(Convenience translation into English of the independent auditors' report and consolidated financial statements originally issued in Turkish)

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its subsidiaries

Consolidated financial statements for the period between January 1 - December 31, 2024 and independent auditors' report

Deloitte.

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(CONVENIENCE TRANSLATION OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH)

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 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effect on the consolidated financial statements of the matter described in the Basis for Qualified Opinion paragraph below, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, 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". As of the date of this report, the Group's subsidiary Batıçim Enerji Elektrik Üretim A.Ş. is in the process of determining the recoverable amount of intangible assets related to the concession of Kovada I and Kovada II hydroelectric power plants with a net book value of TL 1,036,631 as stated in Note 13. Therefore, the Group has not been able to determine whether any adjustments, including deferred tax effects, that may be necessary as a result of the comparison of the recoverable amounts of these assets with their indexed cost values are required to be recognized in the accompanying consolidated financial statements.

We conducted our audit in accordance with the Standards on Independent Auditing (SIA) which is a part of Turkish Auditing Standards accepted by regulations of the Capital Markets Board and published by the Public Oversight Accounting and Auditing Standards Authority (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by the POA, together with the ethical requirements included in the regulations of the Capital Markets Board and other regulations that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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3) Key Audit Matters

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

Key Audit Matter	How the matter was addressed in the audit
Accounting for Property, Plant and Equipment using Revaluation Method In the financial statements as at 31 December 2024, the Company measured the lands and machinery, plant and equipment at their fair values based on the results of the valuation studies carried out by an independent valuation firm authorized by the CMB as of 31 December 2024 and the increase in value of the related assets amounting to TL 998.502 after tax effect, is recognized under the revaluation reserve related to property, plant and equipment accounts in other comprehensive income. The processes involved in the recognition of such transactions in the financial statements and the valuation of such transactions, which involve significant expertise, judgement and assumptions, are significant to our audit and have therefore been identified as a key audit matter. Detailed explanations related to property, plant and equipment are disclosed in Note 2 and Note 12.	During our audit, we performed the following audit procedures related to the measurement of property, plant and equipment in accordance with the revaluation model: • Regarding the revaluation of property, plant and equipment, we assessed the qualifications, competencies and impartiality of the real estate appraisers appointed by the management. In our audit, we assessed the appropriateness of the methods used by the valuation experts in the said valuation reports, which constitute the basis for the fair values of the related tangible fixed assets measured according to the revaluation model. • In order to check the conformity of the assumptions used by the independent valuation experts during the valuation with the market data, an external expert was included with the valuation experts of another organization. In this framework, as a result of the studies and examinations carried out by the experts on the real estate valuation calculations in question, we have evaluated whether the fair value appraised by the valuation experts is within an acceptable range. • The appropriateness of the valuation method used has been checked by evaluating the related machinery, plant and equipment together with their intended use. • In addition, within the scope of the above-mentioned specific accounting, we have questioned the compliance of the information in the financial statements and explanatory notes in accordance with TAS 16.

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4) Other Matters

The consolidated financial statements of Batıçim Batı Anadolu Çimento Sanayii A.Ş. for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those statements on 20 May 2024.

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

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

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

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

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

Responsibilities of independent auditors in an independent audit are as follows:

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

As part of an audit in accordance with the regulations of the Capital Markets Board and SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control).
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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6) **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)**

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

B) Report on Other Legal and Regulatory Requirements

In accordance with paragraph four of the Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), the auditor's report on the system and the committee of early detection of risk has been submitted to the Board of Directors of the Company on 11 April 2025.

In accordance with paragraph four of the Article 402 of TCC, nothing has come to our attention that may cause us to believe that the Company's set of accounts and financial statements prepared for the period 1 January – 31 December 2024 does not comply with TCC and the provisions of the Company's articles of association in relation to financial reporting.

In accordance with paragraph four of the Article 402 of TCC, the Board of Directors provided us all the required information and documentation with respect to our audit.

The engagement partner on the audit resulting in this independent auditor's report is Özgür Öney.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Özgür Öney
Partner
İzmir, 11 April 2025

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

Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

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Consolidated statement of financial position as at December 31, 2024

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

		Current year	Previous year
		Audited	Audited
	Notes	**December 31, 2024**	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	4	**326.903**	449.678
Financial investment	5	**226**	-
Trade receivables			
- Trade receivables from related parties	7	**150**	3.467
- Trade receivables from third parties	8	**2.475.091**	2.459.260
Other receivables			
- Other receivables from related parties	7	**-**	1.153.353
- Other receivables from third parties	9	**11.310**	33.845
Inventories	10	**1.175.998**	1.674.588
Prepaid expenses	11	**215.093**	150.463
Current income tax asset	25	**42.932**	2.760
Other current asset	16	**327.024**	302.452
Total current assets		**4.574.727**	6.229.866
Non-current assets			
Financial investment	5	**10**	14
Other receivables			
- Other receivables from third parties	9	**15.717**	22.203
Property, plant, and equipment	12	**21.341.014**	21.016.134
Right-of-use assets	13	**257.549**	207.941
Intangible assets	13	**1.165.538**	1.200.846
Prepaid expenses	11	**20**	19.511
Deferred tax assets	25	**343.119**	243.441
Total non-current assets		**23.122.967**	22.710.090
Total asset		**27.697.694**	28.939.956

