

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

**Consolidated financial statements for the
period between January 1 - December 31, 2025
and the independent auditors' report**

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Batıçim Batı Anadolu Çimento Sanayii A.Ş.

A. Report on the Audit of the Consolidated Financial Statements

1. Qualified Opinion

We have audited the consolidated financial statements of Batıçim Batı Anadolu Çimento Sanayii A.Ş. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" paragraph below on the consolidated financial statements, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with Turkish Financial Reporting Standards ("TFRSs").

2. Basis for Qualified Opinion

The Group's property, plant and equipment and intangible assets are required to be assessed for impairment in accordance with TAS 36 "Impairment of Assets". An assessment to determine the recoverable amounts of the concession-related intangible assets, owned by the Group's subsidiary Batıçim Enerji Elektrik Üretim A.Ş., relating to the Kovada I and Kovada II hydroelectric power plants, as stated in Note 13, and with a net carrying amount of TRY 1,319,032, could not be performed. Therefore, it could not be determined whether any adjustment is required in respect of the possible effect on the accompanying consolidated financial statements, including the deferred tax effect, of any adjustments that may be considered necessary as a result of comparing the recoverable amounts of these assets with their indexed net carrying amount.

We conducted our independent audit in accordance with the Standards on Independent Auditing (SIA), which form part of Turkish Auditing Standards accepted within the framework of the Capital Markets Board regulations and published by the Public Oversight Accounting and Auditing Standards Authority (POA). Our responsibilities under those Standards are further described in the Independent Auditor's Responsibilities for the Independent Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors (including Independence Standards) (the Code of Ethics) published by the POA, which is applicable for independent audits of consolidated financial statements of public interest entities, and in accordance with the ethical provisions included in the Capital Markets Board legislation and other relevant legislation regarding independent audits of consolidated financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code of Ethics and applicable legislation. We believe the independent audit evidence we obtained during the audit is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our independent audit of the consolidated financial statements of 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 these matters.

Key Audit Matters	How the matter was addressed in the audit
Application of TAS 29 "Financial Reporting in Hyperinflationary Economies"	
<p>The Group continues to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" as at December 31, 2025.</p> <p>In accordance with TAS 29, the consolidated financial statements and financial information for prior periods have been restated to reflect changes in the general purchasing power of the Turkish Lira and, as a result, are presented in terms of the purchasing power of the Turkish Lira as at the reporting date.</p> <p>Considering the significant effect of TAS 29 on the Group's reported results and financial position, hyperinflation accounting has been considered as a key audit matter.</p> <p>The Group's accounting policies and related disclosures regarding the application of TAS 29 are presented in Note 2.1.</p>	<p>During our audit procedures, the following audit procedures have been performed regarding the application of TAS 29 "Financial Reporting in Hyperinflationary Economies":</p> <ul style="list-style-type: none">-Understanding and evaluating the process regarding the application of TAS 29 and the controls designed by the Group management,-Checking whether the classification of monetary and non-monetary items made by the Group management has been performed in accordance with TAS 29,-Testing the inputs and indices used to ensure the completeness and accuracy of the calculations,-Checking the coefficients based on the general price index used in the calculations by comparing them with the coefficients derived from the Consumer Price Index in Türkiye published by TURKSTAT,-Checking the financial statements and related financial information restated in accordance with TAS 29,-Evaluating the adequacy of the disclosures in the notes to the consolidated financial statements regarding the application of TAS 29.

3. Key Audit Matters (Continued)

Key Audit Matters	How the matter was addressed in the audit
<p>Accounting for Property, Plant and Equipment using Revaluation Method</p> <p>The Group measured its land and land improvements and its machinery, plant and equipment in its consolidated financial statements as at December 31, 2025 at their fair values as at the end of the current period, based on the results of valuation studies performed by an independent valuation company authorised by the Capital Markets Board, and a decrease in value amounting to TRY (80,768), net of tax effect, relating to the relevant assets was recognised under other comprehensive income in the property, plant and equipment revaluation surplus accounts.</p> <p>The processes regarding the accounting of these transactions in the consolidated financial statements are significant for our audit, since the valuation studies involve significant expertise, judgment and assumptions, and have therefore been considered as a key audit matter.</p> <p>Detailed disclosures regarding property, plant and equipment are presented in Note 2 and Note 12.</p>	<p>During our audit procedures, the following audit procedures have been performed regarding the measurement of property, plant and equipment under the revaluation model:</p> <ul style="list-style-type: none"> - The valuation accreditation and licences of the expert firm, as recognized by the Capital Markets Board (CMB), were checked. - The competence, capabilities, and objectivity of the expert firm were assessed. - The valuation reports prepared by the expert firm were read, and the valuation work was evaluated. - The consistency between the fair values reported in the valuation report and the disclosures in the notes was checked; it was assessed whether the amounts disclosed in the notes agree with the valuation reports and whether the note disclosures are adequate under TFRS. <p>As a result of the procedures performed no significant findings were identified.</p>



3. Key Audit Matters (Continued)

Key Audit Matters	How the matter was addressed in the audit
Recoverability of Deferred Tax Assets	
<p>The Group recognises a deferred tax asset of TRY 744.094 in the consolidated statement of financial position as of December 31, 2025. The recoverable amount of the recognised deferred tax assets has been estimated by the Group's management through projections prepared based on assumptions under the current circumstances.</p> <p>Since these projections depend on management's estimates and the deferred tax assets recognised in the statement of profit or loss as of December 31, 2025 amount to a significant figure, the recoverability of these assets is considered a key audit matter.</p>	<p>During our audit procedures, the following audit procedures have been performed regarding the recoverability of deferred tax assets:</p> <ul style="list-style-type: none">- Analyses were performed to understand the temporary differences that form the basis for the deferred tax assets.- Projections for future periods were obtained from the Group's management, and the appropriateness of the key assumptions included in these projections was evaluated in meetings held with senior management, with the involvement of our tax specialists.- The alignment of the financial indicators included in the projections, which significantly affect taxable profit, with the Group management's plans was analyzed.- In addition, the adequacy of the disclosures included in the consolidated financial statements and the notes was evaluated within the scope of TFRS.

4. Other Matters

The Group's consolidated financial statements as of December 31, 2024, prepared in accordance with the TFRS issued by the KGK, were audited by another audit firm, and such firm expressed a qualified opinion on those consolidated financial statements in its report dated April 11, 2025.

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

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

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

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

6. The Independent Auditor's Responsibilities for the Independent Audit of the Consolidated Financial Statements

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

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

As required by an independent audit conducted in accordance with the independent auditing standards issued by the Capital Markets Board and the BDS, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we:

- Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Since fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
- Evaluate internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

6. The Independent Auditor's Responsibilities for the Independent Audit of the Consolidated Financial Statements (Continued)

- The appropriateness of the accounting policies used by management and the reasonableness of accounting estimates made by management, and the related disclosures are evaluated.
- Based on the audit evidence obtained, a conclusion is reached as to whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern, and as to whether management's use of the going concern basis of accounting is appropriate. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- The overall presentation, structure, and content of the consolidated financial statements, including the disclosures, are evaluated, and we assess whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- In order to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group, as a basis for our opinion on the Group financial statements, the group audit is planned and performed. We are responsible for the direction, supervision, and review of the audit work performed for the purposes of the Group audit. We are solely responsible for our audit opinion.

In addition to other matters, we communicate to those charged with governance the planned scope and timing of the independent audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We have informed those charged with governance that we have complied with the ethical requirements regarding independence. We have also communicated to those charged with governance all relationships and other matters that may be thought to bear on our independence and, where applicable, the related safeguards and actions taken to eliminate threats.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the independent audit of the consolidated financial statements of the current period, i.e., the key audit matters. In circumstances where the applicable legislation does not permit public disclosure of the matter, or in extremely rare circumstances where we reasonably expect that the adverse consequences of communicating the matter would outweigh the public interest benefits of such communication, we may decide not to communicate the matter in our independent auditor's report.

B. Other Liabilities Arising from Legislation

1. In accordance to paragraph four of Article 402 of the Turkish Commercial Code No. 6102 (TCC), no significant matters have come to our attention indicating that the Company's bookkeeping practices for the accounting period from January 1 to December 31, 2025 were not in compliance with the law and the provisions of the Company's articles of association relating to financial reporting.
2. Pursuant to paragraph four of Article 402 of the Turkish Commercial Code No. 6102 (TCC), the Board of Directors has provided the explanations requested by us within the scope of the audit and has furnished the documents requested.
3. The Auditor's Report on the Early Detection of Risk System and Committee, prepared pursuant to paragraph four of Article 398 of the Turkish Commercial Code (TCC), was submitted to the Company's Board of Directors on February 20, 2026.

Finansal Eksen Bağımsız Denetim ve Danışmanlık A.Ş.
Exclusive Member of GGI Global Alliance AG



Ufuk Doğruer
Engagement Partner

İstanbul, February 20, 2026

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

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Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

As of December 31, 2025, consolidated statement of financial position
(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based
on the purchasing power of the Turkish Lira as of December 31, 2025.)

		Current Period	Previous Period
		Audited	Audited
			Restated
	Note	December 31,	December 31,
		2025	2024
Assets			
Current assets			
Cash and cash equivalents	4	212.129	427.891
Financial investments	5	-	296
Trade receivables			
- Trade receivables from related parties	7	162.828	196
- Trade receivables from third parties	8	2.576.948	3.239.704
Other receivables			
- Other receivables from related parties	7	7.097	-
- Other receivables from third parties	9	12.538	14.804
Inventories	10	1.527.470	1.539.291
Prepaid expenses	11	205.316	281.540
Current income tax asset	25	4.715	56.195
Other current assets	16	476.600	428.049
Total current assets		5.185.641	5.987.966
Non-current assets			
Financial investments	5	10	13
Trade receivables			
- Trade receivables from third parties		-	-
Other receivables			
- Other receivables from third parties	9	23.990	20.572
Property, plant, and equipment	12	27.533.222	27.872.248
Right-of-use assets	13	477.642	559.269
Intangible assets	13	1.556.642	1.523.923
Prepaid expenses	11	52.694	26
Deferred tax assets	25	744.094	449.118
Total non-current assets		30.388.294	30.425.169
Total assets		35.573.935	36.413.135

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

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

As of December 31, 2025, consolidated statement of financial position

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

		Current Period	Previous Period
		Audited	Audited
			Restated
	Note	December 31, 2025	December 31, 2024
Liabilities			
Current liabilities			
Short term borrowings	6	382.032	1.231.582
Current portion of long-term borrowings	6	1.483.503	1.408.515
Lease liabilities		43.503	49.569
Trade payables			
- Trade payables to related parties	7	15.467	3.607
- Trade payables to third parties	8	2.745.658	2.367.227
Liabilities for employee benefits	15	94.445	76.712
Other payables			
- Other payables to third parties	9	36.020	34.168
Contract liabilities	11	177.150	130.134
Current income tax liabilities	25	-	6.178
Short term provisions			
- Other short term provisions	14	24.094	21.211
Other short term liabilities	16	73.240	47.172
Total current liabilities		5.075.112	5.376.075
Non-current liabilities			
Long term financial liabilities	6	3.661.239	3.817.433
Other financial liabilities	6	148.639	228.540
Long term provisions			
- Provisions for long term employee benefits	15	248.659	221.089
- Other long term provisions	14	91.426	91.727
Deferred tax liabilities	25	1.574.328	1.582.068
Total non-current liabilities		5.724.291	5.940.857
Total liabilities		10.799.403	11.316.932
Equity			
Share capital	17	5.580.000	180.000
Adjustment to share capital	17	3.343.893	6.743.893
Treasury shares		(2.451)	(2.451)
Share Premium		324.459	324.459
Accumulated Other Comprehensive Income (Expenses) Not to be Reclassified to Profit or Loss			
Revaluation and Measurement Gains (Losses)			
- Property, Plant and Equipment Revaluation Increases (Decreases)	17	3.269.306	3.433.137
- Remeasurement Gains (Losses) on Defined Benefit Plans	17	(167.366)	(172.322)
Restricted Reserves Appropriated from Profit		836.978	836.978
Retained earnings		8.906.233	10.751.327
Net (loss)/profit for the year		(228.757)	28.817
Equity holders of the parent		21.862.295	22.123.838
Non-controlling interests	17	2.912.237	2.972.365
Total equity		24.774.532	25.096.203
Total liabilities and equity		35.573.935	36.413.135

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

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

For the period January 1 – December 31, 2025, Consolidated Statement of Profit or Loss and Other Comprehensive Income

(All amounts are presented in thousands of Turkish Lira (“TL”), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

		Current Period	Previous Period
		Audited	Audited
			Restated
	Note	January 1 – December 31, 2025	January 1 – December 31, 2024
Revenue	18	14.289.483	17.592.197
Cost of sales	18	(12.849.997)	(15.504.828)
Gross Profit from Commercial Activities		1.439.486	2.087.369
Gross Profit (Loss)		1.439.486	2.087.369
General administrative expenses	19	(726.902)	(644.531)
Marketing expenses	19	(662.063)	(759.077)
Other income from operating activities	21	292.851	557.343
Other expenses from operating activities	21	(432.006)	(503.748)
Operating profit		(88.634)	737.356
Income from investing activities	22	73.283	254.019
Expense from investing activities	22	(30.285)	(10)
Operating profit before financing income (expense)		(45.636)	991.365
Financing income	23	67.264	93.046
Financing expenses	24	(2.097.281)	(2.521.450)
Net monetary gain (loss)	30	1.678.600	1.889.318
Profit before tax from continuing operations		(397.053)	452.279
Tax (Expense) income from continuing operations			
Current tax (expense) income	25	(101.791)	(255.127)
Deferred tax (expense) income	25	288.087	(28.649)
Profit for the period from continuing operations		(210.757)	168.503
Distribution of profit (loss) for the period			
Non-controlling interests		18.000	139.686
Equity holders of the parent		(228.757)	28.817
Earnings (loss) per share	26	(0,0410)	0,0016
Other comprehensive income (expense) section			
Items that will not be reclassified to profit or loss			
- Property, plant and equipment revaluation increases (decreases)	12	(73.635)	1.614.414
- Property, plant and equipment revaluation increases (decreases), tax effect	25	(7.133)	(307.451)
- Remeasurement gains (losses) on defined benefit plans	15	8.095	75.785
- Remeasurement gains (losses) on defined benefit plans, tax effect	25	(2.024)	(18.947)
Other comprehensive income		(74.697)	1.363.801
Total comprehensive income		(285.454)	1.532.304
Total comprehensive income attributable to			
Non-controlling interest		(24.061)	286.062
Equity holders of the parent		(261.393)	1.246.242

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

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Consolidated Statement of Changes in Equity for the period January 1–December 31, 2025

(All amounts are presented in thousands of Turkish Lira (“TL”), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

					Accumulated other comprehensive income or expenses that will not be reclassified to profit or loss			Accumulated profits					
	Share capital	Capital adjustment differences	Treasury shares	Reciprocal shareholding capital adjustment	Share issue premiums/ discounts	Property, plant and equipment revaluation increases / decreases	Remeasurement gains (losses) on defined benefit plans	Restricted reserves appropriated from profit	Retained earnings (losses)	Profit (loss) for the period	Equity attributable to owners of the company	Non-controlling interests	Total equity
Balance as of January 1, 2024 (beginning of period)	180.000	6.743.893	(1.834)	-	312.350	2.750.343	(223.125)	836.978	6.827.098	3.465.715	20.891.418	2.285.801	23.177.219
Transfers	-	-	-	-	-	(483.828)	-	-	3.951.676	(3.465.715)	2.133	(2.133)	-
Corrections related to errors	-	-	-	-	-	-	-	-	(14.096)	-	(14.096)	(1.566)	(15.662)
Amount after adjustments	180.000	6.743.893	(1.834)	-	312.350	2.750.343	(223.125)	836.978	6.813.002	3.465.715	20.877.322	2.284.235	23.161.557
Total comprehensive income	-	-	-	-	-	1.166.622	50.803	-	-	28.817	1.246.242	286.062	1.532.304
- Profit for the period	-	-	-	-	-	-	-	-	-	28.817	28.817	139.686	168.503
- Other comprehensive income (loss)	-	-	-	-	-	1.166.622	50.803	-	-	-	1.217.425	146.376	1.363.801
Increase (decrease) due to other changes	-	-	(617)	-	12.109	-	-	-	-	-	11.492	404.201	415.693
Dividend payment	-	-	-	-	-	-	-	-	(13.351)	-	(13.351)	-	(13.351)
Balance as of December 31, 2024 (end of period)	180.000	6.743.893	(2.451)	-	324.459	3.433.137	(172.322)	836.978	10.751.327	28.817	22.123.838	2.972.365	25.096.203
Balance as of January 1, 2025 (beginning of period)	180.000	6.743.893	(2.451)	-	324.459	3.433.137	(172.322)	836.978	10.751.327	28.817	22.123.838	2.972.365	25.096.203
Transfers	-	-	-	-	-	-	-	-	28.817	(28.817)	-	-	-
Total comprehensive income	-	-	-	-	-	(37.592)	4.956	-	-	(228.757)	(261.393)	(24.061)	(285.454)
- Profit (loss) for the period	-	-	-	-	-	-	-	-	-	(228.757)	(228.757)	18.000	(210.757)
- Other comprehensive income (loss)	-	-	-	-	-	(37.592)	4.956	-	-	-	(32.636)	(42.061)	(74.697)
Increase (decrease) due to other changes	-	-	-	-	-	-	-	-	(150)	-	(150)	-	(150)
Other amounts transferred from accumulated other comprehensive income to retained earnings (losses)	-	-	-	-	-	(126.239)	-	-	126.239	-	-	-	-
Capital increase	5.400.000	(3.400.000)	-	-	-	-	-	-	(2.000.000)	-	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	-	-	-	(36.067)	(36.067)
Balance as of December 31, 2025 (end of period)	5.580.000	3.343.893	(2.451)	-	324.459	3.269.306	(167.366)	836.978	8.906.233	(228.757)	21.862.295	2.912.237	24.774.532

