15	Second Dividend to Shareholders	-	-
16	General Legal Reserve (-)	-	-
17	Statutory Reserves	-	-
18	Special Reserves	-	-
19	EXTRAORDINARY RESERVE	1,824,899,000	358,343,067
20	Other Resources Planned for Distribution	-	-
	- Retained Earnings	-	-
	- Extraordinary Reserves	-	-
	- Cash	-	-
	- Bonus Shares	-	-
	- Total	-	-
	- Other Reserves Available for Distribution According to Law and the Articles of Association	-	-

INFORMATION REGARDING THE DISTRIBUTED PROFIT SHARE RATIO							
CLASS	DIVIDEND ALLOCATED TO A			WITH A NOMINAL VALUE OF TRY 1 FROM THE PERIOD PROFIT			
	CASH	BONUS	TOTAL DIVIDEND	CASH	BONUS SHARE	TOTAL AMOUNT (TRY)	
GROSS A (preferred)	-	-	-	-	-	-	-
GROSS B	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-
NET A (preferred)	-	-	-	-	-	-	-
NET B	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-

RATIO OF THE DISTRIBUTED PROFIT SHARE TO THE NET DISTRIBUTABLE PROFIT FOR THE PERIOD INCLUDING DONATIONS	
AMOUNT OF DIVIDEND DISTRIBUTED TO SHAREHOLDERS (TRY)	'RATIO OF THE PROFIT SHARE DISTRIBUTED TO SHAREHOLDERS TO THE NET DISTRIBUTABLE PROFIT FOR THE PERIOD
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