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 financial position as at December 31, 2024

(All amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

	Notes	Current year Audited December 31, 2024	Previous year Audited December 31, 2023
Liabilities			
Current liabilities			
Short term borrowings	6	**940.912**	866.203
Current portion of long-term borrowings	6	**1.076.087**	1.114.248
Lease liabilities	6	**22.256**	28.908
Trade payables			
- Trade payables to third parties	7	**2.756**	-
Liabilities for employee benefits	8	**1.808.530**	2.450.420
Other payables	15	**58.607**	68.305
- Other payables to related parties			
- Other payables to third parties	9	**26.104**	35.587
Contract liabilities	11	**99.421**	257.391
Current income tax liabilities	25	**4.720**	378.260
Short term provisions			
- Other short-term provisions	14	**16.205**	10.984
Other short-term liabilities	16	**36.039**	21.188
Total current liabilities		**4.091.637**	5.231.494
Non-current liabilities			
Long-term financial liabilities	6	**2.916.468**	4.778.672
Other financial liabilities	6	**130.028**	85.869
Long term provisions			
- Provisions for long-term employee benefits	15	**168.909**	221.968
- Other long-term provisions	14	**70.078**	70.369
Deferred tax liabilities	25	**1.188.049**	844.498
Total non-current liabilities		**4.473.532**	6.001.376
Total liabilities		**8.565.169**	11.232.870
Equity			
Share capital	17	**180.000**	180.000
Adjustment to share capital	17	**5.109.762**	5.109.762
Treasury shares (-)		**(1.872)**	(1.401)
Share premium	17	**247.882**	238.631
Other comprehensive income / expense not to be reclassified to profit or loss			
Gains (losses) on revaluation and measurement			
- Revaluation reserve related to tangible assets	17	**2.622.871**	2.101.225
- Actuarial (loss) on employee termination benefits	17	**(131.652)**	(170.465)
Restricted reserves		**639.440**	639.440
Retained earnings		**8.224.640**	5.215.812
Net (loss)/profit for the year		**(25.329)**	2.647.760
Equity holders of the parent		**16.865.742**	15.960.764
Non-controlling interests	17	**2.266.783**	1.746.322
Total shareholders’ equity		**19.132.525**	17.707.086
Total liabilities and equity		**27.697.694**	28.939.956

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 profit or loss and other comprehensive income for the period ended December 31, 2024

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

		Current year	Previous year
		Audited	Audited
Profit or loss section	**Notes**	**December 31, 2024**	December 31, 2023
Revenue	18	**13.440.205**	16.599.968
Cost of sales	18	**(11.840.805)**	(14.230.156)
Gross profit from continuing operations		**1.599.400**	2.369.812
Gross profit		**1.599.400**	2.369.812
General administrative expenses	19	**(492.413)**	(449.007)
Marketing expenses	19	**(579.925)**	(509.057)
Other income from operating activities	21	**425.803**	789.879
Other expenses from operating activities	21	**(384.857)**	(1.177.366)
Operating profit		**568.008**	1.024.261
Income from investing activities	22	**194.067**	29.535
Expense from investing activities	22	**(8)**	(91.431)
Operating profit before finance income/(expense)		**762.067**	962.365
Financing income	23	**71.086**	174.769
Financing expenses	24	**(1.919.086)**	(4.109.816)
Net monetary gain (loss)	30	**1.351.485**	4.062.309
Operating profit before financing income (expense)		**265.552**	1.089.627
Profit (loss) before tax from continuing operations			
Current tax charge	25	**(194.914)**	(352.550)
Deferred tax income	25	**5.491**	2.229.988
Profit for the year from continuing operations		**76.129**	2.967.065
Profit (loss) for the attributable to			
Non-controlling interest		**101.458**	319.305
Equity holders of the parent		**(25.329)**	2.647.760
Earnings (loss) per share	26	**(0,1407)**	14,7098
Other comprehensive income / (loss) section			
Other comprehensive income / (loss) not to be reclassified to profit or loss			
- Gain (loss) on revaluation of tangible assets	12	**1.233.391**	2.240.919
- Gain (loss) on revaluation of tangible assets, deferred tax effect	25	**(234.889)**	(499.783)
- Gain (loss) on remeasurement of defined benefit plans		**57.899**	(79.955)
- Gain (loss) on remeasurement of defined benefit plans, deferred tax effect	25	**(14.475)**	19.989
Other comprehensive income		**1.041.926**	1.681.170
Total comprehensive income		**1.118.055**	4.648.235
Total comprehensive income attributable to			
Non-controlling interest		**213.287**	470.612
Equity holders of the parent		**904.768**	4.177.623