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

Batçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Consolidated Statement of Cash Flows for the period January 1–December 31, 2025 (All amounts are presented in thousands of Turkish Lira (“TL”), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

		Current Period	Previous Period
		Audited	Audited
			Restated
	Notes	January 1 – December 31, 2025	January 1 – December 31, 2024
A. Cash flows from operating activities		1.988.994	199.278
Net profit (loss) for period			
Net profit (loss) for the year from continued operations (I)		(210.757)	168.503
Adjustments for the reconciliation of net profit (loss) for the period (II)		1.579.702	1.277.149
Adjustments for depreciation and amortization expenses	12,13	1.307.578	1.409.222
Adjustments for impairment (reversals)			
- Adjustments for impairment (reversal) of receivables	8	7.492	281
- Adjustments for impairment (reversal) of inventories	10	(17.404)	20.845
- Adjustments for impairment (reversal) of property, plant and equipment		-	58.738
Adjustments for provisions			
- Adjustments for provisions (reversal) for employee benefits	15	27.570	99.087
- Adjustments for provisions (reversal) for lawsuits and/or penalties	14	4.315	5.284
- Adjustments for other provisions (reversals)	14	3.065	32.059
Adjustments for interest income and expenses			
- Adjustments for interest income	22	(34.605)	(294.793)
- Adjustments for interest expenses	24	828.678	1.051.694
- Unearned finance income arising from forward sales	21	(12.473)	(168.036)
- Deferred finance expense arising from forward purchases	21	12.177	105.171
Adjustments for unrealised foreign exchange translation differences		1.217.903	1.330.736
Adjustments for tax income/expense	25	51.480	247.940
Adjustments for losses (gains) arising from the sale of fixed assets			
- Adjustments for losses (gains) arising from the sale of property, plant and equipment	22	30.285	10
Adjustments for monetary loss / (gain)		(1.846.359)	(2.621.089)
Changes in working capital (III)		961.659	(784.598)
Adjustments for decrease / (increase) in trade receivables		520.697	(119.533)
Adjustments for (increase)/decrease in inventories	10	11.822	375.890
Decrease (increase) prepaid expenses	11	23.556	(59.083)
Adjustments for increase (decrease) in trade payables		390.291	(668.542)
Increase (decrease) in liabilities under employee benefits		17.733	(12.694)
Adjustments for decrease / (increase) in other receivables related to operating activities			
- Decrease / (increase) in other receivables from related parties related to operating activities	9	-	-
- Decrease / (increase) in other receivables from third parties related to operating activities	9	(28.822)	29.497
Adjustments for increase (decrease) in other payables related to operating activities			
- Increase (decrease) in other payables to related parties related to operating activities	7	-	(12.414)
- Increase (decrease) in other payables to third parties related to operating activities		1.852	-
Adjustments for other increase (decrease) in working capital			
- Decrease (increase) in other assets related to operating activities		(48.252)	(82.826)
- Increase (decrease) in other liabilities related to operating activities		25.767	(28.122)
Increase (decrease) in deferred income		47.015	(206.771)
Other cash inflows (outflows)		-	-
Cash flows generated from operations (I+II+III)		2.330.604	661.054
Payments made within the scope of provisions for employee benefits	15	(38.894)	(16.512)
Tax refunds (payments)	25	(302.716)	(445.264)
B. Cash flows from investing activities, net		(904.893)	1.389.266
Cash inflows from sales that do not result in loss of control of subsidiaries		-	1.847.997
Cash inflows arising from the sale of property, plant and equipment and intangible assets			
- Cash inflows arising from the sale of property, plant and equipment		166.595	20.026
- Cash inflows arising from the sale of intangible assets		-	-
Cash outflows arising from the purchase of property, plant and equipment and intangible assets			
- Cash outflows arising from the purchase of property, plant and equipment	12	(1.071.037)	(474.084)
- Cash outflows arising from the purchase of intangible assets	13	(451)	(4.673)
C. Cash flows from financing activities		(1.205.011)	(1.618.928)
Cash inflows from borrowings			
- Cash inflows from loans	6	2.198.645	3.027.694
Cash outflows related to debt repayments			
- Cash outflows related to loan repayments	6	(2.135.397)	(3.988.285)
Interest paid	6	(1.196.866)	(1.067.026)
Dividend payment		(36.067)	(13.351)
Other cash inflows		-	415.693
Cash outflows from leasing		(69.931)	(34.427)
Interest received		34.605	40.774
D. Effect of monetary gain (loss) on cash and cash equivalents		(100.988)	(140.276)
E. Effect of exchange rate changes on cash and cash equivalents		6.136	9.957
Net increase (decrease) in cash and cash equivalents (A+B+C+D+E)		(215.762)	(160.703)
F. Cash and cash equivalents at the beginning of the period	4	427.891	588.594
Cash and cash equivalents at the end of the period (A+B+C+D+E+F)	4	212.129	427.891

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

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

1. The Group's organization and nature of operations

Batiçim Batı Anadolu Çimento Sanayii A.Ş. ("Group" or "Batiçim") was established in accordance with the Turkish Trade Law in 1966 in İzmir, Turkey.

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

The Group is registered under the Capital Markets Board ("CMB"), and since 1995 its stocks are traded, in Borsa İstanbul ("BIST").

The Group's shareholder structure at historical basis is as below:

Shareholders	December 31, 2025		December 31, 2024	
	Share (%)	Amount (Thousand TL)	Share (%)	Amount (Thousand TL)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş.	38,07	2.124.516	39,72	71.503
İstanbul Portföy Yönetimi A.Ş. Pre-IPO	-	-	11,96	21.534
Girişim Sermayesi Yatırım Fonu	-	-	6,75	12.141
İstanbul Portföy İkinci Serbest Fon	-	-	5,7	10.267
KTLP Limited	7,35	410.330	5,7	10.267
Other	54,58	3.045.154	35,87	64.555
Nominal capital	100,00	5.580.000	100,00	180.000

The Board members of the Group are as follows:

Chairman	: Sabit Aydın
Vice Chairman	: Coşkun Kılıç
Executive Member	: Ömer Çağdaş Selvi
Member	: Mehmet Gökalg Özkoç
Independent Member	: Mehmet Şahne
Independent Member	: Ufuk Bala Yücel
Independent Member	: Enis Turan Erdoğan

As of December 31, 2025, the information related to the Group's subsidiaries is as follows:

Subsidiaries	Stock Exchange Market	Main Business Activities
Batisöke Söke Çimento Sanayii T.A.Ş. ("Batisöke")	Borsa İstanbul	Production and sale of clinker and cement
ASH Plus Yapı Malzemeleri Sanayi ve Ticaret A.Ş. ("ASH Plus")	-	Production and sale of ash
Batiçim Enerji Elektrik Üretim A.Ş. ("Batiçim Enerji")	-	Production and sale of electricity
Batıbeton Sanayi A.Ş. ("Batıbeton")	-	Production and sale of ready-mixed concrete
Batılıman Liman İşletmeleri A.Ş. ("Batılıman")	-	Port operations
Batiçim Enerji Toptan Satış A.Ş. ("Batiçim Enerji Toptan")	-	Sales and distribution
Ege İş Madencilik Sanayi ve Ticaret A.Ş. ("Ege İş")	-	Gravel and sand quarrying

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

1. The Group's organization and nature of operations (continued)

It is engaged in the production and marketing of cement, ready mixed concrete, aggregate, clinker, port operation, electricity generation and sales activities of the Group and the subsidiaries explained above (together the "Group"). Segment reporting is in Note 3.

The number of employees is categorized as follows:

	December 31, 2025	December 31, 2024
Executive	45	34
Officer	186	192
Worker	782	794
	1.013	1.020

At the meeting of the Board of Directors dated April 17, 2025, it was resolved that the Bornova cement plant owned by Batıçim, together with all its production equipment and machinery, be leased to Batisöke for the period until the commencement of the real estate project covering the factory site; that clinker and cement production activities be carried out solely by Batisöke after the leasing; that the factory operations be terminated once the real estate project begins; and that, within this scope, applications be submitted to the Capital Markets Board and the Ministry of Trade of the Republic of Türkiye for the changes in the trade names of both Batisöke and Batıçim. It was further resolved that, following the approvals of the Capital Markets Board and the Ministry of Trade of the Republic of Türkiye, the matter be submitted for the approval of the first general assembly meeting, and the relevant applications have been made. With the letter of the Capital Markets Board dated December 22, 2025, the application was approved, provided that the utmost care and diligence are exercised regarding compliance with the specified conditions and relevant legislation. With the letter of the Ministry of Trade of the Republic of Türkiye dated December 26, 2025, the amendment to the articles of association was also deemed appropriate. The proposal for the amendment to the articles of association will be submitted for the approval of the shareholders at the first general assembly meeting to be held.

2. Presentation of the consolidated financial statements

2.1 Basis of presentation

The Company and its subsidiaries keep and prepare their statutory books and statutory financial statements in accordance with the accounting principles prescribed by the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying consolidated financial statements have been prepared in accordance with the provisions of the Communiqué Serial II, No. 14.1 "Communiqué on Principles of Financial Reporting in Capital Markets" ("Communiqué"), published in the Official Gazette dated June 13, 2013 and numbered 28676 by the Capital Markets Board ("CMB"), and, pursuant to Article 5 of the Communiqué, are based on the Turkish Financial Reporting Standards ("TFRS") put into effect by the Public Oversight, Accounting and Auditing Standards Authority ("POA").

Companies that report in accordance with the CMB legislation apply the Turkish Accounting Standards / Turkish Financial Reporting Standards and the related appendices and interpretations ("TAS/TFRS") published by the Public Oversight, Accounting and Auditing Standards Authority ("POA") pursuant to Article 5 of the Communiqué.

The Group's consolidated financial statements are prepared on the historical cost basis, except for land/plots and machinery, equipment and fixtures, which are accounted for at fair value using the revaluation model in accordance with TAS 16. In determining historical cost, the fair value of the amount paid for the assets is generally taken as the basis.

Functional and presentation currency

The Group's financial position and results of operations have been expressed in TL, which is the Group's functional currency and the presentation currency for the financial statements.

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.1 Basis of presentation (continued)

Restatement of financial statements during the hyperinflationary periods

The consolidated financial statements and the corresponding amounts for previous periods have been restated for changes in the general purchasing power of the functional currency and, as a result, have been expressed in terms of the measuring unit current at the end of the reporting period in accordance with TAS 29 "Financial Reporting in Hyperinflationary Economies."

TAS 29 applies to the financial statements, including the financial statements of any entity whose functional currency is the currency of a hyperinflationary economy. Where a hyperinflationary economy exists, TAS 29 requires the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy to be stated in terms of the measuring unit current at the end of the reporting period. As of the reporting date, since the cumulative change in the general purchasing power over the last three years has exceeded 100% based on the Consumer Price Index ("CPI"), entities operating in Türkiye are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" in reporting periods ending on or after December 31, 2023.

Within the scope of the Announcement on the Adjustment of Financial Statements of Companies Subject to Independent Audit for Inflation, published by the POA on November 23, 2023, it has been stated that the financial statements of entities applying Turkish Financial Reporting Standards for annual reporting periods ending on or after December 31, 2023 should be presented after being adjusted for the effects of inflation in accordance with the relevant accounting principles set out in TAS 29.

However, pursuant to the decision of the CMB dated December 28, 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting / Financial Reporting Standards have been required to apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the accounting periods ended as of December 31, 2023.

Within this framework, the financial statements as of December 31, 2025 have been presented after being adjusted for the effects of inflation within the scope of the accounting principles set out in TAS 29.

The table below presents the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute ("TurkStat"):

Date	Index	Correction coefficient	Three-year cumulative inflation rates
31 Aralık 2025	3.513,87	1,00000	%211
31 Aralık 2024	2.684,55	1,30892	%291
31 Aralık 2023	1.859,38	1,88981	%268

The main lines of TAS 29 indexation transactions are as follows:

- All items other than those expressed in terms of the current purchasing power as of the reporting date are indexed using the relevant adjustment coefficients. Amounts relating to prior years have also been indexed in the same manner.

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.1 Basis of presentation (continued)

- Monetary assets and liabilities are not indexed, since they are expressed in terms of the current purchasing power as of the statement of financial position date. Monetary items are items to be received or paid in cash or cash equivalents.
- Fixed assets, investments in associates and similar assets are indexed over their historical cost, provided that they do not exceed their market values. Depreciation has also been adjusted in a similar manner. Amounts included in equity have been restated by applying general price indices in the periods in which such amounts were included in the Group or arose within the Group.
- All items in the statement of profit or loss are indexed using coefficients calculated over the periods in which the income and expense accounts were first reflected in the consolidated financial statements, except for those items in the statement of profit or loss that are affected by the indexing of non-monetary items included in the consolidated statement of financial position and that have an effect on the statement of profit or loss.
- Gains or losses arising from general inflation in the net monetary position represent the difference resulting from the adjustments made to non-monetary assets, equity items, and statement of profit or loss accounts. These gains or losses in the net monetary position are included in profit or loss.
- The effect of inflation on the Group's net monetary asset position in the current period has been recognized in the statement of profit or loss under net monetary position gains/(losses) (Note 30).

The effects of the application of TAS 29 "Financial Reporting in Hyperinflationary Economies" are summarized below:

Restatement of the Statement of Financial Position

Amounts presented in the statement of financial position that are not expressed in terms of the measuring unit current at the end of the reporting period are restated. Accordingly, monetary items are not restated, as they are expressed in terms of the currency current at the end of the reporting period. Non-monetary items, unless presented at their current amounts at the end of the reporting period, are required to be restated.

The gain or loss in the net monetary position arising from the restatement of non-monetary items is included in profit or loss and presented separately in the statement of profit or loss and other comprehensive income.

Restatement of the Statement of Profit or Loss

All items in the statement of profit or loss are expressed in terms of the measuring unit current at the end of the reporting period. Therefore, all amounts have been restated by applying changes in the monthly general price index.

The cost of inventories sold has been adjusted by using the restated inventory balance. Depreciation and amortisation expenses have been adjusted by using the restated balances of property, plant and equipment, intangible assets, and right-of-use assets.

Restatement of Statement of Cash Flows

All items in the statement of cash flows are expressed in terms of the measuring unit current at the end of the reporting period. Non-monetary items acquired or assumed before January 1, 2005, the date on which the Turkish lira ceased to be defined as the currency of a hyperinflationary economy, as well as equity contributed to or arising within the entity before that date, have been adjusted for the change in the CPI from January 1, 2005 to December 31, 2025.

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.1 Basis of presentation (continued)

Restatement of Statement of Cash Flows (continued)

In addition, in the reporting period in which TAS 29 is applied for the first time, the provisions of the Standard are applied assuming that the economy has always been hyperinflationary. Accordingly, the opening balance sheet dated January 1, 2022, representing the beginning of the earliest comparative period, has been adjusted for inflation in order to serve as the basis for subsequent reporting periods. The inflation-adjusted amount of the retained earnings/losses item in the statement of financial position as of January 1, 2022 has been derived from the balance required after the inflation adjustment of the other items in that statement.

Going concern

The financial statements have been prepared on a going concern basis, under the assumption that the Group will derive benefits from its assets and fulfil its obligations within one year following the reporting date and in the ordinary course of its operations.

Approval of the consolidated financial statements

The consolidated financial statements have been approved by the Board of Directors and authorized for issue on February 20, 2026. The General Assembly has the authority to amend the consolidated financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and the entities controlled by the Group and its subsidiaries. Control is achieved when the Group satisfies all of the following conditions:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

If a situation or event arises that may cause a change in at least one of the criteria listed above, the Group reassesses whether it has control over its investment.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ends when the Group loses control over it. 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 date of acquisition to the date of disposal.

Each item of profit or loss and other comprehensive income is attributed to the equity holders of the parent and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments have been made to the financial statements of subsidiaries regarding accounting policies in order to align them with the accounting policies followed by the Group. All intra-group assets and liabilities, equity, income and expenses, and cash flows relating to transactions between Group companies are eliminated on consolidation.

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.1 Basis of presentation (continued)

As of December 31, 2025, and 2024, the details of the Group's subsidiaries are as follows:

Subsidiary	Establishment and operation location	December 31, 2025		December 31, 2024	
		Direct proportional ownership	Indirect proportional ownership	Direct proportional ownership	Indirect proportional ownership
Batısöke	Aydın, Türkiye	%74,62	%74,62	%74,62	%74,62
Batıçim Enerji	İzmir, Türkiye	%100	%100	%100	%100
Batıçim Enerji Toptan	İzmir, Türkiye	-	%100	-	%100
Batıbeton	İzmir, Türkiye	%100	%100	%100	%100
Batılıman	İzmir, Türkiye	%90	%90	%90	%90
ASH Plus	Manisa, Türkiye	-	%100	%100	%100
Ege İş (*)	İzmir, Türkiye	%100	%100	-	-

(*) No separate note has been included for the transaction, since the financial size of the acquired entity is immaterial.