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 ended December 31, 2024

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

						Accumulated other comprehensive income or loss that will not be reclassified subsequently to profit or loss			Accumulated profits/losses				
	Share Capital	Adjustment to Share Capital	Treasury shares	Reciprocal interests	Share premium	Revaluation reserve related to tangible assets	Gain/(Loss) on measurement defined benefit plans	Restricted reserves	Retained Earnings	Net profit (loss) for the period	Equity attributable to owners of the company	Non-controlling interests	Total equity
Balance as of January 1, 2023 (beginning of period)	180.000	5.109.762	(1.401)	(605.291)	3.367	574.288	(116.869)	667.881	4.062.969	911.826	10.786.532	918.502	11.705.034
Transfers	-	-	-	-	-	(51.513)	-	-	965.555	(911.826)	2.216	(2.216)	-
Total comprehensive income (loss)	-	-	-	-	-	1.583.652	(53.789)	-	-	2.647.760	4.177.623	470.612	4.648.235
- Net profit (loss) for the period	-	-	-	-	-	-	-	-	-	2.647.760	2.647.760	319.305	2.967.065
- Other comprehensive income (loss)	-	-	-	-	-	1.583.652	(53.789)	-	-	-	1.529.863	151.307	1.681.170
Increase (decrease) due to changes in share in subsidiaries that do not result in loss of control	-	-	-	-	-	(5.202)	193	(28.441)	187.288	-	153.838	-	153.838
Increase (decrease) due to share repurchase transactions	-	-	-	605.291	235.264	-	-	-	-	-	840.555	359.424	1.199.979
Balance as of December 31, 2023 (end of period)	180.000	5.109.762	(1.401)	-	238.631	2.101.225	(170.465)	639.440	5.215.812	2.647.760	15.960.764	1.746.322	17.707.086
Balance as of January 1, 2024 (beginning of period)	**180.000**	**5.109.762**	**(1.401)**	**-**	**238.631**	**2.101.225**	**(170.465)**	**639.440**	**5.215.812**	**2.647.760**	**15.960.764**	**1.746.322**	**17.707.086**
Transfers	**-**	**-**	**-**	**-**	**-**	**(369.638)**	**-**	**-**	**3.019.028**	**(2.647.760)**	**1.630**	**(1.630)**	**-**
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**-**	**891.284**	**38.813**	**-**	**-**	**(25.329)**	**904.768**	**213.287**	**1.118.055**
- Net profit (loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(25.329)**	**(25.329)**	**101.458**	**76.129**
- Other comprehensive income (loss)	**-**	**-**	**-**	**-**	**-**	**891.284**	**38.813**	**-**	**-**	**-**	**930.097**	**111.829**	**1.041.926**
Increase (decrease) due to other changes(*)	**-**	**-**	**(471)**	**-**	**9.251**	**-**	**-**	**-**	**-**	**-**	**8.780**	**308.804**	**317.584**
Dividend payment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10.200)**	**-**	**(10.200)**	**-**	**(10.200)**
Balance as of December 31, 2024 (end of period)	**180.000**	**5.109.762**	**(1.872)**	**-**	**247.882**	**2.622.871**	**(131.652)**	**639.440**	**8.224.640**	**(25.329)**	**16.865.742**	**2.266.783**	**19.132.525**

(*) The related amount arises from the capital increase of Batısöke Söke Çimento Sanayii T.A.Ş., a subsidiary of the Company, during the year.

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 cash flows for the period ended December 31, 2024
(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

	Notes	Current Period Audited January 1- December 31, 2024	Previous year Audited January 1 - December 31, 2023
A. Cash flows from operating activities		**158.261**	1.657.315
Net profit (loss)			
Net profit (loss) for the year from continued operations (I)		**76.129**	2.967.065
Adjustments to reconcile net profit (loss) for the period: (II)		**1.034.346**	85.287
Adjustments for depreciation and amortization expenses	12,13	**1.071.948**	993.523
Adjustments for impairment (reversals)			
- Adjustments for receivables (reversal) impairment	8	**215**	3.962
- Adjustments for inventory (reversal) impairment	10	**15.925**	(43.503)
Adjustments for provisions	12, 21	**44.875**	-
- Adjustments for provision employment termination benefits			
- Adjustments for lawsuit and/or penalty provisions (reversals)	15	**75.701**	130.240
- Adjustments for other provisions (reversal)		**4.037**	(30.312)
Adjustments related to interest (income) expenses	14	**24.493**	40.347
- Adjustments related to interest income			
- Adjustments related to interest expenses	22	**(225.218)**	(71.801)
- Unearned finance income due to forward sales	24	**803.480**	1.481.213
- Deferred finance expense due to forward purchase	21	**(128.377)**	(510.168)
Adjustments related to unrealized foreign exchange differences	21	**80.349**	556.782
Adjustments for tax income/expense		**1.016.665**	2.514.122
Adjustment for (gain) / loss on sales of tangible and intangible assets	25	**189.423**	(1.877.438)
- Adjustment for (gain) / loss on sales of tangible and intangible assets, net			
Adjustments for (gain) / loss on disposal of subsidiaries or joint operations	22	**8**	90.918
Adjustments for monetary gain / (loss)		**(1.939.178)**	(3.192.598)
Changes in working capital (III)		**(599.423)**	(996.009)
Adjustments related to decrease (increase) in trade receivables		**(91.322)**	(1.224.729)
Adjustments for (increase)/decrease in inventories	10	**287.175**	329.371
Decrease (increase) prepaid expenses	11	**(45.139)**	86.461
Adjustments related to increase (decrease) in trade payables		**(510.757)**	22.127
Increase in payables to employees		**(9.698)**	15.654
Adjustments related to the decrease / (increase) in other receivables from operations			
- Decrease / (increase) in other receivables from third parties from operations	9	**22.535**	-
Adjustments related to the increase / (decrease) in other payables related to operations			
- Increase (decrease) in other payables to related parties related to operations	7	**(9.484)**	(26)
- Increase (decrease) in other payables to third parties related to operations		**-**	13.157
Other adjustments related to increase (decrease) in working capital			
- Decrease (increase) in other assets from operations		**(63.278)**	77.539
- Increase (decrease) in other liabilities from operations		**(21.485)**	(17.643)
Increase (decrease) in deferred revenues		**(157.970)**	15.886
Other cash inflows (outflows)		**-**	(313.806)
Cash flows used in operations (I+II+III)		**511.052**	2.056.343
Employee termination benefits paid	15	**(12.615)**	(163.828)
Taxes refunded (paid)	25	**(340.176)**	(235.200)
B. Cash flows from investing activities		**1.055.366**	324.775
Proceeds from from sales of associates not result in the loss of control	7	**1.411.845**	508.423
Proceeds from disposal of property, plant and equipment and intangible assets			
- Proceeds from disposal of property, plant and equipment		**8.530**	18.930
- Proceeds from disposal of intangible assets		**-**	448.259
Payments for acquisition of property, plant and equipment and intangible assets			
- Payments for acquisition of property, plant and equipment	12	**(361.438)**	(650.282)
- Payments for acquisition of intangible assets	13	**(3.571)**	(555)
C. Cash flows from financing activities		**(1.236.840)**	(1.718.980)
Cash inflows from borrowings			
- Cash inflows from borrowings	6	**2.313.118**	2.067.225
Cash outflows on repayment of borrowings			
- Cash outflows on repayment of borrowings	6	**(3.046.997)**	(2.355.266)
Interest paid	6	**(815.194)**	(1.455.510)
Dividend payment		**(10.200)**	-
Other cash inflows	17	**317.584**	-
Cash outflows from leasing	6	**(26.302)**	(18.208)
Interest received		**31.151**	42.779
D. Effect of monetary gain (loss) on cash and cash equivalents		**(107.169)**	(124.888)
E. Effect of exchange rate changes on cash and cash equivalents		**7.607**	4.902
Net increase (decrease) in cash and cash equivalents (A+B+C+D)		**(122.775)**	143.124
F. Cash and cash equivalents at the beginning of the period	4	**449.678**	306.554
Cash and cash equivalents at the end of the period (A+B+C+D+E)	4	**326.903**	449.678

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

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

1. The Group's organization and nature of operations

Batıçim Batı Anadolu Çimento Sanayii A.Ş. ("Group" or "Batıçim") 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:

	December 31, 2024		December 31, 2023	
Shareholders	**Share (%)**	**Amount (TL)**	Share (%)	Amount (TL)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş.	**39,72**	**71.503**	45,43	81.769
İstanbul Portföy Yönetimi A.Ş Pre-IPO Girişim Sermayesi Yatırım Fonu	**11,96**	**21.534**	12,00	21.594
İstanbul Portföy İkinci Serbest Fon	**6,75**	**12.141**	5,50	9.891
KTLP Limited	**5,7**	**10.267**	-	-
Diğer	**35,87**	**64.555**	37,07	66.746
Nominal capital	**100,00**	**180.000**	100,00	180.000

The Board members of the Group are as follows:

Chairman	: Sabit Aydın
Deputy of Chairman and Authorized Member	: Gülant Candaş
Official Member	: Ömer Çağdaş Selvi
Member	: Coşkun Kılıç
Independent Member:	: Mehmet Şahne
Independent Member:	: Ufuk Bala Yücel
Independent Member:	: Enis Turan Erdoğan

As of December 31, 2024, the information related to the Group's subsidiaries is as follows:

Subsidiaries	**Stock Exchange Market**	**Main Business Activities**
Batısöke Söke Çimento Sanayii T.A.Ş. ("Batısöke")	Borsa İstanbul	Production and sale of clinker and cement
ASH Plus Yapı Malzemeleri Sanayi ve Ticaret A.Ş. ("ASH Plus")	-	Ash production and sale
Batıçim Enerji Elektrik Üretim A.Ş. ("Batıçim Enerji")	-	Electricity production and sale
Batıbeton Sanayi A.Ş. ("Batıbeton")	-	Ready-mixed concrete production and sale
Batıliman Liman İşletmeleri A.Ş. ("Batıliman")	-	Port management
Batıçim Enerji Toptan Satış A.Ş. ("Batıçim Enerji Toptan")	-	Sales and distribution

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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, 2024	December 31, 2023
Executive	**34**	33
Officer	**192**	182
Worker	**794**	791
	1.020	1.006

2. Presentation of the financial statements

2.1 Basis of presentation

The Group and its subsidiaries keep its legal books and prepares their statutory financial statements in accordance with Article 6102 of the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance.