2.2 Changes in accounting and reporting standards

New and revised standards and interpretations

In the preparation of the consolidated financial statements for the accounting period ended December 31, 2025, the accounting policies applied are consistent with those applied in the financial statements prepared as of December 31, 2024, except for the new and amended TFRS and TFRS interpretations effective as of January 1, 2025, which are summarized below.

i) New standards, amendments and interpretations effective as of January 1, 2025

TAS 21 (Amendments) Lack of Exchangeability

In May 2024, the POA issued amendments to TAS 21. The amendments specify how to assess whether a currency is exchangeable and how to determine the applicable exchange rate when a currency is not exchangeable. According to the amendment, when an estimate of the applicable exchange rate is made because a currency is not exchangeable, disclosures are made that enable users of the financial statements to understand how the inability to exchange the relevant currency into another currency affects, or is expected to affect, the entity's performance, financial position and cash flows. When the amendments are applied, comparative information is not restated.

ii) Standards and amendments issued as of December 31, 2025 but not yet effective

As of the date of approval of the consolidated financial statements, the new standards, interpretations and amendments that have been issued but are not yet effective for the current reporting period and have not been early adopted by the Group are as follows. Unless otherwise stated, the Group will make the necessary changes that will affect its consolidated financial statements and notes after the new standards and interpretations become effective.

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.2 Changes in accounting and reporting standards (continued)

New and revised standards and interpretations (continued)

ii) Standards and amendments issued as of December 31, 2025 but not yet effective (continued)

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

The POA indefinitely deferred the effective date of these amendments made to TFRS 10 and TAS 28 in December 2017, pending the outcomes of the ongoing research project related to the equity method. However, early application is still permitted.

TFRS 17 – New Insurance Contracts Standard

In February 2019, the POA issued TFRS 17, a comprehensive new accounting standard covering the recognition and measurement, presentation and disclosure of insurance contracts. TFRS 17 introduces a model that provides both the measurement of liabilities arising from insurance contracts at current balance sheet values and the recognition of profit over the period in which services are provided. With the announcement made by the POA, the mandatory effective date of the Standard has been deferred to accounting periods beginning on or after January 1, 2026.

TFRS 18 – New Standard on Presentation and Disclosures in Financial Statements

In May 2025, the POA issued TFRS 18, which replaces TAS 1. TFRS 18 introduces new requirements for the presentation of the statement of profit or loss, including the presentation of certain totals and subtotals. TFRS 18 requires entities to present all income and expenses reported in the statement of profit or loss within one of five categories: operating activities, investing activities, financing activities, income taxes, and discontinued operations. The Standard also requires the disclosure of management-defined performance measures and, in addition, introduces new requirements for the aggregation or disaggregation of financial information in accordance with the functions defined for the primary financial statements and the notes. With the issuance of TFRS 18, certain amendments have also been made to other financial reporting standards such as TAS 7, TAS 8, and TAS 34. TFRS 18 and the related amendments will become effective for reporting periods beginning on or after January 1, 2027. However, early application is permitted.

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira (“TL”), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.2 Changes in accounting and reporting standards (continued)

ii) Standards and amendments issued as of December 31, 2025 but not yet effective (continued)

Amendments to TFRS 9 and TFRS 7 – Classification and Measurement of Financial Instruments

In August 2025, the POA issued amendments related to the classification and measurement of financial instruments. The amendment clarifies that financial liabilities are derecognised on the date on which they are extinguished.

In addition, the amendment introduces an accounting policy option that allows financial liabilities settled through an electronic payment system to be derecognised before the settlement date, provided that certain conditions are met. The amendment also provides clarifications on how to assess the contractual cash flow characteristics of financial assets that include Environmental, Social and Governance (ESG)-linked or similar contingent features, as well as guidance on the application for assets that do not give rise to unlimited liability and for contractually linked financial instruments. Furthermore, with this amendment, additional disclosures have been added to TFRS 7 for financial assets and liabilities containing contractual terms that reference a contingent event (including ESG-linked features) and for equity instruments measured at fair value through other comprehensive income. The amendment will become effective for annual reporting periods beginning on or after January 1, 2026. Entities may early adopt the amendments related to the classification of financial assets and the related disclosures, and apply the other amendments at a later date.

Amendments to TFRS 9 and TFRS 7 – Contracts Referencing Nature-Dependent Electricity

In August 2025, the POA issued the amendment titled “Contracts Referencing Nature-Dependent Electricity” (relating to TFRS 9 and TFRS 7). The amendment clarifies the application of the own-use exception and permits hedge accounting when such contracts are used as hedging instruments. The amendment also introduces new disclosure requirements in order to enable investors to understand the effects of such contracts on the entity’s financial performance and cash flows. The amendment becomes effective for annual reporting periods beginning on or after January 1, 2026. Early application is permitted, and if early application is made, this matter is disclosed in the notes. The clarifications regarding the own-use provisions are applied retrospectively; however, the provisions permitting hedge accounting are applied prospectively to new hedging relationships designated on or after the date of initial application.

TFRS 19 – New Standard on Subsidiaries without Public Accountability: Disclosures

In August 2025, the POA issued TFRS 19, which provides certain entities with the option to present reduced disclosures while applying the recognition, measurement and presentation requirements of TFRS in the financial statements. Unless otherwise specified, entities within the scope that choose to apply TFRS 19 will not be required to apply the disclosure requirements in other TFRS. An entity that is a subsidiary, does not have public accountability, and whose parent (intermediate or ultimate) prepares TFRS-compliant financial statements available for public use may elect to apply TFRS 19. TFRS 19 becomes effective for reporting periods beginning on or after January 1, 2027, with early application permitted. When early application of this Standard is elected, this fact is disclosed in the notes. In the first reporting period (annual or interim) in which this Standard is initially applied, the disclosures presented for the comparative period must be aligned with the disclosures presented for the current period in accordance with TFRS 19.

Annual Improvements to TFRS – 11th Amendment; Effective for annual reporting periods beginning on or after January 1, 2026 (early application is permitted). Annual improvements are limited to amendments that clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or inconsistencies between the requirements in Accounting Standards.

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.2 Changes in accounting and reporting standards (continued)

ii) Standards and amendments issued as of December 31, 2025 but not yet effective (continued)

- TFRS 1 First-time Adoption of Turkish Financial Reporting Standards;
- TFRS 7 Financial Instruments: Disclosures and the Guidance on the Application of TFRS 7 included in the Appendix to the Standard;
- TFRS 9 Financial Instruments
- TFRS 10 Consolidated Financial Statements;
- TAS 7 Statement of Cash Flows;

iii) Amendments issued by the International Accounting Standards Board (IASB) but not published by the POA

The amendments to IAS 21 referred to below have been issued by the IASB but have not yet been adapted to/published in TFRS by the POA. Therefore, they do not form part of TFRS. The Group will make the necessary changes in its consolidated financial statements and notes after these amendments enter into force in TFRS.

Amendments to IAS 21 – Translation into a Hyperinflationary Presentation Currency

The amendments issued by the IASB in November 2025 require the use of the closing exchange rate when translating from a functional currency that is not the currency of a hyperinflationary economy into a presentation currency that is the currency of a hyperinflationary economy. Accordingly, an entity whose functional currency is the currency of a non-hyperinflationary economy but whose presentation currency is the currency of a hyperinflationary economy uses the closing exchange rate at the end of the current period when translating its results of operations and financial position, including comparative amounts, for all relevant items (in other words, for assets, liabilities, equity items, income and expenses). However, an entity whose functional currency and presentation currency are both the currency of a hyperinflationary economy expresses the comparative amounts of a foreign operation whose functional currency is the currency of a non-hyperinflationary economy in terms of the current measuring unit by applying the general price index in accordance with IAS 29. These amendments also introduce certain additional disclosure requirements.

2.3 Comparative information and restatement of the prior period consolidated financial statements

In order to enable the determination of trends in financial position and performance, the Group's consolidated statement of financial position dated December 31, 2025 has been prepared comparatively with the consolidated statement of financial position dated December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2025 have been prepared comparatively with the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2024.

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2.3 Comparative information and restatement of the prior period consolidated financial statements (continued)

	<i>Restated</i>		<i>Previously Presented</i>
	<u>Consolidated</u>		<u>Consolidated</u>
	<u>December 31,</u>	<u>Adjustments</u>	<u>December 31,</u>
	<u>2024</u>		<u>2024</u>
Current Assets	5.987.967	-	5.987.967
Cash and cash equivalents	427.891	-	427.891
Financial investments	296	-	296
Trade receivables	3.239.901	-	3.239.901
Other receivables	14.804	-	14.804
Inventories	1.539.291	-	1.539.291
Prepaid expenses	281.540	-	281.540
Current period tax-related assets	56.195	-	56.195
Other current assets	428.049	-	428.049
Non-current Assets	30.425.170	158.980	30.266.190
Financial investments	13	-	13
Other receivables	20.572	-	20.572
Property, plant and equipment	27.872.248	(61.502)	27.933.750
Right of use assets	559.269	222.157	337.112
Intangible assets	1.523.925	(1.675)	1.525.600
Prepaid expenses	26	-	26
Deferred tax assets	449.116	-	449.116
TOTAL ASSETS	36.413.137	158.980	36.254.157
Current Liabilities	5.376.077	20.438	5.355.639
Short term borrowings	1.231.582	-	1.231.582
Current portions of long-term borrowings	1.408.515	-	1.408.515
Lease liabilities	49.569	20.438	29.131
Trade payables	2.370.834	-	2.370.834
Liabilities under employee benefits	76.712	-	76.712
Other payables	34.168	-	34.168
Deferred income	130.134	-	130.134
Current tax liability	6.178	-	6.178
Short term provisions	21.211	-	21.211
Other short term liabilities	47.172	-	47.172
Non-current liabilities	5.940.858	85.348	5.855.510
Long-term borrowings	3.817.433	-	3.817.433
Lease liabilities	228.540	58.344	170.197
Long-term provisions	312.816	-	312.816
Deferred tax liabilities	1.582.069	27.004	1.555.065
Total equity	22.123.837	47.874	22.075.962
Paid-in capital	235.606	-	235.606
Capital adjustment differences	6.688.286	-	6.688.286
Treasury shares	(2.450)	-	(2.450)
Share premium	324.459	-	324.459
Accumulated other comprehensive income (expenses) that will not be reclassified to profit or loss	3.260.815	-	3.260.815
Restricted reserves appropriated from profit	836.978	-	836.978
Retained earnings or losses	10.751.327	(14.096)	10.765.423
Net profit or loss for the period	28.817	61.970	(33.154)
	-	-	-
Equity Attributable to the Parent	22.123.837	47.874	22.075.962
Non-controlling Interests	2.972.364	5.319	2.967.045
Total Equity	25.096.202	53.193	25.043.007
TOTAL	36.413.137	158.979	36.254.157

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2.3 Comparative information and restatement of the prior period consolidated financial statements (continued)

	<i>Restated</i>		<i>Previously Presented</i>
	<u>Consolidated</u>		<u>Consolidated</u>
	<u>December 31,</u>	<u>Adjustments</u>	<u>December 31,</u>
	<u>2024</u>		<u>2024</u>
Revenue	17.592.197		17.592.197
Cost of Sales	(15.504.828)	(6.123)	(15.498.705)
GROSS PROFIT/LOSS	2.087.369	(6.123)	2.093.492
General administrative expenses	(644.531)		(644.531)
Marketing expenses	(759.077)		(759.077)
Other income from operating activities	557.343		557.343
Other expenses from operating activities	(503.748)		(503.748)
OPERATING PROFIT/LOSS	737.356	(6.123)	743.479
Income from investing activities	254.019	-	254.019
Expenses from investing activities	(10)	-	(10)
OPERATING PROFIT/LOSS BEFORE FINANCE EXPENSE	991.364	(6.123)	997.487
Finance income	93.046	-	93.046
Finance expenses	(2.521.450)	(9.514)	(2.511.936)
Net monetary position gains (losses)	1.889.319	120.328	1.768.990
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	452.279	104.692	347.587
Tax Expense / Income from Continuing Operations	(283.776)	(35.836)	(247.940)
Current Tax Expense / Income	(255.127)	-	(255.127)
Deferred Tax Expense / Income	(28.649)	(35.836)	7.187
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	168.503	68.856	99.647
PROFIT (LOSS) FOR THE PERIOD	168.503	68.856	99.647
Non-controlling interests	139.686	6.886	132.801
Equity holders of the parent	28.817	61.970	(33.154)
OTHER COMPREHENSIVE INCOME (EXPENSE)	1.363.801		1.363.801
Items That Will Not Be Reclassified To Profit Or Loss	1.690.200		1.690.200
Property, Plant And Equipment Revaluation Increases (Decreases)	1.614.414		1.614.414
Remeasurement Gains (Losses) On Defined Benefit Plans	75.785		75.785
Taxes Related To Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(326.398)		(326.398)
Property, Plant And Equipment Revaluation Increases (Decreases), Tax Effect	(307.452)		(307.452)
Remeasurement Gains (Losses) On Defined Benefit Plans, Tax Effect	(18.947)		(18.947)
TOTAL COMPREHENSIVE INCOME/(EXPENSE)	1.532.304	68.856	1.463.448
Distribution of total comprehensive income			
Non-controlling interests	286.062	6.886	279.176
Equity holders of the parent	1.246.242	61.970	1.184.272

As of December 31, 2024, the calculations related to property, plant and equipment, intangible assets, right-of-use assets and lease liabilities, together with the related deferred tax effects, were reviewed and adjusted, and the resulting differences were recognized in retained earnings and the statement of profit or loss according to the relevant period.

2.4 Changes in accounting policies, accounting estimates and errors

Changes in accounting policies arising from the initial application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transition provisions. Changes for which no transition provisions exist, significant voluntary changes in accounting policies, or identified accounting errors are applied retrospectively and the consolidated financial statements of prior periods are restated.

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2. Presentation of the consolidated financial statements (continued)

2.4 Changes in accounting policies, accounting estimates and errors (continued)

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

2.5 Summary of significant accounting policies

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Net sales are presented after deducting estimated and actual returns, discounts, commissions, turnover premiums and taxes related to sales from the sales amount of goods.

Sale of goods

Revenue related to performance obligations in the nature of a promise to transfer goods or services is recognized as the Group satisfies the performance obligation by transferring the goods or services to its customer. In the sale of goods, the asset is transferred and revenue is recognized when control of the asset passes to the customer. This generally occurs when the asset is delivered to the customer. However, where no asset is created with an alternative use for the Group and the Group has an enforceable right to payment for performance completed to date, the Group transfers control of the goods over time and recognizes revenue over time as production takes place.

The following indicators are considered while evaluating the transfer of control of the goods and services

- a) Ownership of the Group's right to collect goods or services,
- b) The ownership of the property of the customer,
- c) Transfer of the possession of the goods or services,
- d) Ownership of significant risks and rewards arising from the ownership of the goods or services,
- e) It takes into account the conditions for the customer to accept the goods or services.

At the beginning of the contract, the Group evaluates whether the Group has different performance commitments. The Group does not have an important service component identified in customer contracts.

If there is an important financing element in the revenue, the revenue value is determined by reducing the future collections with the interest rate included in the financing element. The difference is recorded in the relevant periods as other income from the main activities on an accrual basis.

Rendering of services

Revenue arising from a service rendering contract is recognized according to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Revenue arising from contracts based on time spent is recognized over the contractual fees as working hours and direct expenses are incurred.

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2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Related parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to as the 'reporting entity').

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
- i. Has control or joint control over the reporting entity,
 - ii. Has significant 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 considered related to the reporting entity if any of the following conditions applies:
- i. The entity and the reporting entity are members of the same group.
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. The entity is controlled or jointly controlled by a person identified in (a).
 - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Related party transactions are transactions in which resources, services and obligations are transferred between related parties, regardless of whether any consideration is charged. In the consolidated financial statements, the Group's shareholders, the companies owned by them, their managers, and other groups known to be related to them are defined as related companies. It is assumed that the carrying amounts of receivables from related parties and payables to related parties are equivalent to the fair values of the assets and liabilities.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost, expressed in terms of purchasing power of TL as of December 31, 2025 and net realizable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on a weighted average basis. Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. When the net realizable value of inventory is less than cost, the inventory is written down to the net realizable value, and the expense is included in the statement of profit or loss in the period the write-down or loss occurred. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed. The reversal amount is limited to the amount of the original write-down.

Right-of-use assets

The Group accounts for the right-to-use assets on the date of commencement of the leasing agreement (for example, as of the date on which the relevant asset is eligible for use). The right-of-use assets is calculated by deducting the accumulated depreciation and impairment losses from the cost value.

In case the financial leasing debts are revalued, this figure is corrected.

The cost of the right-of-use asset includes:

- a) The first measurement of the lease obligation,
- b) The amount obtained from all lease payments made before or before the lease actually started, by deducting all lease incentives received, and
- c) All initial costs incurred by the company.

Unless the transfer of the ownership of the underlying asset to the Group at the end of the lease is reasonably finalized, the Group depreciates its asset right to use until the end of the useful life of the underlying asset.

The right to use assets is subject to impairment assessment.

Lease liabilities

The Group measures the lease obligation at the present value of the lease payments, which were not paid on the date the lease actually began.

The lease payments included in the measurement of the lease obligation at the date of the lease actually consists of the following payments to be made for the right of use of the underlying asset during the lease period and not paid at the date when the lease actually started:

- (a) Fixed payments,
- (b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date of the lease,
- (c) Amounts expected to be payable by the Group under residual value guarantees,
- (d) The exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- (e) Payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

Variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

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2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Lease liabilities (continued)

For the remaining portion of the lease term, the Group determines the revised discount rate as the interest rate implicit in the lease if that rate can be readily determined; if it cannot be readily determined, the Group uses its incremental borrowing rate at the date of reassessment.