The consolidated financial statements of the Group have been prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ("TAS/TFRS") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") that are set out in the communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board ("CMB") on June 13, 2013 and published in Official Gazette numbered 28676. It was also presented in accordance with the TMS taxonomy published by the UPS on July 3, 2024.

In accordance with article 5th of the CMB Reporting Standards, companies should apply Turkish Accounting Standards / Turkish Financial Reporting Standards and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA").

Consolidated financial statements are prepared on the basis of historical cost except for the derivative financial instruments measured at fair value and land, machinery and equipment measured at fair value in accordance with TAS 16 revaluation model. In determining historical cost, the fair value of the amount paid for the assets is generally taken as basis.

Functional and presentation currency

The Group determines the currency (functional currency) of the primary economic environment in which the entity operates in accordance with the TAS 21 Currency Exchange Transactions in preparation of its consolidated financial statements and prepares its financial statements in that currency. The results and financial position are expressed in thousand Turkish Lira ("TL"), which is the functional currency of the Group, and the presentation currency for the financial statements.

Restatement of financial statements during the hyperinflationary periods

The consolidated financial statements and related amounts for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, are 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 every entity whose functional currency is the currency of a hyperinflationary economy. If an economy is experiencing hyperinflation, TAS 29 requires an entity whose functional currency is the currency of a hyperinflationary economy to present its financial statements in terms of the measuring unit current at the end of the reporting period.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

2. Presentation of the financial statements (continued)

2.1 Basis of presentation (continued)

As of the reporting date, the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index ("CPI") figure is above 100%. TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after December 31, 2023.

Within the scope of the Announcement on Inflation Adjustment of Financial Statements of Companies Subject to Independent Audit published by POA on November 23, 2023, it is stated that the financial statements of the companies applying Turkish Financial Reporting Standards for the annual reporting period ending on or after December 31, 2023 should be presented by adjusting them for the effects of inflation in accordance with the related accounting principles in TAS 29.

However, in accordance with the CMB's decision 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 decided to apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the accounting periods ending on December 31, 2023.

Accordingly, the consolidated financial statements as at December 31, 2024 have been adjusted for the effects of inflation in accordance with the accounting principles set out in TAS 29.

The table below sets out the inflation rates for the years then ended based on the Consumer Price Indices published by the Turkish Statistical Institute ("TURKSTAT"):

Year end	Index	Correction coefficient	Three-year cumulative inflation rates
31 December 2024	2.684,55	1,00000	%291
31 December 2023	1.859,38	1,44379	%268
31 December 2022	1.128,45	2,37897	%156

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

- All items other than those expressed in terms of the current purchasing power at the reporting date are restated by applying the relevant adjustment factors. Prior year amounts are restated in the same way.

- Monetary assets and liabilities are not restated because they are expressed in terms of the current purchasing power at the statement of financial position date. Monetary items are cash and items to be received or paid in cash.

- Fixed assets, associates and similar assets are restated at historical cost, but not exceeding their market value. Depreciation is similarly restated. Amounts included in equity have been restated by applying general price indices for the periods in which they were included in or arose within the Company.

- All items in the statement of profit or loss, except for those items in the statement of profit or loss that are affected by the indexation of non-monetary items in the statement of financial position, are restated by applying the same factors as when the income and expense items were first recognized in the financial statements.

- The gain or loss on the net monetary position arising from general inflation is the difference between the restatement adjustments to non-monetary assets, equity items and profit or loss statement accounts. These gains or losses on the net monetary position are included in profit or loss.

2. Presentation of the financial statements (continued)

2.1 Basis of presentation (continued)

- The effect of inflation on the Company's net monetary asset position in the current period is recognized in the statement of profit or loss in the net monetary position gains/(losses) account (Note 30).

The effect of the application of TAS 29 "Financial Reporting in Hyperinflationary Economies" is summarized below:

Restatement of the Statement of Financial Position

Amounts 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 because they are expressed in the currency of the reporting period. Non-monetary items are required to be restated unless they are expressed in terms of the currency in effect at the end of the reporting period.

The gain or loss on the net monetary position resulting 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.

Cost of inventories sold has been restated using the restated inventory balance.

Depreciation and amortization expenses are restated 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 undertaken before January 1, 2005, the date on which the Turkish lira ceased to be designated as the currency of a hyperinflationary economy, and non-monetary items recognized or incurred before that date are restated for the changes in the CPI between January 1, 2005 and December 31, 2024.

In addition, on initial application of TAS 29, the provisions of the Standard are applied assuming that there will always be hyperinflation in the relevant economy. Therefore, the opening balance sheet as at January 1, 2022, which is the beginning of the earliest comparative period, has been adjusted for inflation to provide a basis for subsequent reporting periods. As of January 1, 2022, the inflation adjusted amount of retained earnings/accumulated losses in the statement of financial position as at January 1, 2022 is derived from the balance sheet equivalent that should exist after the inflation adjustment of the other items of the statement of financial position.

2. Presentation of the financial statements (continued)

2.1 Basis of presentation (continued)

Going concern basis

As of December 31, 2024, in its consolidated financial statements, its current assets are sufficient to cover its short-term liabilities and its total shareholders' equity reached TL 19.132.525 including total comprehensive income amounting to TL 1.118.055 according to the consolidated results for the current year ended on the same date.

However, as of December 31, 2024, Batısöke's current liabilities (TL 1.884.737 of which consists of non-trade payables to related parties) exceeded its current assets by TL 1.470.903 and its total shareholders' equity reached TL 7.615.082, including total comprehensive income amounting to TL 598.585 for the current year ended on the same date. As of December 31, 2024, the Company management has determined that the total amount of receivables from Batısöke amounting to TL 2.099.979, of which TL 1.878.701 is from non-trade receivables to related parties, together with the principal and interest amounts for 2025 to be used in the capital increase to be realized at Batısöke (capital increase through rights issue or allocated capital increase) and to be followed under shareholders' equity as capital advance, to use all of the pre-emptive rights within the scope of the shares it owns in the capital increase and to purchase all shares issued through the allocated sales method in case of an allocated capital increase. In this context, the amount in question was taken under equity as capital advance in the records of Batısöke in 2025. After this transaction, Batısöke's current assets will be TL 407.798 more than its current liabilities.

The measures taken by the Company in 2024 in order to ensure the sustainable continuity of the significant amount of cash flow generated in 2024 with the total equity that has increased to a positive level as a result of the application of TAS 29 inflation accounting, which entered into force in 2023, and the business plans for the coming period are given below.

In 2024, the Group reduced its clinker exports by approximately 22% on a quantity (ton) basis compared to the previous year and increased its cement exports by approximately 6% on a ton basis compared to the previous year, taking into account production and inventory management as well as customer profitability.

However, the Group plans to close clinker exports in 2025 with a similar strategy and at the same level (tons) that it completed at the end of 2024, but may update its strategy in case of positive changes in profitability and the market.

In 2025, the Group aims to increase cement sales in the domestic market, which has a higher profit margin, and to increase export revenues with a ton-based increase in cement exports above the previous year, and to penetrate the American and European markets.

Although the Group does not foresee any risk regarding the realization of the principal and interest payments due in 2025 within the framework of the EBITDA and cash flow to be generated from its main operations within the framework of the projection made for 2025; the transactions whose processes have been completed or are in progress as of the date of approval of the financial statements for the year-end 2024 and which have been completed and which it aims to complete in the light of the disclosures made on PDP are as follows:

- Batısöke Söke Çimento Sanayii T.A.Ş., a Group company, within the registered capital ceiling of TL 2.000.000.000.000, increased its issued capital of TL 400.000.000 by TL 1.200.000.000 (at the rate of 300%) to TL 1.600.000.000 by exercising the pre-emptive rights of the existing shareholders and provided funds amounting to TL 1.209.250.900 in total, of which TL 895.482.158 was provided as offset and TL 313.768.742 was provided as cash inflow. The funds provided by cash inflow were used for financial debt payments.

2. Presentation of the financial statements (continued)

2.1 Basis of presentation (continued)

- As previously announced to the public, the process for the public offering of the shares of Batıliman Liman İşletmeleri A.Ş., a Group company, through capital increase and/or shareholder sale method has been initiated and the application for transition to the registered capital system in this context has been submitted to the Capital Markets Board on December 30, 2024. Within the framework of the cash flow that will be generated after the public offering transactions, it is considered that some of the public offering proceeds will be used for the early repayment of the refinancing loan or other loans existing in the Group within the framework of the above-mentioned purpose. By reducing the loan debt, it is aimed to reduce the foreign exchange difference and interest expenses that may arise from foreign currency in the future.

- As a requirement of the refinancing agreement, the Company management anticipates that the cash flow will be sufficient to fulfill short-term liabilities and reduce the refinancing loan before maturity, considering the net cash flows to be generated within the framework of the consolidated business plans and cash flow projections, excluding the energy segment, prepared for Batıçim Group by independent expert institutions appointed by the lenders as a requirement of the refinancing agreement, and the cash flows to be generated from non-operating activities mentioned above.

- The Group has made timely principal and current period interest payments in relation to the refinancing loan signed to cover the financial borrowings of Batısöke, a subsidiary of the Group, and has also chosen to make early repayments of USD 25.433.287 in July 2024 before the maturity date of the refinancing loan.

- As of December 31, 2024, it is seen that the debt service coverage ratio ratio, which the Group is committed to fulfill in accordance with the refinancing agreement, has been met, and in terms of the forward-looking commitment in the same agreement, the net cash flow in 2024 shows that the Group as a whole will not have any problems in making the related payments on time for the financial indebtedness that will become due within 12 (twelve) months.

Within the framework of all these evaluations, the Group's consolidated financial statements as of December 31, 2024 have been prepared in accordance with the going concern principle.

<u>Approval of the financial statements</u>

The financial statements have been approved by the Board of Directors and authorized for issue on 11 April 2025. The General Assembly has the authority to amend the financial statements.

<u>Basis of consolidation</u>

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group and its subsidiary. Control is achieved when the Group:

- 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.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

2. Presentation of the financial statements (continued)

2.1 Basis of presentation (continued)

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 Company'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.