After the commencement date, the Group measures the amount of lease liabilities as follows:

- (a) Increases the carrying amount to reflect the interest on the lease obligation, and
- (b) Reduces the carrying value to reflect the rent payments made.

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

Property, plant, and equipment

Property, plant and equipment are presented at their carrying amounts after deducting accumulated depreciation and accumulated impairment losses from their restated acquisition costs expressed in terms of the purchasing power of TL as of December 31, 2025, except for owner-occupied land and machinery/equipment measured at fair value in accordance with the revaluation model under TAS 16. The cost of an item of property, plant and equipment consists of the purchase price, import duties and non-refundable taxes/charges, and costs incurred to bring the asset to a condition ready for use.

Land are not subject to depreciation. Assets under construction for administrative purposes or for other purposes not yet determined are carried at cost less any impairment loss. Assets that require a substantial period of time to be ready for their intended use or sale are defined as qualifying assets; borrowing costs incurred in relation to such qualifying assets until they are ready for use are capitalized. Once the construction of these assets is completed and they are ready for use, they are classified under the relevant property, plant and equipment item.

Such assets are depreciated when they are ready for use, in the same manner as the depreciation method used for other fixed assets.

Effective from December 31, 2017, the Group decided to apply the revaluation model for land under property, plant and equipment and changed its accounting policy prospectively within the scope of TFRS. In addition, effective from September 30, 2022, the Group changed its accounting policy for the machinery and equipment asset group to the revaluation model. The fair value studies of the property, plant and equipment measured under the Group's revaluation model were carried out by a licensed real estate valuation company authorized by the CMB. As of December 31, 2025, the Group renewed the revaluation measurements of its land and machinery and equipment. These assets were reflected in the financial statements dated December 31, 2025 based on the fair values included in the current valuation reports prepared by a real estate valuation company authorized by the CMB.

For assets measured under the revaluation model, the revaluation differences between the restated cost expressed in terms of the purchasing power of TL as of December 31, 2025 and the fair value are recognized, net of deferred tax effects, in equity under "Revaluation and measurement gains (losses) on property, plant and equipment" through other comprehensive income/expense accounts. If a revalued asset is disposed of, the portion of the revaluation reserve related to the asset sold is transferred directly to retained earnings. In addition, a portion of the revaluation increase is transferred to retained earnings as the asset is used by the entity.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Property, plant, and equipment (continued)

Expenditures such as repairs and maintenance incurred after the property, plant and equipment has been put into use are recognized as an expense in the period in which they are incurred. If the expenditures made provide an increase in economic benefit in the future use of the related property, plant and equipment, such expenditures are added to the cost of the asset and are depreciated over the remaining useful life.

The frequency of revaluations depends on the existence of indicators that there have been significant changes in the items of property, plant and equipment subject to revaluation.

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

If the carrying amount of an asset decreases as a result of revaluation, such decrease is recognized as an expense. However, the decrease is recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Such 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 from the statement of financial position upon disposal or when no future economic benefits are expected from its use or sale. When such assets are sold or disposed of, the resulting gain or loss based on the net book value of the related property, plant and equipment is recognized in the statement of profit or loss under income (expenses) from investing activities.

Except for land and assets under construction, the cost amounts of property, plant and equipment are depreciated using the straight-line depreciation method over their expected useful lives. The expected useful life, residual value and depreciation method are reviewed annually for the possible effects of changes in estimates, and if there is a change in estimates, it is accounted for prospectively.

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

	Period (Year)
Land improvements	15-30
Buildings	10-50
Furniture and fixtures	2-20
Plant, machinery and equipment	2-25
Vehicles	4-10
Other property, plant and equipment (mining assets)	10-30

Intangible assets

Intangible assets consist of purchased computer software. The cost of the assets consists of the purchase price and the costs incurred during the purchase.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. These assets are amortized over their estimated useful lives using the straight-line method. The estimated useful life and the depreciation method, in order to determine the possible effects of changes in estimates are reviewed each year and changes in estimates are accounted for prospectively. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

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2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Intangible assets (continued)

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

The economic useful lives prescribed for the depreciation/amortization of property, plant and equipment and intangible assets are as follows:

	Period (Year)
Rights	3-15
Assets subject to amortization	5

Impairment of property, plant and equipment and intangible assets other than goodwill

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

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

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

Borrowing costs

When assets that require a substantial period of time to be ready for their intended use or sale (qualifying assets) are involved, borrowing costs directly attributable to the acquisition, construction or production of the asset are included in the cost of the asset until the asset is ready for its intended use or sale.

Borrowing costs consist of interest and other financing costs incurred in connection with borrowings. When the Group borrows in currencies other than its functional currency, TL, for general purposes and a portion of these funds is used to finance a qualifying asset, the amount of borrowing costs eligible for capitalization is determined using a borrowing rate that would be used to identify the real borrowing costs that would arise if the expenditures related to the asset had been made in TL. This borrowing rate represents the borrowing cost that would arise if the Group had borrowed in TL under the same maturity and conditions as an alternative to the borrowings made for the construction of the qualifying asset. Financial investment income earned from the temporary investment of the unused portion of borrowings obtained for the investment is deducted from the borrowing costs eligible for capitalization. Any portion determined not to be eligible for capitalization, together with all other borrowing costs, is recognized as a finance expense in the statement of profit or loss in the period in which they are incurred.

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2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Financial Instruments

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

A financial asset is any asset that is:

- Cash
- A contractual right to exchange financial instruments from another enterprise under conditions that are potentially favourable, or,
- A contractual right to receive cash or another financial asset from another enterprise
- An equity instrument of another enterprise.

A financial liability that is a contractual obligation:

- To deliver cash or another financial asset to another enterprise, or
- To exchange financial instruments with another enterprise under conditions that are potentially unfavourable

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

Effective interest method

The effective interest rate method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the ratio exactly discounts the estimated future cash receipts through the expected life of the financial asset to the net present value of the financial asset or in a shorter period where appropriate..

Financial Assets

Classification

Group classifies its “financial assets measured at amortized cost” .The classification of financial assets is determined considering the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The appropriate classification of financial assets is determined at the time of the purchase.

Financial assets are not reclassified after initial recognition except when the Group's business model for managing financial assets changes; in the case of a business model change, subsequent to the amendment, the financial assets are reclassified on the first day of the following reporting period.

Accounting 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 terms give rise on specified dates to cash flows consisting solely of payments of principal and interest on the principal amount outstanding. The Group’s financial assets accounted for at amortized cost include “cash and cash equivalents”, “trade receivables”, “other receivables” and “financial investments”. The related assets are measured at fair value on initial recognition in the consolidated financial statements and, in subsequent measurement, at their discounted amounts using the effective interest method. Gains and losses arising from the measurement of non-derivative financial assets measured at amortized cost are recognized in the statement of profit or loss.

Financial Statement Exclusion

The Group derecognizes the financial assets when it terminates the rights related to the cash flows due to the contract or when the related rights are transferred through a purchase and sale of all risks and rewards related to the financial asset. Any rights created or held by financial assets transferred by the Group are recognized as a separate asset or liability.

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2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Financial Assets (continued)

Impairment

Impairment of the financial and contractual assets measured by using "Expected credit loss model" (ECL). The impairment model applies for amortized financial and contractual assets. Provision for loss measured as below.

- 12- Month ECL: results from default events that are possible within 12 months after reporting date.
- Lifetime ECL: results from all possible default events over the expected life of financial instrument

Lifetime ECL measurement is applied if the credit risk relating to a financial asset has increased significantly as of the reporting date since initial recognition. In all other cases where such an increase has not occurred, a 12-month ECL calculation is applied.

The Group may determine that the credit risk of a financial asset has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement (simplified approach) always apply for trade receivables and contract assets without a significant financing.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments which their maturities are three months or less from date of acquisition and that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities

Financial liabilities are classified as those measured at amortized cost and those measured at fair value through profit or loss. A financial liability is classified as measured at fair value through profit or loss if it meets the definition of being held for trading. A financial liability is classified as held for trading if it is a derivative instrument or if it is designated as such upon initial recognition. Financial liabilities measured at fair value through profit or loss are measured at their fair value, and net gains and losses, including interest expenses, are recognized in profit or loss. Other financial liabilities are measured, after initial recognition, at their amortized cost using the effective interest method based on 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.

Effect of foreign currency transactions

The Group's financial position and results of operations have been expressed in TL, which is the Group's functional currency and the presentation currency for the consolidated financial statements.

During the preparation of the consolidated financial statements, transactions denominated in foreign currencies (currencies other than TL) are recorded based on the exchange rates prevailing on the transaction date. Monetary assets and liabilities indexed to foreign currencies and presented in the statement of financial position are translated into Turkish Lira using the exchange rates prevailing at the reporting date.

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2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Effect of foreign currency transactions (continued)

Non-monetary items that are carried at fair value and recorded in foreign currencies are translated into TL using the exchange rates prevailing on the date when the fair value is determined. Non-monetary items measured at historical cost in a foreign currency are not subject to translation.

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

Earnings (loss) per share

Earnings per share disclosed in the statement of profit or loss is determined by dividing net income by the weighted average number of shares that have been outstanding during the related period.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings on equity items. Such kind of bonus shares are taken into consideration in the computation of earnings per share as issued share certificates. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the period has been adjusted in respect of bonus shares issues without a corresponding change in resources, by giving them retroactive effect for the year in which they were issued and each earlier year.

The cash in the paid-in capital is calculated by considering the date on which the weighted average common share capital increase for the current period's ordinary shares to be used in earnings (loss) calculations is calculated when there is a change in the name of the issued share capital from capital increase.

Events after the reporting period

Events after the reporting period are those events that occur between the reporting date and the date when the financial statements are authorized for issue, even if they occur after an announcement related with the profit for the year or public disclosure of other selected financial information.

As of the reporting date, if the evidence with respect to such events or such events has occurred after the reporting date and such events require restating the financial statements; accordingly, the Group restates the financial statements appropriately. If such events do not require restating the financial statements, such events have been disclosed in the related notes.

Provisions, contingent assets, and liabilities

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

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Provisions are reviewed at each reporting date and necessary adjustments are made to reflect management's best estimates.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Provisions, contingent assets, and liabilities (continued)

Contingent assets and liabilities

A contingent liability is an obligation arising from a past event that is not fully under the control of the entity and arises from past events or events in which one or more non-contingent events occur in the future and can be verified; but not included in the financial statements for the following reasons:

- (i) There is no possibility of leaving economically beneficial resources out of business to meet the obligation, or,
- (ii) The amount of the obligation cannot be measured sufficiently reliably.

A contingent asset arises from past events and that is not in full control of the entity and whose existence will be confirmed if one or more uncertain events occur in the future.

The presentation of contingent assets in the financial statements is not included in the financial statements, as it may result in the recognition of an income that can never be obtained. However, if it is virtually certain that an income will be obtained, the asset is not a conditional asset and is reflected in the financial statements.

Mine site rehabilitation provision

Costs related to the restoration, rehabilitation and closure of mining sites represent the recognition in the financial statements, at their cost values as of the reporting date, of provisions for expenditures that are highly probable to be incurred during the closure and rehabilitation of mines. Changes arising from revisions in management estimates used in the calculation of the provision for restoration, rehabilitation and closure of mining sites are reflected in the restoration, rehabilitation and closure costs of the mining sites. On the other hand, restoration, rehabilitation and closure costs of mining sites are amortized using the lower of the remaining useful lives of the related mines or the amortization rate determined by dividing the amount extracted from the relevant open pit during the period by the remaining reserve amount of visible and probable extractable reserves of that open pit. Costs incurred within the scope of existing programs for the prevention of environmental pollution and the protection of the environment are recognized as an expense in the statement of profit or loss in the period in which they are incurred.

Segment reporting

The Group have identified relevant operating segments based on internal reports that are regularly reviewed. Chief operating decision making body of the Group is the Executive Board.

The chief operating decision making body of the Group reviews results and operations on a product basis in order to monitor performance and to allocate resources. Product basis segments of the Group are defined in the following categories: stone and mineral basis products, ready-mixed concrete, port services and electricity production.

Taxes calculated on corporate income

Since Turkish Tax Legislation does not allow the parent company and its subsidiaries/associates to prepare a consolidated tax return, as reflected in the accompanying consolidated financial statements, tax provisions represent the Group's calculations.

Tax expense comprises current tax expense and deferred tax expense. Tax is included in the statement of profit or loss unless it relates to a transaction recognized directly in equity. In such cases, the tax is also recognized directly in equity together with the related transaction.

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2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Taxes calculated on corporate income (continued)

Current income tax

Current tax expense is calculated as of the statement of financial position date, taking into account the tax laws in force in the countries where the Group and its investments accounted for using the equity method operate. According to Turkish Tax Legislation, entities whose legal or business centers are located in Turkey are subject to corporate tax. The current year tax liability is calculated on the taxable portion of the profit for the period. Taxable profit differs from the profit reported in the statement of profit or loss because it excludes items that are taxable or deductible in other years as well as items that are never taxable or deductible. The Group's current tax liability is calculated using the tax rates that have been enacted or substantively enacted as of the reporting date.

In Türkiye, the corporate tax rate is 25%. (It has been applied as 25% for corporate earnings for the 2024 taxation period.) The corporate tax rate is applied to the net corporate income determined by adding expenses that are not deductible under tax laws to the commercial income of corporations and deducting exemptions and allowances specified in tax legislation. 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 the relevant month.

Companies calculate provisional tax at a rate of 25% on their quarterly taxable profits and declare it by the seventeenth day of the second month following that period and pay it by the evening of the seventeenth day. The provisional tax paid during the year belongs to that year and is offset 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 provisional tax paid, this amount may either be refunded in cash or offset against any other financial liability to the state.

According to the Corporate Tax Law, tax losses shown on the tax return may be deducted from the corporate tax base of the period, provided that they do not exceed five years. Tax returns and the related accounting records may be examined by the tax authority within five years.

Dividend payments made by resident companies in Turkey to persons other than those exempt from corporate tax and income tax, as well as to resident and non-resident individuals and non-resident legal entities, are subject to income tax at a rate of 10%.

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

As of December 31, 2025 and 2024, tax provisions have been made in accordance with the applicable tax legislation.

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2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Taxes calculated on corporate income (continued)

Deferred tax

Deferred tax liabilities or assets are determined by calculating the tax effects of temporary differences between the carrying amounts of assets and liabilities in the financial statements and the amounts taken into account in the calculation of the statutory tax base, using the balance sheet method and considering enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets arising from deductible temporary differences are recognized only if it is highly probable that future taxable profit will be available against which those differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction (other than a business combination) that does not affect either accounting profit or taxable profit/loss.

In the calculation of deferred tax, a tax rate of 25% has been used for temporary differences expected to reverse/settle in 2025 and subsequent years.

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is highly probable that sufficient taxable profit will be available in the foreseeable future against which the benefits of the temporary differences can be utilized and that the temporary differences will reverse in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is not probable that sufficient taxable profit will be available to allow all or part of the benefit of that deferred tax asset to be utilized.

Deferred tax assets and liabilities are calculated using the tax rates (tax regulations) that are expected to apply in the period in which the assets will be realized or the liabilities will be settled and that have been enacted or substantively enacted as of the balance sheet date. In the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Company expects, as of the balance sheet date, to use in recovering the carrying amount of its assets or settling its liabilities are taken into account.

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

Deferred tax income or expense is included in the profit or loss for the period unless the deferred tax relates to a transaction that is recognized directly in equity. If the deferred tax arises from a transaction recognized directly in equity, it is also recognized directly in equity under the related equity item.

Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets arising from deductible temporary differences are recognized in the financial statements only if it is highly probable that future taxable profit will be available against which those differences can be utilized. If sufficient taxable temporary differences exist and these differences are expected to reverse in the periods during which the tax losses carried forward from deferred tax assets are expected to be utilized, it is considered probable that sufficient taxable profit will be available to utilize the deductible temporary differences, and the related deferred tax assets are recognized in the financial statements in the period in which the deductible temporary differences arise.

Deferred tax assets and deferred tax liabilities are offset provided that they relate to income taxes levied under the same tax legislation and there is a legally enforceable right to offset current tax assets against current tax liabilities. Deferred tax assets and liabilities are classified as non-current in the financial statements.

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2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Employee benefits

Long-term provisions recognized in the consolidated financial statements for employee benefits consist of severance pay, seniority incentive premium obligations arising under the applicable employment agreements with employees, and provisions for accrued leave liabilities.

Under the current laws and collective bargaining agreements in Turkey, severance pay is paid in the event of retirement or termination of employment. In accordance with TAS 19 Employee Benefits, such payments are classified as defined benefit plans. The Group has calculated the provision for severance pay in the consolidated financial statements using the "Projection Method", based on its past experience regarding employees completing their service period and becoming entitled to severance pay, and has recognized the discounted value as of the balance sheet date.

In calculating its provisions for employee benefits, the Group makes various assumptions such as the discount rate, inflation rate, real salary increase rate and the probability of voluntary resignation. Actuarial losses/gains arising from the measurement under TAS 19 of provisions for severance pay and seniority incentive obligations, which are considered defined benefit plans, have been recognized in the statement of other comprehensive income/expense.

Liabilities arising from unused vacation entitlements, defined as long-term employee benefit provisions, have been accrued and recognized in the periods in which they are earned.

Capital and dividends

Common shares are classified as equity. Dividends on common shares are recognized in equity in the period in which they are approved and declared.

Share issuance premiums (discounts)

Share issuance premiums represent the difference arising from the sale of subsidiary or associate shares held by the Group at a price higher than their nominal value, or the difference between the nominal values and fair values of the shares issued by the Group in relation to the companies it has acquired. Amounts arising from the disposal of the Group's treasury shares are recognized under this account.