Consolidation of a subsidiary ceases when the Group has control over the subsidiary and loses control. Income and expenses of subsidiaries purchased or disposed of during the year are included in consolidated profit or loss and other comprehensive income statement until the date of elimination from the date of purchase.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income and expenses, and cash flows from Group companies are eliminated on consolidation.

Details of the Group's subsidiaries as of December 31, 2024 and 2023 are as follows:

		December 31, 2024		December 31, 2023	
Subsidiary	**Establishment and operation location**	**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
Batıliman (*)	İzmir, Türkiye	**%90**	**%90**	%90	%90
ASH Plus	Manisa, Türkiye	**%100**	**%100**	%100	%100

(*) The Group has transferred its total of 578.345.800 shares, with a nominal value of TL 5.783.458, representing 10% of the paid capital, held in its subsidiary Batıliman Liman İşletmeleri A.Ş., to İstanbul Portföy Yönetimi A.Ş. PRE-IPO Girişim Sermayesi Yatırım Fonu as of December 26, 2023, for US Dollars 12.000.000 and, if distributed, in exchange for the dividend amount that could be paid for the shares in question for the year 2023.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

2. Presentation of the financial statements (continued)

2.2 Changes in Turkey Financial Reporting Standards

The new standards, amendments, and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of December 31, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of December 31, 2024 are as follows:

Amendments to TAS 1	*Classification of Liabilities as Current or Non-Current*(1)
Amendments to TFRS 16	*Lease Liability in a Sale and Leaseback*(1)
Amendments to TAS 1	*Non-current Liabilities with Covenants*(1)
Amendments to TAS 7 and TFRS 7	*Supplier Finance Arrangements*(1)
TSRS 1	*General Requirements for Disclosure of Sustainability-related Financial Information*(1)
TSRS 2	*Climate-related Disclosures*(1)

(1) It is valid for accounting periods starting after January 1, 2024.

The Group is within the scope of the application as it meets the criteria specified in the Board's decision. For companies in scope, there is no obligation to present comparative information in the first reporting period and the first year's sustainability report can be published after the financial reports for that period. The Group's fully TSRS compliant report is expected to be published in August 2025, as it is required to be disclosed no later than nine months in 2025.

The Group has applied the above new standards and amendments and these new standards and amendments do not have a significant impact on the current period and comparative prior periods. Therefore, prior period comparative financial statements have not been restated in accordance with the materiality principle.

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

The Group has not yet adopted the following standards, amendments and interpretations to existing standards that are not yet effective

TFRS 17	*Insurance Contracts*(2)
Amendments to TFRS 17	*Initial Application of TFRS 17 and TFRS 9 — Comparative Information*(1)
Amendments to TAS 21	*Lack of Exchangeability*(1)

(1) It is valid for accounting periods starting after January 1, 2025
(2) It is valid for accounting periods starting after January 1, 2026

The Group will assess the impact of the above amendments on its operations and apply them from the effective date. The Group is in the process of assessing the impact of the adoption of the above standards and interpretations on the consolidated financial statements of the Group in future periods.

2. Presentation of the financial statements (continued)

2.3 Comparative information and restatement of previous year financial statements

In order to allow for the determination of financial situation and performance trends, The Group has prepared consolidated statement of financial position as at December 31, 2024 comparatively with the consolidated statement of financial position as at December 31, 2023, and consolidated profit or loss statement, consolidated statement of other comprehensive income, consolidated statement of cash flow and consolidated statement of changes in shareholders' equity for the period ended December 31, 2024 comparatively with the consolidated profit or loss statement, consolidated statement of other comprehensive income, consolidated statement of cash flow and consolidated statement of changes in shareholders' equity for the period ended December 31, 2023.

2.4 Restatement and errors in the accounting policies and estimates

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively, in accordance with the transitional provisions. Changes without any transitional provisions, optional changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated.

If the changes in accounting estimates are for only one period, they are applied prospectively both in the current period when the change is made and in the future periods if the change is made. Significant accounting errors are applied retrospectively, and prior period financial statements 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 reduced for estimated or realized customer returns, discounts, commissions, rebates, and taxes related to sales.

Sale of goods

Revenue, goods, or services related to performance obligations in the form of goods or service turnover are accounted for as they fulfil their performance obligations by transferring them to their customers. In the sale of property, when the control of the asset is received by the customers, the asset is transferred, and revenue is recognized. This usually happens when the asset is delivered to the customer. However, in cases where there is no alternative use for the Group and there is a legally enforceable right of collection on the payment to be made against the completed performance until that day, the Group transfers the control of the commodity over time and records the proceeds as time-consuming as production takes place. The goods or services are transferred when the control of the goods or services is delivered to the customers.

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.

2. Presentation of the financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Rendering of services

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Revenue from time contracts is recognized at the contractual rates as labor hours are delivered and direct expenses are incurred.

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; or,
iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. In the consolidated financial statements, the shareholders of the Group, the companies they own, their directors and other groups known to be related are defined as related companies The book value of receivables from related parties and payables due to related parties are assumed to be equal to fair value of these assets and liabilities.

2. Presentation of the 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, 2024 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 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 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 Company 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 Company at the end of the lease is reasonably finalized, the Company depreciates its asset right to use until the end of the useful life of the underlying asset.

The right to use assets are subject to impairment assessment.