Treasury shares

In case the Group obtains its own shares, the cost amounts including the parts exceeding the nominal values of these shares are deducted from equity and presented as "Treasury shares". Profits or losses from the Group's transactions related to shares that have been recovered in this manner are also recognized under equity. In case the shares are acquired by other companies included in the consolidation, the shares received are presented as "Mutual participation capital adjustment" within the scope of TAS 32.

Statement of cash flow

Cash flows during the period are classified and reported as operating, investing and financing activities in the consolidated statement of cash flows. Cash flows from operating activities represent cash flows related to the Group's core business activities. Cash flows arising from investment activities represent the cash flows that are used in or provided by the investing activities (direct investments and financial investments) of the Group. Cash flows arising from financing activities represent the cash proceeds from the financing activities of the Group and the repayments of these funds.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

2. Presentation of the consolidated financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Offsetting

Financial assets and liabilities are presented net in the statement of financial position when there is a legally enforceable right and power to offset them and when there is an intention to collect/pay them on a net basis or to settle them simultaneously.

In the preparation of the consolidated financial statements, the Group management is required to make assumptions and estimates that affect the reported amounts of assets and liabilities, determine probable liabilities and commitments as of the date of the consolidated statement of financial position, and determine the amounts of income and expenses as of the reporting period. Actual results may differ from estimates. Estimates are reviewed regularly, necessary adjustments are made, and they are reflected in the statement of comprehensive income in the period in which they arise. However, actual results may differ from these estimates.

The assumptions made, taking into account the interpretations that may have a significant effect on the amounts reflected in the consolidated financial statements and the main sources of estimates existing as of the date of the consolidated statement of financial position or that may arise in the future, are as follows:

2.6 Significant judgments, assumptions, and estimates

The preparation of consolidated financial statements in conformity with accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In preparation of the consolidated financial statements, the significant estimates and judgments used by the Group are included in the following notes:

Deferred taxes

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from the differences between its statutory financial statements adjusted for the purchasing power of TL as of December 31, 2025 for tax purposes and its TFRS financial statements prepared in accordance with TAS 29 in the same manner.

While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets arising from deductible temporary differences are calculated only if it is highly probable that taxable profit will be available in the future against which such differences can be utilized.

Deferred tax assets and liabilities are calculated using the tax rates (tax regulations) that are expected to apply in the period in which the assets will be realized or the liabilities will be settled and that have been enacted as of the balance sheet date. In the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group expects, as of the balance sheet date, to use in recovering the carrying amount of its assets or settling its liabilities are taken into account.

The Group has deferred tax assets and liabilities arising from tax losses carried forward that can be deducted from future profits, tax assets arising from cash capital increases, and other deductible temporary differences. The recoverable amount of deferred tax assets has been estimated, partially or fully, under current conditions. During this assessment, the five-year projections prepared by the Company's management and the timing of the recovery of taxable temporary differences have been considered. If the Company has taxable temporary differences related to the same tax authority that are expected to reverse in the period during which deductible temporary differences are expected to reverse or in periods in which tax losses arising from deferred tax assets can be utilized, deferred tax assets related to such deductible temporary differences are recognized in the period in which the deductible temporary differences arise (Note 25).

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2. Presentation of the consolidated financial statements (continued)

2.6 Significant judgments, assumptions, and estimates (continued)

Fair values of property, plant and equipment (land) within the scope of the revaluation application

The Group accounts for its land and its machinery and equipment under property, plant and equipment in accordance with TAS 16 using the revaluation model, updated over their fair values. For the purpose of determining the fair values of these assets, the Group works with independent valuation companies authorized by the Capital Markets Board of Turkey. The relevant revaluation studies for the land and machinery and equipment asset groups were reperformed on December 31, 2025, and the real fair value increases / decreases, net of the effects of inflation within the framework of TAS 29, were recognized in the accompanying consolidated financial statements under other comprehensive income (expense). In determining the fair values of the relevant property, plant and equipment, evaluations were made by taking into account the current condition of the assets, market conditions, and their highest and best use, and by considering the comparable method and the cost method (Note 12 and Note 28).

Useful lives of tangible and intangible assets

The Group management estimates and regularly audits the useful lives of the depreciable assets as explained in Note 2.5 on the date of first recognition of the assets. The entity determines the useful life of an asset, taking into account its estimated usefulness. This assessment is based on the Group's experience with similar assets. When determining the useful life of an asset, the Group will also consider changes in the market or the resulting technical and / or commercial unusable assets.

3. Segment reporting

Operating segments have been determined based on the internal reports regularly reviewed by the authority authorized to make decisions regarding the Group's operations. The Group's chief operating decision maker is the executive committee. A significant portion of the Group's foreign sales consists of sales made to different geographical regions. The details of revenue are presented in Note 18 as domestic sales and foreign sales.

The Group's business activities are managed and organized depending on the nature of the products it provides. The distribution of the Group's fields of activity is as follows: stone and earth-based products, ready-mixed concrete, port services, and electricity generation.

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3. Segment reporting (continued)

As of December 31, 2025, and December 31, 2024, segment assets, liabilities, capital expenditures, depreciation and amortization, and interest income and expenses are as follows:

December 31, 2025	Product of stone and land basis	Ready-mixed concrete	Port services	Electricity production	Total
Total assets	25.619.742	3.110.010	5.412.621	1.431.562	35.573.935
Total liabilities	7.360.029	1.801.701	1.355.658	282.015	10.799.403
Current period capital expenditures	593.399	14.724	463.311	54	1.071.488
Current period amortization and depreciation expenses	1.080.288	32.936	112.353	82.001	1.307.578
Interest income	20.784	3.314	8.517	1.990	34.605
Finance expense	1.771.621	99.853	189.529	36.278	2.097.281
December 31, 2024	Product of stone and land basis	Ready-mixed concrete	Port services	Electricity production	Total
Total assets	25.198.737	3.882.104	5.513.609	1.818.685	36.413.135
Total liabilities	7.082.134	2.350.249	1.297.835	586.714	11.316.932
Current period capital expenditures	167.714	37.873	273.170	-	478.757
Current period amortization and depreciation expenses	1.190.545	100.413	72.577	45.687	1.409.222
Interest income	24.707	4.953	3.614	7.500	40.774
Finance expense	2.152.027	197.774	130.037	41.612	2.521.450

Segment results for the accounting period for the year ended December 31, 2025 are as follows:

January 1–December 31, 2025	Product of stone and land basis	Ready-mixed concrete	Port services	Electricity production	Total
Revenue	8.957.921	4.032.189	1.110.280	189.093	14.289.483
Cost of sales (-)	(8.002.682)	(4.107.011)	(485.033)	(255.271)	(12.849.997)
Gross profit	955.239	(74.822)	625.247	(66.178)	1.439.486
General administrative expenses (-)	(636.093)	(31.967)	(49.234)	(9.608)	(726.902)
Marketing expenses (-)	(613.646)	(43.005)	-	(5.412)	(662.063)
Other income from operating activities	238.427	25.426	20.591	8.407	292.851
Other expenses from operating activities (-)	(356.611)	(17.439)	(49.012)	(8.944)	(432.006)
Operating profit/(loss)	(412.684)	(141.807)	547.592	(81.735)	(88.634)
Income/expense from investing activities, net	(64.432)	250	107.180	-	42.998
Finance expenses (-), net	(1.811.537)	(99.853)	(82.349)	(36.278)	(2.030.017)
Monetary gain/(loss), net	1.569.245	64.338	40.458	4.559	1.678.600
Profit/(loss) before tax	(719.408)	(177.072)	612.881	(113.454)	(397.053)

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3. Segment reporting (continued)

Segment results for the accounting period for the year ended December 31, 2024 are as follows:

January 1 – December 31, 2024	Product of stone and land basis	Ready-mixed concrete	Port services	Electricity production	Total
Revenue	9.191.644	5.223.867	1.173.320	2.003.366	17.592.197
Cost of sales (-)	(8.031.177)	(4.982.173)	(405.177)	(2.086.301)	(15.504.828)
Gross profit	1.160.467	241.694	768.143	(82.935)	2.087.369
General administrative expenses (-)	(487.367)	(72.910)	(66.729)	(17.525)	(644.531)
Marketing expenses (-)	(687.379)	(64.272)	-	(7.426)	(759.077)
Other income from operating activities	350.198	89.848	45.787	71.510	557.343
Other expenses from operating activities (-)	(324.528)	(107.963)	(36.633)	(34.624)	(503.748)
Operating profit/(loss)	11.391	86.397	710.568	(71.000)	737.356
Income/expense from investing activities, net	-	(10)	254.019	-	254.009
Finance expenses (-), net	(2.069.954)	(191.594)	(125.245)	(41.611)	(2.428.404)
Monetary gain/(loss), net	2.227.480	(35.888)	(277.607)	(24.667)	1.889.318
Profit/(loss) before tax	168.917	(141.095)	561.735	(137.278)	452.279

4. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash	35	42
Banks		
- Demand deposits	68.349	156.327
- Time deposits	143.745	271.522
	212.129	427.891

As of December 31, 2025 and December 31, 2024, the details of time deposits are as follows:

				December 31, 2025
Currency	Weighted average interest rate	Maturity	Original currency amount	TL equivalent
TL	%31,40	Ocak 2026	143.745	143.745
Total				143.745
				December 31, 2024
Currency	Weighted average interest rate	Maturity	Original currency amount	TL equivalent
TL	%48,25	Ocak 2025	271.522	271.522
Total				271.522

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5. Financial investments

	December 31, 2025	December 31, 2024
Short term		
Other financial assets (*)	-	296
	-	296
Long term		
Other financial assets	10	13
	10	13

(*) Short-term financial assets consist of restricted deposits.

6. Financial liabilities

	December 31, 2025	December 31, 2024
Short term bank loans	382.032	982.432
Current portion of long term lease liabilities	43.503	49.569
Current portion of long-term bank loans	1.483.503	1.408.515
Long term bank loans	3.661.239	3.817.433
Long term lease liabilities	148.639	228.540
Letter of credit liabilities	-	249.150
	5.718.916	6.735.639

				December 31, 2025	
Currency	Interest type	Nominal interest rate	Original currency amount	TL equivalent	
Short term bank loans					
TL	Fixed	%38,50	80.066	80.066	
EUR	Floating	EURIBOR 6M + %2,70	1.000	50.453	
US Dollar	Fixed	%8 - %9	5.868	251.513	
				<u>382.032</u>	
Current portion of long term bank loans					
TL	Fixed	%34-%43	456.889	456.889	
US Dollar	Fixed	%8,75	500	21.440	
EUR	Floating	EURIBOR 6M + %3,25-%4,60	4.232	213.510	
US Dollar	Floating	SOFR 6M + %3,25-%7,93	18.470	791.664	
				<u>1.483.503</u>	
Long term bank loans					
TL	Fixed	%34-%43	303.230	303.230	
US Dollar	Fixed	%8,75	2.672	114.540	
EUR	Fixed	%7,10	4.005	202.065	
US Dollar	Floating	6M SOFR + %4,25-%7,93	65.549	2.809.585	
EUR	Floating	EURIBOR 6M + %4,25-%4,60	4.595	231.819	
				<u>3.661.239</u>	
				<u>5.526.774</u>	

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6. Financial liabilities (continued)

				December 31, 2024	
Currency	Interest type	Nominal interest rate	Original currency amount	TL equivalent	
Short term bank loans					
US Dollar	Floating	SOFR 6M + %2,70	3.366	155.448	
US Dollar	Fixed	%8,5 - %9,5	5.940	274.363	
EUR	Floating	EURIBOR 6M + %2,70	178	8.592	
TL	Fixed	%50	544.029	544.029	
				<u>982.432</u>	
Short term portion of long term bank loans					
US Dollar	Floating	SOFR 6M + %3,25 - %7,93	27.589	1.274.251	
US Dollar	Fixed	%8,75	218	10.046	
EUR	Floating	EURIBOR 6M + %3,25	2.281	109.917	
TL	Fixed	%25 - %29,50	14.301	14.301	
				<u>1.408.515</u>	
Long term bank loans					
US Dollar	Floating	SOFR 6M + %3,25 - %7,93	77.646	3.586.277	
US Dollar	Fixed	%8,75	2.686	124.072	
EUR	Floating	EURIBOR 6M + %3,25	2.223	107.084	
				<u>3.817.433</u>	
Letter of credit borrowings					
US Dollar	Fixed	%7,18 - %7,71	5.404	249.150	
				<u>249.150</u>	
				<u>6.457.530</u>	

As of December 31, 2025 and December 31, 2024, the principal repayment schedule of long-term bank loans is as follows:

	December 31, 2025	December 31, 2024
Between 1-2 years	779.044	861.307
Between 2-3 years	1.062.958	635.143
Between 3-4 years	412.826	622.822
Between 4-5 years	534.574	647.464
5 years and longer	871.837	1.050.697
	<u>3.661.239</u>	<u>3.817.433</u>

The movement tables of bank loans for the years ended December 31, 2025, and 2024 are as follows:

	2025	2024
Opening balance, January 1	6.735.639	8.997.408
Additions during the period	2.198.645	3.027.694
Principal repayments	(2.135.397)	(3.988.285)
Change in accrued interest	382.413	(15.333)
Cash outflows from finance leases	(69.931)	(34.427)
Liabilities arising from new leases	-	171.880
Effect of foreign exchange losses and accrued interest	1.490.676	1.340.693
Monetary loss / (gain)	(2.883.129)	(2.763.991)
Closing balance, December 31	5.718.916	6.735.639

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries**Notes to the Consolidated Financial Statements as of December 31, 2025**

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

7. Related party disclosures**a) Trade receivables from related parties**

	December 31, 2025	December 31, 2024
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	162.828	196
	162.828	196

b) Other receivables from related parties

	December 31, 2025	December 31, 2024
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	7.097	-
	7.097	-

c) Trade payables to related parties

	December 31, 2025	December 31, 2024
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	15.467	3.607
	15.467	3.607

d) Transactions with related parties

	January 1 – December 31, 2025		
	Purchases of goods and services	Sales of goods and services	Other income (expense)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	-	167.479	(8.370)
	-	167.479	(8.370)

	January 1 – December 31, 2024		
	Purchases of goods and services	Sales of goods and services	Other income (expense)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	17.314	93.172	296.800
	17.314	93.172	296.800

(1) Shareholder

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Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

7. Related party disclosures (continued)

e) Key management compensation

Benefits provided to key management personnel during the year are as follows:

	January 1– December 31, 2025	January 1– December 31, 2024
Wages, bonuses, social benefits	32.847	25.654
Seniority incentive bonus, other benefits and payments	5.770	1.975
	38.617	27.629

8. Trade receivables and payables

a) Trade receivables

	December 31, 2025	December 31, 2024
Trade receivables	1.782.239	1.956.474
Notes receivables	802.201	1.288.575
Provisions for doubtful receivables (-)	(7.492)	(5.345)
	2.576.948	3.239.704

The average maturity of trade receivables is 1-2 months (December 31, 2024: 1-2 months).

As of December 31, 2025, the Group has trade receivables amounting to 71.456 TL that are overdue by 30-60 days but have not been impaired (December 31, 2024: 15.469 TL).

As of December 31, 2025, an allowance for doubtful receivables has been made for the portion of trade receivables amounting to 7.492 TL (December 31, 2024: 5.345 TL). The allowance for doubtful trade receivables has been determined based on past non-collection experience.

The movement table for the allowance for doubtful trade receivables as of December 31, 2025 and 2024 is as follows:

	2025	2024
Opening balance	5.345	7.363
Current period provision expense / (reversal)	3.409	281
Monetary loss / (gain)	(1.262)	(2.299)
Closing balance	7.492	5.345

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

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8. Trade receivables and payables (continued)

b) Trade payables

	December 31, 2025	December 31, 2024
Trade payables to third parties	2.745.658	2.367.227
	2.745.658	2.367.227

As of December 31, 2025, trade payables include letters of credit opened with banks as collateral in the same amount for raw material purchases totaling TL 17,500, corresponding to USD 409 thousand (December 31, 2024: TL 256,395 in total, corresponding to USD 5,561).

The average maturity of trade payables is 1–2 months (December 31, 2024: 1–2 months).

9. Other receivables and payables

a) Other short term receivables

	December 31, 2025	December 31, 2024
Other receivables	12.538	14.804
	12.538	14.804

b) Other long term receivables

	December 31, 2025	December 31, 2024
Deposits and guarantees given	23.990	20.572
	23.990	20.572

c) Other short term payables

	December 31, 2025	December 31, 2024
Taxes and funds payable	35.697	33.815
Deposits and guarantees taken	323	353
	36.020	34.168

10. Inventories

	December 31, 2025	December 31, 2024
Raw materials and supplies	157.659	212.242
Semi-finished goods	603.284	512.953
Finished goods	66.183	11.859
Other inventories	700.344	820.398
	1.527.470	1.557.452
Allowance for inventory impairment (-)	-	(18.161)
	1.527.470	1.539.291

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

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

10. Inventories (Continued)

Inventories are covered by insurance amounting to approximately TL 912,967, corresponding to USD 21,300 (December 31, 2024: approximately TL 395,647, corresponding to USD 8,581).

The movement table for the allowance for inventory impairment is as follows:

	2025	2024
January 1	18.161	-
Provisions charged / (reversed) for the year	(18.161)	20.846
Monetary gain / loss	-	(2.685)
December 31	-	18.161

11. Prepaid expenses and deferred income

a) Short-term prepaid expenses

	December 31, 2025	December 31, 2024
Advances given for inventory purchases	159.951	241.920
Prepaid expenses	45.346	39.382
Advances to personnel	19	238
	205.316	281.540

b) Long-term prepaid expenses

	December 31, 2025	December 31, 2024
Prepaid expenses	20.187	26
Advances given for property, plant and equipment purchases	32.507	-
	52.694	26

c) Deferred income

	December 31, 2025	December 31, 2024
Advances received on orders	177.150	130.134
	177.150	130.134

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

12. Property, plant, and equipment

	January 1, 2025	Additions	Disposals	Transfers	Revaluation value increase	December 31, 2025
Cost value:						
Land	13.221.063	1.300	(155.371)	-	(448.862)	12.618.130
Land improvements	2.427.115	3.049	-	153.034	-	2.583.198
Buildings	8.238.253	14.903	-	1.219	-	8.254.375
Machinery, plant and equipment	7.034.754	42.536	(825)	34.170	(311.001)	6.799.634
Vehicles	85.598	33.454	(4.136)	-	-	114.916
Furniture and fixtures	2.165.618	170.671	(6.263)	480	-	2.330.506
Mining assets	39.623	-	-	-	-	39.623
Leasehold improvements	1.162.217	-	-	-	-	1.162.217
Construction in progress	411.782	805.124	-	(188.903)	-	1.028.003
	34.786.023	1.071.037	(166.595)	-	(759.863)	34.930.602
Accumulated depreciation:						
Land improvements	(1.875.361)	(70.970)	-	-	-	(1.946.331)
Buildings	(2.838.085)	(165.959)	-	-	-	(3.004.044)
Machinery, plant and equipment	(7.595)	(686.818)	-	-	686.228	(8.185)
Vehicles	(56.179)	(9.757)	3.876	-	-	(62.060)
Furniture and fixtures	(1.926.710)	(184.779)	2.121	-	-	(2.109.368)
Mining assets	(39.623)	-	-	-	-	(39.623)
Leasehold improvements	(170.222)	(57.547)	-	-	-	(227.769)
	(6.913.775)	(1.175.830)	5.997	-	686.228	(7.397.380)
Net book value	27.872.248	(104.793)	(160.598)	-	(73.635)	27.533.222

	January 1, 2024	Additions	Disposals	Transfers	Revaluation value increase	December 31, 2024
Cost value:						
Land	11.785.436	14.731	-	-	1.420.896	13.221.063
Land improvements	2.425.920	1.221	(91)	65	-	2.427.115
Buildings	8.237.859	394	-	-	-	8.238.253
Machinery, plant and equipment	7.899.333	47.476	(1.470)	308.781	(1.219.366)	7.034.754
Vehicles	97.178	5.452	(17.032)	-	-	85.598
Furniture and fixtures (*)	2.088.569	11.536	(1.433)	66.946	-	2.165.618
Mining assets	39.623	-	-	-	-	39.623
Leasehold improvements	474.804	-	-	687.413	-	1.162.217
Construction in progress	823.145	393.274	-	(804.637)	-	411.782
	33.871.867	474.084	(20.026)	258.568	201.530	34.786.023
Accumulated depreciation:						
Land improvements	(1.801.696)	(73.749)	84	-	-	(1.875.361)
Buildings	(2.660.539)	(177.546)	-	-	-	(2.838.085)
Machinery, plant and equipment	(7.000)	(749.717)	19	-	749.103	(7.595)
Vehicles	(54.260)	(9.275)	7.356	-	-	(56.179)
Furniture and fixtures	(1.715.941)	(212.160)	1.391	-	-	(1.926.710)
Mining assets	(39.623)	-	-	-	-	(39.623)
Leasehold improvements	(152.941)	(17.281)	-	-	-	(170.222)
	(6.432.000)	(1.239.728)	8.850	-	749.103	(6.913.775)
Net book value	27.439.867	(765.644)	(11.176)	-	950.633	27.872.248

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

12. Property, plant, and equipment (continued)

As of December 31, 2025, there are no borrowing costs capitalized during the current period in relation to construction in progress (December 31, 2024: None).

As of December 31, 2025, the Group has accounted for its land, and machinery, plant and equipment measured under the revaluation model in accordance with TAS 16 within property, plant and equipment, taking into consideration the current valuation reports prepared by a valuation company licensed by the CMB.

As of December 31, 2025, the Group's property, plant and equipment are subject to a first-degree mortgage of USD 400 million and a second-degree mortgage of TL 2.6 billion, respectively (December 31, 2024: a first-degree mortgage of USD 400 million and a second-degree mortgage of TL 2.6 billion). Details regarding the additional guarantees, pledges and mortgages provided within the scope of the refinancing agreement signed by the Group on February 28, 2022 are disclosed in Note 14.

Property, plant and equipment are covered by insurance amounting to approximately TL 7,187,193 thousand, corresponding to USD 167,681 thousand (December 31, 2024: TL 7,704,298 thousand, corresponding to USD 166,825 thousand).

The allocation of depreciation and amortization expenses is as follows:

	January 1 – December 31, 2025	January 1 – December 31, 2024
Property, plant and equipment	1.175.830	1.239.728
Intangible assets (Note 13)	50.663	50.820
Right-of-use assets (Note 13)	81.085	118.674
	1.307.578	1.409.222
	January 1 – December 31, 2025	January 1 – December 31, 2024
Cost of sales	1.280.540	1.330.252
Sales and marketing expenses	621	7.202
General administrative expenses	26.417	71.768
	1.307.578	1.409.222

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Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

13. Intangible assets and right-of-use assets

a) Other intangible assets

	January 1, 2025	Additions	Acquisition of subsidiary	December 31, 2025
Cost value:				
Rights	528.284	451	-	528.735
Assets subject to amortization	16.953	-	-	16.953
License costs	-	-	82.931	82.931
	545.237	451	82.931	628.619
Accumulated amortization:				
Rights	(361.232)	(12.824)	-	(374.056)
Assets subject to amortization	(16.953)	-	-	(16.953)
	(378.185)	(12.824)	-	(391.009)
Net book value	167.052	(12.373)	82.931	237.610

	January 1, 2024	Additions	Acquisition of subsidiary	December 31, 2024
Cost value:				
Rights	523.611	4.673	-	528.284
Assets subject to amortization	16.953	-	-	16.953
	540.564	4.673	-	545.237
Accumulated amortization:				
Rights	(348.190)	(13.042)	-	(361.232)
Assets subject to amortization	(16.953)	-	-	(16.953)
	(365.143)	(13.042)	-	(378.185)
Net book value	175.421	(8.369)	-	167.052

Included in rights, the "Port Operating License," with a cost value of TL 321,237 thousand, has a total term of use of 49 years; however, it is being amortized over its remaining useful life of 35 years as of the date of transfer to the Group. The license expires in 2041.

b) Concession-related intangible assets

The movement tables for concession-related intangible assets and accumulated amortization for the years ended December 31, 2025 and December 31, 2024 are as follows:

	January 1, 2025	Additions	Disposals	December 31, 2025
Cost value:				
Concession-related intangible assets	1.851.137	-	-	1.851.137
	1.851.137	-	-	1.851.137
Accumulated amortization:				
Concession-related intangible assets	(494.266)	(37.839)	-	(532.105)
	(494.266)	(37.839)	-	(532.105)

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

Net book value	1.356.871	(37.839)	-	1.319.032
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13. Intangible assets and right-of-use assets (continued)

b) Concession-related intangible assets (continued)

	January 1, 2024	Additions	Disposals	December 31, 2024
Cost value:				
Concession-related intangible assets	1.851.137	-	-	1.851.137
	1.851.137	-	-	1.851.137
Accumulated amortization:				
Concession-related intangible assets	(456.488)	(37.778)	-	(494.266)
	(456.488)	(37.778)	-	(494.266)
Net book value	1.394.649	(37.778)	-	1.356.871

One of the Group's subsidiaries, Batıçım Enerji, entered into an agreement on December 7, 2011 with the Privatization Administration and Elektrik Üretim Anonim Şirketi ("EÜAŞ") for Group 4: Kovada I and Kovada II Hydroelectric Power Plants (the "Agreement"). Under this agreement, Batıçım Enerji obtained the operating rights for the power plants for a period of 49 years and is responsible for transferring them to EÜAŞ in a complete and operational condition at the end of the term. During the term of the agreement, Batıçım Enerji is obliged to carry out, at its own sole expense, all maintenance, repair and improvement expenditures necessary to ensure the suitability of the plants for production activities and their production efficiency. Batıçım Enerji is responsible for any and all damage and losses that may occur in the production facilities. Intangible assets related to concession agreements are amortized over the term of the relevant agreement.

c) Right of use assets

	January 1, 2025	Additions	Disposals	December 31, 2025
Cost value:				
Vehicles	204.400	-	(542)	203.858
Lands and buildings	680.646	-	-	680.646
	885.046	-	(542)	884.504
Accumulated amortization:				
Vehicles	(132.835)	(25.156)	-	(157.991)
Lands and buildings	(192.942)	(55.929)	-	(248.871)
	(325.777)	(81.085)	-	(406.862)
Net book value	559.269	(81.085)	(542)	477.642

13. Intangible assets and right-of-use assets (continued)

c) Right of use assets (continued)

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

	January 1, 2024	Additions	Disposals	December 31, 2024
Maliyet:				
Vehicles	96.892	107.508	-	204.400
Land, land improvements and buildings	575.408	105.238	-	680.646
	672.300	212.746	-	885.046
Accumulated amortization:				
Vehicles	(85.764)	(47.071)	-	(132.835)
Land, land improvements and buildings	(121.339)	(71.603)	-	(192.942)
	(207.103)	(118.674)	-	(325.777)
Net book value	465.197	94.072	-	559.269

14. Provisions, contingent assets, and liabilities

a) Short-term provisions

	December 31, 2025	December 31, 2024
Lawsuit provisions	11.281	11.094
Other provisions	12.813	10.117
	24.094	21.211

b) Long-term provisions

The details of the provision for mine site rehabilitation for the years ended December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Provision for mine site rehabilitation	91.426	91.727
	91.426	91.727

The movement table for the provision for mine site rehabilitation for the years ended December 31, 2025 and 2024 is as follows:

	2025	2024
January 1	91.727	92.108
Net current period expense	21.349	32.059
Monetary loss / (gain)	(21.650)	(32.440)
December 31	91.426	91.727

This amount represents the provision expense for mine site rehabilitation within the scope of restoring to nature the lands deteriorated as a result of stone- and soil-based mining activities. The related period expense is included in cost of sales as the cost of environmental restoration.

14. Provisions, contingent assets, and liabilities (continued)

Guarantees, pledges and mortgages

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Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

The tables relating to the Group's guarantees as of December 31, 2025 and December 31, 2024 are as follows:

	December 31, 2025	December 31, 2024
A. Total amount of guarantees, pledges and mortgages (GPMs) given in the name of its own legal entity (*)	19.165.640	21.026.786
B. Total amount of GPMs provided in favor of entities included in the scope of full consolidation (**)	3.841.052	854.439
C. Total amount of GPMs provided for the purpose of securing the debts of other third parties in the ordinary course of business	-	-
D. Total amount of other GPMs provided		
i. Total amount of GPMs given on behalf of the majority shareholder	-	-
ii. Total amount of GPMs given to on behalf of other group companies which are not in scope of B and C	3.176.182	-
iii. Total amount of GPMs given on behalf of third parties which are not in scope of C.	-	-
Total given GPMs	26.182.874	21.881.225
Ratio of other GPMs to shareholder's equity	%0	%0

(*) Within the scope of the "Refinancing Agreement" executed with the consortium banks (Emlak Katılım, Halk Bankası, İş Bankası, TSKB, Vakıf Katılım, VakıfBank, Ziraat Bankası and Ziraat Katılım), first-degree mortgages of USD 400 million and second-degree mortgages of TL 2.6 billion, respectively, have been established over the properties of Batıçim and Batısöke in their capacity as the "Borrowers," and of Batılman and Batıbeton in their capacity as the "Guarantors"; commercial pledges have also been created over their assets in the same amounts and rankings.

(**) The Group has intra-group sureties amounting to TL 3,841,052 provided under general loan agreements.

The details of the guarantees provided by the Group as of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Mortgages and pledges granted	18.338.896	19.246.031
Letters of guarantee issued	826.744	1.680.056
Letters of credit	-	100.699
Total	19.165.640	21.026.786

Letters of guarantees received

The details of the collateral obtained by the Group as of December 31, 2025 and 2024 are as follows:

	December 31, 2025	December 31, 2024
Letters of guarantee received (*)	2.909.012	1.379.111
	2.909.012	1.379.111

(*) It consists of letters of guarantee received from customers.

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

15. Employee benefits

a) Employee benefits

	December 31, 2025	December 31, 2024
Social security premiums payable	52.759	43.636
Payables to personnel	41.686	33.076
	94.445	76.712

b) Long term provisions for employee benefits

	December 31, 2025	December 31, 2024
Provision for severance pay	157.882	155.275
Provision for seniority incentive premium	52.883	37.849
Unused vacation liability	37.894	27.965
	248.659	221.089

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 and whose employment is terminated due to retirement after 25 years of service (58 years of age for women and 60 years of age for men), termination of employment, being called up for military service, or death. As of December 31, 2025, the severance pay payable is subject to a ceiling of TL 53,919.68 (December 31, 2024: TL 41,828.42). Effective as of January 1, 2026, the severance pay ceiling has been updated to TL 64,948.77 (January 1, 2025: TL 46,655.43).

The severance pay obligation is not legally subject to any funding requirement. The provision for severance pay is calculated by estimating the present value of the Group's probable future obligation arising from the retirement of its employees. TAS 19 Employee Benefits requires the Company's obligations under defined benefit plans to be developed using actuarial valuation methods. Accordingly, the actuarial assumptions used in calculating total liabilities are as follows: the principal assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjustment for the effects of future inflation. Accordingly, as of December 31, 2025, the provisions in the accompanying financial statements have been calculated by estimating the present value of the probable future obligation arising from employees' retirement. The provisions at the relevant reporting dates have been calculated using a real net discount rate of approximately 2.61%, derived based on the assumptions of annual inflation of 24.75% and an interest rate of 28% (December 31, 2024: 2.61%).

The movement in the provision for employee termination benefits:

	2025	2024
January 1	155.275	116.977
Interest cost	33.665	25.012
Service cost	34.537	38.393
Actuarial loss/gain	5.813	29.685
Paid in the current year (-)	(32.504)	(7.860)
Monetary gain/(loss)	(38.904)	(46.932)
December 31	157.882	155.275

15. Employee benefits (continued)

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(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

Provision for seniority incentive premium:

The provision for seniority incentive premium represents a benefit granted to employees in accordance with the Group's policy, and the obligation accrued as of the reporting dates has been recognized by discounting it to its present value using the net discount rate.

The movement table for the provision for seniority incentive is as follows:

	2025	2024
January 1	37.849	149.822
Interest cost	9.663	6.715
Service cost	22.002	15.741
Actuarial loss / (gain)	1.019	(105.470)
Paid in the current year (-)	(6.390)	(8.652)
Monetary loss / (gain)	(11.260)	(20.307)
December 31	52.883	37.849

The movement table for the provision for unused vacation is as follows:

	2025	2024
Opening, January 1	27.965	23.740
Service cost	73.071	13.225
Monetary gain/(loss)	(63.142)	(9.000)
Closing, December 31	37.894	27.965

16. Other assets and liabilities

i) Other assets

a) Other current assets

	December 31, 2025	December 31, 2024
Deferred VAT	476.372	425.962
Other	228	2.087
	476.600	428.049

ii) Other liabilities

a) Other short term liabilities

	December 31, 2025	December 31, 2024
Mining tax accruals	33.336	33.117
Value added tax ("VAT") payable	39.904	14.055
	73.240	47.172

17. Share capital, reserves, and other equity items

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

a) Paid in capital

The Company is subject to a registered capital ceiling, which amounts to TL 10,000,000 as of December 31, 2025 (December 31, 2024: TL 800,000). The Company's share capital consists of Group A and Group B shares. Of its issued capital amounting to TL 5,580,000, a portion amounting to TL 48 consists of bearer Group A shares and a portion amounting to TL 5,579,952 consists of bearer Group B shares.

The shareholding structure of the Company is as follows:

Shareholders	December 31, 2025		December 31, 2024	
	Share (%)	Amount (Thousand TL)	Share (%)	Amount (Thousand TL)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş.	38,07	2.124.516	39,72	71.503
İstanbul Portföy Yönetimi A.Ş Pre-IPO	-	-	11,96	21.534
Girişim Sermayesi Yatırım Fonu	-	-	6,75	12.141
İstanbul Portföy İkinci Serbest Fon	-	-	5,7	10.267
KTLP Limited	7,35	410.330	35,87	64.555
Other	54,58	3.045.154		
Nominal capital	100,00	5.580.000	100,00	180.000

Holders of Group A shares have the following privileged rights:

- All members of the Board of Directors are elected from among the candidates nominated by the majority of the shareholders holding bearer Group A shares.
- At General Assembly meetings, each holder of a Group A share is entitled to 15 (fifteen) votes, while each holder of a Group B share is entitled to 1 (one) vote.
- Provided that the first dividend is not affected, 10% of the net profit is distributed to the holders of Group A shares in proportion to their shares.
- In order to amend Articles 7 (except for the first paragraph specifying the number of members of the Board of Directors), 8, 9, 10, 15, 18, 19, 24, 25 and 27 of the articles of association; to resolve on the dissolution of the Group; to increase the Company's share capital by issuing more bearer Group A shares or new registered Group A shares than the number stated in Article 6 of the Articles of Association; to change the type, class or number of bearer Group A shares; or to convert issued or subsequently to be issued bearer or registered Group B shares or any other group of registered or bearer shares into Group A shares, or exchange them for registered or bearer Group A shares, affirmative votes of at least three-quarters (3/4) of the shareholders holding bearer Group A shares are required for the resolutions to be adopted by the General Assembly.

	December 31, 2025	December 31, 2024
Capital adjustment differences	3.343.893	6.743.893
	3.343.893	6.743.893

17. Share capital, reserves, and other equity items (continued)

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

b) Paid in capital (continued)

Pursuant to the Communiqué Serial II-14.1 on Principles of Financial Reporting in Capital Markets, which was published in the Official Gazette dated June 13, 2013 and numbered 28676 and entered into force, "Paid-in capital," "Restricted reserves appropriated from profit," and "Share premium" are required to be presented at their amounts in the statutory records. During the implementation of this communiqué, any differences arising from valuations (such as differences resulting from inflation adjustment):

- If arising from "Paid-in capital" and not yet added to capital, shall be associated with the item "Capital adjustment differences," to be presented immediately after the "Paid-in capital" item
- If arising from "Restricted reserves appropriated from profit" and "Share premium" and not yet subject to profit distribution or capital increase, shall be associated with "Retained earnings/losses."

Other equity items are presented at the amounts measured in accordance with TAS. Capital adjustment differences may only be used for additions to capital.

Publicly held companies make dividend distributions in accordance with the CMB's Dividend Communiqué No. II-19.1, which entered into force as of February 1, 2014.

Companies distribute their profits by resolution of the general assembly, within the framework of the dividend distribution policies to be determined by their general assemblies and in compliance with the provisions of the relevant legislation. Under the said communiqué, no minimum distribution ratio has been prescribed for publicly held companies listed on the stock exchange. Companies pay dividends in the manner set out in their articles of association or dividend distribution policies. In addition, dividends may be paid in equal or unequal installments, and cash dividend advances may be distributed based on the profit presented in the interim consolidated financial statements.

Under the Turkish Commercial Code, unless the legal reserves required to be set aside and the dividend determined for shareholders under the articles of association or the dividend distribution policy are allocated, no resolution may be adopted to set aside other reserves, to carry profit forward to the following year, or to distribute profit shares to usufruct certificate holders, members of the board of directors, company employees, or persons other than shareholders; likewise, unless the dividend determined for shareholders is paid in cash, no profit share may be distributed to such persons.

Equity inflation adjustment differences and the carrying amounts of extraordinary reserves may be used for bonus capital increases, cash dividend distributions or offsetting losses. However, equity inflation adjustment differences will be subject to corporate tax if used for cash dividend distribution.

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

Under the first paragraph of Article 519 of the new Turkish Commercial Code No. 6102, legal reserves are set aside as first legal reserves at 5% of profit until they reach 20% of the paid-in/issued capital. After deducting the amount set aside as the first legal reserve from profit, the first dividend is allocated to shareholders from the remaining amount. Following the allocation of the first legal reserve and the first dividend, the General Assembly is authorized, also taking into account the Company's dividend distribution policy, to decide whether the remaining balance will be set aside as extraordinary reserves or distributed. Pursuant to subparagraph 3 of the second paragraph of Article 519 of the new TCC, the second legal reserve is set aside at one-tenth of the amount remaining after deducting a dividend equal to 5% of the issued/paid-in capital from the portion resolved to be distributed. If it is resolved to distribute bonus shares through the addition of profit to capital, no second legal reserve is set aside.

17. Share capital, reserves, and other equity items (continued)

Batıçım Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

c) Share premium

It represents the difference between the nominal value and the selling price of newly issued shares arising from the capital increase. As of December 31, 2025, this amount is TL 324,459 (December 31, 2024: TL 324,459).

d) Other comprehensive income and expenses to be reclassified to profit or loss

The movement tables relating to the balances under accumulated other comprehensive income or expenses that will not be reclassified to profit or loss, under equity attributable to the owners of the parent, are as follows:

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

	2025	2024
Opening balance, January 1	3.433.137	2.750.343
Effect of revaluation of property, plant and equipment	(46.408)	1.440.206
Deferred tax effect	8.816	(273.584)
Transfer	-	(483.828)
Transferred from accumulated other comprehensive income to prior years' earnings	(126.239)	-
Closing balance, December 31	3.269.306	3.433.137

Actuarial gain / (loss) fund on defined benefit plans attributable to the owners of the parent:

	2025	2024
Opening balance, January 1	(172.322)	(223.125)
Current period remeasurement effect	6.608	67.742
Deferred tax effect	(1.652)	(16.939)
Effect of change in non-controlling interests	-	-
Closing balance, December 31	(167.366)	(172.322)

e) Previous year profit / (loss)

There is a difference between the amounts included in the balance sheet prepared in accordance with the Tax Procedure Law and the amounts included in the financial statements prepared in accordance with TAS/IFRS with respect to the items "Capital Adjustment Differences," "Share Premium," "Restricted Reserves Appropriated from Profit," and "Other Reserves."

Such differences have been reflected in the "Retained Earnings or Losses" item in the TAS/IFRS financial statements, and the details of these differences are presented below:

December 31, 2025							
	Capital adjustment differences	Share premium	Legal reserves	Reserves for Treasury Shares	Special Provision for Recorded Commodities	Special Reserves	Extraordinary Reserves
According to TAS/IFRS Financial Statements	3.343.893	324.459	836.978	(2.451)	-	-	-
According to the Tax Procedure Law	3.379.053	-	2.782.805	-	102.190	194.951	4.683.652
Difference	(35.161)	324.459	(1.945.827)	(2.451)	(102.190)	(194.951)	(4.683.652)

December 31, 2024							
	Capital adjustment differences	Share premium	Legal reserves	Reserves for Treasury Shares	Special Provision for Recorded Commodities	Special Reserves	Extraordinary Reserves
According to TAS/IFRS Financial Statements	6.743.893	324.459	836.978	(2.451)	-	-	-
According to the Tax Procedure Law	3.062.750	-	2.702.321	-	102.190	111.997	4.462.700
Difference	3.681.143	324.459	(1.865.343)	(2.451)	(102.190)	(111.997)	(4.462.700)

17. Share capital, reserves, and other equity items (continued)

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

f) Non-controlling interest:

	December 31, 2025	December 31, 2024
Non-controlling interest	2.912.237	2.972.365
	2.912.237	2.972.365

The movement of non-controlling interests is as follows:

	2025	2024
Opening balance, January 1	2.972.365	2.284.235
Share of profit (loss) for the period	18.000	139.686
Share of other comprehensive income (expense)	(42.061)	146.376
Effect of change in ownership interest in subsidiary	-	-
Other transfers	(36.067)	(2.133)
Capital increase	-	404.201
Closing balance, December 31	2.912.237	2.972.365

18. Revenue and cost of sales

a) Revenue

	January 1 – December 31, 2025	January 1 – December 31, 2024
Domestic sales	9.971.060	14.334.976
Export sales	4.386.540	3.435.308
Other revenue	20.817	257.934
Sales return (-)	(8.812)	(14.699)
Sales discounts (-)	(142)	(40.900)
Other discounts (-)	(79.980)	(380.422)
Net sales	14.289.483	17.592.197

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

Details regarding the reportable segments used by the Group in its management reporting are provided in Note 3.

b) Cost of sales

	January 1 – December 31, 2025	January 1 – December 31, 2024
Raw materials and supplies consumed	5.161.331	5.080.724
Production overhead	4.163.968	5.109.476
Depreciation and amortization expenses	1.280.540	1.330.252
Personnel expenses	1.078.528	1.204.763
Cost of services rendered	641.567	514.623
Electricity generation costs	324.212	2.411.445
Change in semi-finished and finished goods(Note 10)	144.656	(178.514)
Provision for mine site rehabilitation	55.195	32.059
	12.849.997	15.504.828

19. General administrative expenses, marketing, sales, and distribution expenses

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries**Notes to the Consolidated Financial Statements as of December 31, 2025**

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

a) General administrative expenses

	January 1 – December 31, 2025	January 1 – December 31, 2024
Personnel expenses	342.445	258.363
Outsourcing expenses	232.099	209.908
Property tax and stamp tax expenses	39.507	42.598
Depreciation and amortization expenses	26.417	71.768
Tax, duty and fee expenses	22.805	13.176
Rent expenses	16.417	-
Security expenses	12.179	9.351
Fuel expenses	5.459	6.503
Provision for severance pay and seniority incentive premium	1.571	4.719
Other expenses	28.003	28.145
	726.902	644.531

b) Marketing, sales, and distribution expenses

	January 1 – December 31, 2025	January 1 – December 31, 2024
Freight and loading expenses	515.070	627.421
Personnel expenses	105.274	95.659
Depreciation and amortization expenses	621	7.202
Provision for severance pay and seniority incentive premium	105	992
Other	40.993	27.803
	662.063	759.077

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Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

20. Expenses by nature

	January 1 – December 31, 2025	January 1 – December 31, 2024
Raw materials and supplies consumed	5.161.331	5.080.724
Production overhead	4.163.968	5.109.476
Personnel expenses	1.526.247	1.558.785
Depreciation and amortization expenses	1.307.578	1.409.222
Cost of services rendered	641.567	514.623
Freight and loading expenses	515.070	627.421
Electricity generation costs	324.212	2.411.445
Outsourcing expenses	232.099	209.908
Change in semi-finished and finished goods inventories	144.656	(178.514)
Provision expense for mine site rehabilitation	55.195	32.059
Property tax and stamp tax expenses	39.507	42.598
Tax, duty and fee expenses	22.805	13.176
Rent expenses	16.417	-
Security expenses	12.179	9.351
Fuel expenses	5.459	6.503
Provision for severance pay and seniority incentive premium	1.676	5.711
Other expenses	68.996	55.948
	14.238.962	16.908.436

21. Other income from operating activities/ (expenses)

a) Other income from operating activities

	January 1 – December 31, 2025	January 1 – December 31, 2024
Foreign exchange gains arising from operating activities	143.739	171.534
Deferred financing (maturity difference) income	12.538	168.036
Other	136.574	217.773
	292.851	557.343

b) Other operating expenses

	January 1 – December 31, 2025	January 1 – December 31, 2024
Advertising and sponsorship expenses	217.142	-
Foreign exchange losses arising from operating activities	162.406	275.540
Deferred financing expenses	12.177	105.171
Impairment of property, plant and equipment	-	58.738
Other	40.281	64.299
	432.006	503.748

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries**Notes to the Consolidated Financial Statements as of December 31, 2025**

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

22. Income and expense from investing activities

	January 1 – December 31, 2025	January 1 – December 31, 2024
Income from investing activities:		
Interest income	-	254.019
Profit on sale of property, plant, and equipment	73.283	-
	73.283	254.019

	January 1 – December 31, 2025	January 1 – December 31, 2024
Expenses from investing activities:		
Loss on sale of intangible assets	30.285	10
	30.285	10

23. Financial income

	January 1 – December 31, 2025	January 1 – December 31, 2024
Foreign exchange gains	32.659	52.272
Interest income	34.605	40.774
	67.264	93.046

24. Financial expenses

	January 1 – December 31, 2025	January 1 – December 31, 2024
Foreign exchange losses	1.062.820	1.340.693
Interest expenses	738.240	957.786
Interest expenses on lease transactions	90.438	103.421
Letter of guarantee commission expenses	41.209	42.677
Other	164.574	76.873
	2.097.281	2.521.450

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries**Notes to the Consolidated Financial Statements as of December 31, 2025**

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

25. Income taxes (including deferred tax assets and liabilities)**Corporate tax**

In Turkey, the corporate income tax rate is 25% (it was applied as 25% for corporate earnings relating to the 2024 taxation period). The corporate income tax rate is applied to the net corporate income calculated by adding back expenses that are not deductible under tax laws to commercial profit and deducting exemptions and allowances provided for under tax legislation. Corporate income tax is declared by the evening of the thirtieth day of the fourth month following the relevant fiscal year-end and is paid in a single installment by the end of that month. As of the accounting period ended December 31, 2025, provisional tax at the rate of 25% has been calculated on the income generated.

	January 1 – December 31, 2025	January 1 – December 31, 2024
Current tax expense	(101.791)	(255.127)
Deferred tax income	288.087	(28.649)
Tax income / (expense) in the statement of profit or loss	186.296	(283.776)
	January 1 – December 31, 2025	January 1 – December 31, 2024
Current period corporate income tax provision	(101.791)	(255.142)
Prepaid taxes	101.791	248.964
Current period tax expense recognized in equity	-	-
Effect of monetary (loss) gain	-	-
Current income tax liability	-	(6.178)
Current period income tax assets	4.715	56.195
Current tax assets / (liabilities), net	4.715	50.017

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Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

25. Income taxes (including deferred tax assets and liabilities) (continued)

Deferred tax

As of December 31, 2025, 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, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Tax losses carried forward	2.899.336	3.412.360	724.834	853.089
Interest incentive on cash capital increase	892.446	867.875	223.112	173.575
Provision for mine site rehabilitation	58.922	91.727	14.731	22.931
Provisions for employee benefits	253.325	221.088	63.331	55.272
Investment incentive available for utilization	-	45.137	-	11.284
Deferred tax assets	4.104.029	4.638.187	1.026.008	1.116.151
Property, plant and equipment and intangible assets	(8.536.967)	(8.016.978)	(1.546.874)	(1.352.743)
Difference between the carrying amounts and tax bases of concession-related intangible assets	(562.786)	(736.644)	(140.696)	(184.160)
Inventories	(396.952)	(469.355)	(99.238)	(117.338)
Other	(277.357)	(103.028)	(69.434)	(25.752)
Deferred tax liabilities	(9.774.062)	(9.326.005)	(1.856.242)	(1.679.993)
Deferred tax assets / (liabilities), net	(5.670.033)	(4.687.818)	(830.234)	(563.842)
Allowance provided for deferred tax assets			-	(570.108)
Deferred tax assets / (liabilities), net			(830.234)	(1.132.950)
Deferred tax assets			744.094	449.118
Deferred tax liabilities			(1.574.328)	(1.582.068)

The partially or fully recoverable amount of deferred tax assets has been estimated under current conditions. In making this assessment, the 5-year projections prepared by the Group's management as the foreseeable future, together with the timing of the reversal of taxable temporary differences, have been taken into consideration. In line with the taxable profit projections prepared by the Group for the foreseeable future period, the Group has reassessed the deferred tax effects arising as of the reporting date in relation to tax losses carried forward expected to be utilized and temporary differences arising from inflation accounting under the provisions of the Tax Procedure Law, and has not recognized deferred tax for the portion that is not expected to be recoverable within the foreseeable future.

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25. Income taxes (including deferred tax assets and liabilities) (continued)

Deferred tax (continued)

The maturity breakdown and estimated expiry dates of carried-forward nominal tax losses for which no deferred tax asset has been recognized as of the reporting dates are as follows:

	December 31, 2025	December 31, 2024
December 31, 2025	-	483.048
December 31, 2026	280.742	367.470
December 31, 2027	443.418	580.400
December 31, 2028	964.775	1.262.856
December 31, 2029	549.021	718.586
December 31, 2030	661.380	-
	2.899.336	3.412.360

Under Law No. 6637 on the Amendment of Certain Laws and Decree Laws, published in the Official Gazette dated April 7, 2015, as of July 1, 2015, for cash capital increases in capital companies and for the portion of paid-in capital contributed in cash in newly established capital companies, 50% of the amount calculated until the end of the relevant accounting period, by taking into account the weighted average annual interest rate applied to commercial loans announced by the Central Bank of the Republic of Turkey, may be deducted from the corporate tax base. Pursuant to Decision No. 2015/7910 published in the Official Gazette dated December 31, 2017, the 50% rate is increased by:

- 25 points for publicly held joint stock companies whose shares are traded on the stock exchange, if as of the last day of the year in which the deduction is utilized, the ratio of the nominal amount of shares tracked as eligible for stock exchange trading at the Central Securities Depository of Turkey (Merkezi Kayıt Kuruluşu A.Ş.) to the registered paid-in or issued capital is 50% or less; and by 50 points if such ratio exceeds 50%;
- An additional 25 points, limited to the fixed investment amount included in the investment incentive certificate, where the cash-increased capital is used for investments in manufacturing and industrial facilities holding an investment incentive certificate and the machinery and equipment related to such facilities, and/or in land and plot investments allocated to the construction of such facilities.

With the amendment introduced by Law No. 7417 dated July 5, 2023, the right to benefit indefinitely from the interest deduction on cash capital increases has been limited to the accounting period in which the resolution on the capital increase, or in the case of initial incorporation the articles of association, is registered, and the following four accounting periods. In addition, pursuant to paragraph thirteen of Provisional Article 15 added to the Corporate Income Tax Law by Law No. 7414, taxpayers that had previously made capital increases and had started to benefit from the deduction were granted the right to continue benefiting from the deduction for five more accounting periods, including the 2024 period, regardless of the number of periods in which they had benefited from the deduction in prior years. Amounts of deduction accrued during the period in which the right to benefit from the deduction exists, but which could not be utilized in the relevant periods due to insufficient taxable profit, may still be used as deductions even after the expiry of the five-year period. There is no time limitation in this respect.

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Notes to the Consolidated Financial Statements as of December 31, 2025

(All amounts are presented in thousands of Turkish Lira ("TL"), unless otherwise stated, based on the purchasing power of the Turkish Lira as of December 31, 2025.)

26. Earning/loss per share

	January 1 – December 31, 2025	January 1 – December 31, 2024
Net profit / (loss) attributable to owners of the parent	(228.757)	28.817
Weighted average number of shares outstanding	5.580.000	18.000.000
100-unit earnings/loss per share, nominal value is 1 TL	(0,0410)	0,0016

Earnings / (loss) per share is determined by dividing net profit by the weighted average number of shares outstanding during the relevant year. Companies may increase their capital by distributing shares to existing shareholders from retained earnings in proportion to their shareholdings ("Bonus Shares"). In the calculation of earnings per share, such bonus shares are treated as issued shares. Accordingly, the weighted average number of shares used in the earnings per share calculation is determined by applying the issuance of bonus shares retrospectively.

27. Nature and level of risks arising from financial instruments

a) Credit risk:

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss to the Group by failing to discharge its contractual obligation. The Group seeks to mitigate credit risk by conducting its transactions only with parties that are creditworthy and, where possible, by obtaining sufficient collateral. The credit risks to which the Group is exposed are monitored on an ongoing basis.

Trade receivables comprise a large number of customers, particularly in the construction sector. Credit assessments are performed continuously on customers based on their trade receivable balances, and collateral is obtained for receivables where deemed necessary. The allowance for doubtful receivables provided for financial assets is determined based on past collection default experience.

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27. Nature and level of risks arising from financial instruments (continued)

The analysis of credit risk exposure by type of financial instrument as of December 31, 2025 and 2024 is as follows:

December 31, 2025

	Receivables							Total
	Trade receivables		Other receivables		Financial investment	Deposits in bank		
	Related parties	Third parties	Related parties	Third parties				
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	162.828	2.576.948	7.097	36.528	10	212.094	2.995.505	
- Portion of the maximum exposure secured by collateral, etc. (**)	-	1.602.529	-	-	-	-	1.602.529	
A. Net carrying amount of financial assets that are neither past due nor impaired	162.828	2.314.840	7.097	36.528	10	212.094	2.726.300	
B. Carrying amount of financial assets whose terms have been renegotiated and which would otherwise be considered past due or impaired	-	-	-	-	-	-	-	
C. Net carrying amount of assets that are past due but not impaired	-	262.108	-	-	-	-	262.108	
D. Net carrying amounts of impaired assets	-	-	-	-	-	-	-	
- Overdue (gross book value)	-	7.492	-	-	-	-	7.492	
- Impairment (-)	-	(7.492)	-	-	-	-	(7.492)	
E. Off-balance sheet items containing credit risk	-	-	-	-	-	-	-	

December 31, 2024

	Receivables							Total
	Trade receivables		Other receivables		Financial investment	Deposits in bank		
	Related parties	Third parties	Related parties	Third parties				
Maximum credit risk exposure as of the reporting date (A+B+C+D+E) (*)	196	3.239.704	-	35.376	309	427.849	3.703.434	
- Portion of the maximum exposure secured by collateral, etc. (**)	-	1.379.111	-	-	-	-	1.379.111	
A. Net carrying amount of financial assets that are neither past due nor impaired	196	3.108.083	-	35.376	309	427.849	3.571.813	
B. Carrying amount of financial assets whose terms have been renegotiated and which would otherwise be considered past due or impaired	-	-	-	-	-	-	-	
C. Net carrying amount of assets that are past due but not impaired	-	131.621	-	-	-	-	131.621	
D. Net carrying amounts of impaired assets	-	-	-	-	-	-	-	
- Overdue (gross book value)	-	5.345	-	-	-	-	5.345	
- Impairment (-)	-	(5.345)	-	-	-	-	(5.345)	
E. Off-balance sheet items containing credit risk	-	-	-	-	-	-	-	

(*) In determining the amount, elements that enhance credit quality, such as collateral received, have not been taken into account.

(**) Collaterals consist of letters of guarantee received from customers.

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27. Nature and level of risks arising from financial instruments (continued)

b) Liquidity risk

The Board of Directors has ultimate responsibility for liquidity risk management. The Board of Directors has established an appropriate liquidity risk management framework for the management of the Group’s short-, medium- and long-term funding and liquidity requirements. The Group manages liquidity risk by regularly monitoring forecast and actual cash flows and by ensuring the continuity of sufficient funds and borrowing reserves through matching the maturities of financial assets and liabilities.

The following table shows the maturity profile of the Group’s non-derivative financial liabilities. Non-derivative financial liabilities are presented on an undiscounted basis and based on the earliest dates on which they are required to be paid. Interest payable on such liabilities is included in the table below.

December 31, 2025

Expected terms	Book value	Contracted cash outflow (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 – 5 years(III)	More than 5 years (IV)
Non derivative financial liabilities						
Bank loans	5.526.774	5.432.123	459.039	1.277.896	3.695.188	-
Trade payables	2.745.658	2.475.658	2.475.658	-	-	-
Trade payables to related parties	15.467	15.467	15.467	-	-	-
Other payables and liabilities	36.020	36.020	36.020	-	-	-
Lease liabilities	192.142	192.142	13.051	30.452	148.639	-
Other liabilities	709.014	709.014	221.357	147.572	340.085	-
	8.955.075	8.860.424	3.220.592	1.455.920	4.183.912	-

December 31, 2024

Expected terms	Book value	Contracted cash outflow (I+II+III+IV)	Less than 3 months (I)	3 - 12 months (II)	1 – 5 years (III)	More than 5 years (IV)
Non derivative financial liabilities						
Bank loans	6.457.530	8.334.305	686.555	2.301.603	4.129.521	1.216.626
Trade payables	2.367.227	2.367.227	2.367.227	-	-	-
Trade payables to related parties	3.607	3.607	3.607	-	-	-
Other payables and liabilities	34.168	34.168	34.168	-	-	-
Lease liabilities	278.109	478.422	23.580	61.173	247.965	145.704
Other liabilities	594.223	256.387	256.387	-	-	-
	9.658.152	11.474.116	3.371.525	2.362.775	4.377.486	1.362.330

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27. Nature and level of risks arising from financial instruments (continued)

c) Market risk:

Foreign currency risk management

The Group is mainly exposed to foreign exchange risk arising from US Dollar and Euro denominated positions. The following table shows the Group's sensitivity to a 10% increase and decrease in the US Dollar and Euro exchange rates. The 10% rate is the rate used in reporting foreign exchange risk to key management personnel within the Group and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at year-end and shows the effects of a 10% change in exchange rates at year-end on such items. This analysis also includes loans obtained from external sources as well as loans used for the Group's foreign operations where the borrowing and utilizing parties have a functional currency other than the currency of the relevant loan. A positive amount indicates an increase in profit or loss and in other equity items.

	December 31, 2025			December 31, 2024		
	TL Equivalent	US Dollar	Euro	TL Equivalent	US Dollar	Euro
1. Trade receivables	533.118	10.336	1.786	307.022	6.321	314
2a. Monetary financial assets (including cash and bank accounts)	47.887	184	793	145.919	2.630	509
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	130.230	2.291	635	103.996	2.155	93
4. Current assets (1+2+3)	711.235	12.811	3.214	556.938	11.106	916
5. Trade payables	-	-	-	-	-	-
6a. Monetary other liabilities	-	-	-	-	-	-
6b. Non-monetary other liabilities	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Non-current assets (5+6+7)	-	-	-	-	-	-
9. Total assets (4+8)	711.235	12.811	3.214	556.938	11.106	916
10. Trade payables	702.328	12.719	3.115	472.790	9.097	1.078
11. Financial liabilities	1.328.580	24.838	5.232	2.081.889	42.507	2.459
12a. Monetary other liabilities	-	-	-	385	-	8
12b. Non-monetary other liabilities	-	-	-	-	-	-
13. Current liabilities (10+11+12a+12b)	2.030.908	37.557	8.347	2.555.063	51.604	3.545
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	3.358.009	68.221	8.600	3.817.657	80.332	2.223
16a. Monetary other liabilities	-	-	-	-	-	-
16b. Non-monetary other liabilities	-	-	-	-	-	-
17. Long term liabilities (14+15+16a+16b)	3.358.009	68.221	8.600	3.817.657	80.332	2.223
18. Total liabilities (13+17)	5.388.917	105.778	16.947	6.372.720	131.936	5.768
19. Net asset/(liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-
19a. Amount of off-balance sheet foreign currency-denominated derivative instruments with positive fair value	-	-	-	-	-	-
19b. Amount of off-balance sheet foreign currency-denominated derivative instruments with negative fair value	-	-	-	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	(4.677.682)	(92.967)	(13.733)	(5.815.782)	(120.830)	(4.852)
21. Net foreign currency asset/(liability) position of monetary items (TFRS7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	(4.807.912)	(95.258)	(14.368)	(5.919.778)	(122.985)	(4.945)
22. Total fair value of financial instruments used for foreign currency hedging	-	-	-	-	-	-
23. Hedged amount for current assets	-	-	-	-	-	-
24. Hedged amount for current liabilities	-	-	-	-	-	-
25. Export	2.624.530	80.059	-	3.435.510	80.059	-
26. Import	4.484.752	37.938	56.860	329.367	7.910	7.287

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27. Nature and level of risks arising from financial instruments (continued)

Foreign exchange sensitivity analysis table

	December 31, 2025	
	Profit / (loss) effect before tax	
	Foreign currency appreciation	Foreign currency depreciation
When USD changes by 10% against TL		
1- USD net asset/liability	(408.140)	408.140
2- Amount hedged from USD risk (-)	-	-
3- USD net effect (1 +2)	(408.140)	408.140
When Euro changes by 10% against TL		
4- Euro net asset/liability	(72.251)	72.251
5- Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4+5)	(72.251)	72.251
Total (3 + 6)	(480.391)	480.391

	December 31, 2024	
	Profit / (loss) effect before tax	
	Foreign currency appreciation	Foreign currency depreciation
When USD changes by 10% against TL		
1- USD net asset/liability	(568.195)	568.195
2- Amount hedged from USD risk (-)	-	-
3- USD net effect (1 +2)	(568.195)	568.195
When Euro changes by 10% against TL		
4- Euro net asset/liability	(23.783)	23.783
5- Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4+5)	(23.783)	23.783
Total (3 + 6)	(591.978)	591.978

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27. Nature and level of risks arising from financial instruments (continued)

Interest rate risk

The Group's bank loans at fixed and variable interest rates expose the Group to interest rate risk. Such risk is managed by the Group. Hedging strategies are regularly reviewed to ensure alignment with interest rate expectations and the defined level of risk. The objective is to establish the optimum hedging strategy by both reviewing the balance sheet position and keeping interest expenses under control under different interest rate scenarios.

The Group's interest rate position table as of December 31, 2025 and 2024 is presented below:

	2025	2024
Fixed rate instruments		
Financial assets	143.745	271.522
Financial liabilities	1.429.743	1.215.961
Floating rate instruments		
Financial liabilities	4.097.031	5.241.569

d) Capital management

In capital management, the Group aims, on the one hand, to ensure the continuity of its operations and, on the other hand, to maximize its profit by using the balance between debt and equity in the most efficient manner.

The Group's capital structure consists of borrowings, including the loans disclosed in Note 6, and equity items comprising cash and cash equivalents, issued capital, reserves and retained earnings, respectively.

The Group's Board of Directors reviews the capital structure twice a year. During these reviews, the Board assesses the cost of capital together with the risks associated with each class of capital. Based on the recommendations made by the Board, the Group aims to maintain a balanced capital structure.

Consistent with other companies in the industry, the Group monitors capital on the basis of the leverage ratio. This ratio is calculated as net financial debt divided by total equity. Net financial debt is derived by deducting cash and cash equivalents from total financial borrowings. Total capital is calculated as the sum of "Equity" in the statement of financial position and net debt.

	December 31, 2025	December 31, 2024
Total financial liabilities	5.718.916	6.735.639
Minus: Cash and cash equivalents	(212.129)	(427.891)
Net financial liabilities	5.506.787	6.307.748
Total equity	24.774.532	25.096.203
Net liabilities/total equity ratio	22,23%	25,13%

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28. Fair value

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 evidenced 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 appropriate valuation methods. However, judgment is required in interpreting market data for the purpose of estimating fair value. Accordingly, the estimates used may differ from the amounts that the Group could realize in current market transactions.

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

Financial assets

It is assumed that the fair values of foreign currency-denominated balances translated at the exchange rates prevailing as of the reporting date approximate their carrying amounts. Cash and cash equivalents are presented at their fair values. Due to their short-term nature, the fair values of trade receivables and receivables from related parties are assumed to approximate their carrying amounts.

Financial liabilities

Trade payables, payables to related parties and other monetary liabilities are estimated to be presented at amounts approximating their fair values together with their discounted carrying values, and it is assumed that the fair values of foreign currency-denominated balances translated at the exchange rates prevailing as of the reporting date approximate their carrying amounts.

The fair values of short-term bank loans and other monetary liabilities are considered to approximate their carrying amounts due to their short-term nature. Since the interest rates of long-term variable-interest bank loans are updated in line with changing market conditions, the fair values of these loans are considered to represent their carrying amounts.

Levels of fair value measurement

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

Level 1: Based on registered (uncorrected) prices in active markets;

Level 2: Either directly (through the prices in the active market) or indirectly (by deriving from the prices in active markets);

Level 3: Not based on observable market data.

Non-financial assets

In the real estate valuation reports used in determining the fair values of the properties measured by the Group under the revaluation model, the values appraised by independent valuation experts licensed by the CMB have been determined mainly on the basis of the comparable sales method for land, and the market approach and cost model for machinery, plant and equipment.

This valuation method is defined as the determination of the value of the real estate subject to valuation by applying the necessary adjustments, based on the relevant comparison criteria, to the sale prices of properties with similar characteristics that have been sold recently. Comparable properties are analyzed, in order of priority, by comparison in terms of ownership rights, financing, sales conditions, post-sale expenditures, market conditions, location and physical characteristics. Quantitative and qualitative techniques are applied in making such adjustments. This method can be applied in the valuation of all types of real estate where sufficient and reliable data are available and, where such data exist, is regarded as the most appropriate approach for determining value..

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28. Fair value (continued)

In the revaluation of the Group's machinery, plant and equipment, value appraisals have been performed using the "market approach" and the "cost approach." Under the market approach, once it is concluded that sufficient sales data are available for the assets, the valuation is determined by reference to sales of similar assets in the open market, or by comparing asking prices and offers made. Under the cost approach, the costs actually incurred by the entity in acquiring or constructing the assets are accepted as replacement cost. Based on this value, impairments in value arising from physical wear and tear and from functional and economic obsolescence (depreciation) are estimated, and the remaining amount is appraised as the fair market value.

December 31, 2025	Fair value level as of reporting date		
	Level 1	Level 2	Level 3
	TL	TL	TL
Land	-	12.618.130	-
Machinery, plant and equipment	-	-	6.791.449
	-	12.618.130	6.791.449

December 31, 2024	Fair value level as of reporting date		
	Level 1	Level 2	Level 3
	TL	TL	TL
Land	-	13.221.063	-
Machinery, plant and equipment	-	-	7.027.159
	-	13.221.063	7.027.159

In determining the fair values of land measured at fair value under the revaluation model in the financial statements, the real estate valuation reports prepared by a real estate valuation company authorized by the CMB have been taken as the basis, and the relevant study was updated as of December 31, 2025.

29. Fees related to services received from the independent auditor / independent audit firm

The Group's disclosure regarding the fees for services provided by the independent audit firms, prepared in accordance with the Board Resolution of the Public Oversight, Accounting and Auditing Standards Authority ("KGK") published in the repeated Official Gazette dated March 30, 2022, and based on the preparation principles set out in the KGK letter dated August 19, 2023, is as follows:

	January 1 - December 31, 2025	January 1 - December 31, 2024
Independent audit fee for the reporting period	7.085	9.570
	7.085	9.570

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30. Explanations on Gains/(Losses) on Net Monetary Position

Non-monetary items	December 31, 2025
Financial Position Items	
Inventories	7.744
Prepaid Expenses	4.256
Property, Plant and Equipment	6.100.413
Intangible Assets	360.062
Right-of-Use Assets	79.563
Deferred Tax Liability	(261.019)
Paid-in Capital	(1.634.131)
Treasury Shares	578
Share Premium	(76.577)
Other Comprehensive Income / Expense	(769.596)
Restricted Reserves Appropriated from Profit	(197.538)
Retained Earnings	(2.532.955)
Statement of Profit or Loss Items	
Revenue	(1.443.424)
Cost of Sales	1.770.554
General Administrative Expenses	75.268
Marketing, Selling and Distribution Expenses	(72.079)
Other Operating Income	(17.789)
Other Operating Expenses	50.731
Finance Income	(6.621)
Finance Expenses	240.327
Current Tax Expense	833
Net Monetary Position Gains / (Losses)	1.678.600

31. Subsequent events

The trade name of the Group's subsidiary, ASH Plus Yapı Malzemeleri Sanayi ve Ticaret A.Ş., was changed to Ecowest Atık Yönetim A.Ş. pursuant to the Board of Directors' resolution dated January 27, 2026, and was registered with the trade registry on February 3, 2026.

The negotiations for the new term Group Collective Bargaining Agreement between the Turkish Cement Industry Employers' Union (ÇEİS), of which the Group is a member, and the Turkish Çimse-İş Union, which commenced on December 24, 2025, were concluded with an agreement on February 2, 2026.

Batıçım, Batisöke and Batıbeton, the Group companies, have reached an agreement to enter into a receivables insurance contract with Euler Hermes for the purpose of managing trade receivables risk. The relevant policy will enter into force on January 1, 2026, upon completion of the signatures.

The Group companies Batıçım and Batisöke currently have export receivables insurance policies in force with Türk Eximbank and, in addition, an agreement has been reached for Batıçım, Batisöke and Batıbeton to join the Türk Eximbank Domestic Receivables Insurance program in order to secure the trade receivables risk arising from their domestic credit sales. The policies will enter into force upon completion of the signatures.