Lease liabilities

The company 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 consist 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 rental payments based on an index or rate, made using an index or rate at the date when the first measurement was actually started,
(c) amounts expected to be paid by the Company within the scope of residual value commitments
(d) the price of use of this option if the Group is reasonably sure that it will use the purchase option and
(e) If the rental period shows that the Group will use an option to terminate the lease, penalties for termination of the lease.

The variable lease payments that do not depend on an index or rate are recorded as expenses in the period when the event or condition that triggers the payment occurred.

The Group discounts the lease payments using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

2. Presentation of the financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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 stated at cost less accumulated depreciation and impairment, if any, after deducting the provision for impairment, except for land, land improvements and buildings, and facility, machinery and equipment whose fair values are reflected in their revaluation model according to TAS 16. Cost value of tangible asset; the purchase price, the import tax, and the non-taxable taxes, are expenses incurred to make the tangible asset ready for use.

Land is not subject to depreciation. Properties in the course of construction for production, supply or administrative purposed are carried at cost, less any recognized impairment loss. Borrowing costs for the assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intendent use or sale. Such properties are classified to the appropriate categories of property, plant, and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

As of December 31, 2017 the Group made a decision of applying revaluation model for land and changing the accounting policy prospectively within the scope of TFRS's. Also the Group changed its accounting policy to adapt revaluation model for the, machinery and equipment, effective as of September 30, 2022.Fair value of property, plant and equipment measured in accordance with the Group's revaluation model was lastly exercised by a real estate appraisal company licensed by the Capital Markets Board. As December 31, 2024, The Group has renewed the revaluation measurements of the land and machinery and equipments and fair value increases are reflected in the consolidated financial statements dated December 31, 2024 based on their fair values in the current valuation reports prepared by a real estate appraisal company authorized by the CMB.

The revenue measured in accordance with the revaluation model are shown by deducting the accumulated amortization from the fair values of the lands, machinery and equipments. The difference between the net book value determined after deducting the accumulated depreciation from the historical cost expressed in terms of purchasing power of TL as of December 31,2024 and the fair value is followed up with the net deferred tax effect on the " Revaluation gain/(loss) on tangible assets " account under equity. In the event of disposal of a revaluated asset the portion respective portion of revaluation fund is transferred to the prior year's loss. On the other hand, some of the increase in value is transferred to retained earnings as the asset is used by the business.

Expenditures incurred after the property, plant and equipment have been put into the operation, such as repairs and maintenance and overhaul costs are normally charged to income in the period the costs are incurred. Expenditures are added to cost of assets if the expenditures provide economic added value for the future use of the related property, plant and equipment and are subject to depreciation over useful lives.

The frequency of revaluations is dependent on indications of significant changes in the items of property, plant, and equipment subject to revaluation.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

2. Presentation of the financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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

If the carrying amount of an asset has decreased as a result of revaluation, the decrease is recognized as an expense. However, this decrease is recognized in other comprehensive income to the extent of the extent of any credit balance in the revaluation surplus related to this asset. This decrease, recognized in other comprehensive income, reduces the amount accumulated in equity under the revaluation surplus item.

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

Costs of property, plant, and equipment, except for land and construction in progress, are amortized on a straight-line basis over their expected useful lives. The estimated useful life, residual value and depreciation method are reviewed annually for the probable effects of changes in estimates and are recognized prospectively if there is a change in estimates.

The estimated useful lives of the property, plant and equipment owned by the Company are as follows:

	Period (Year)
Land improvements	15-30
Buildings	10-50
Furniture and fixtures	2-20
Machinery and equipment	2-25
Motor vehicles	4-10
Other tangible fixed assets (mine 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.

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

2. Presentation of the financial statements (continued)

2.5 Summary of significant accounting policies (continued)

The annual depreciation rates accordingly the estimated useful lives for intangible assets are as follows:

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

Impairment of tangible 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 it is 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

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Borrowing costs consist primarily of interest and other financing costs incurred in relation to borrowing. When the Company borrows in a currency other than its functional currency, the Turkish Lira (TL), and a portion of these funds is used for the financing of a specialized asset, the amount of borrowing costs that can be capitalized is determined with the help of 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 costs that would have been incurred if the Company had borrowed in TL under the same terms and conditions as an alternative to the borrowing made for the construction of the specialized asset. Financial investment income earned from the temporary investment of the unspent portion of the credit related to the investment is offset against the borrowing costs eligible for capitalization. The portion that is determined not to be of a capitalizable nature, along with all other borrowing costs, is recorded as finance expense in the income statement in the period in which they arise.

2. Presentation of the 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 assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Group's financial assets measured at amortized cost comprise "cash and cash equivalents" "trade receivables" and "financial investments". Financial assets carried at amortized cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets measured at amortized cost are accounted for under the statement of income.

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.

2. Presentation of the financial statements (continued)

2.5 Summary of significant accounting policies (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 applies if the credit risk of a financial asset at the reporting date has increased significantly since 12-month ECL measurement if it has not.

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 measured initially at fair value. Transaction costs which are directly related to the financial liability are added to the fair value. Financial liabilities are classified as equity instruments and other financial liabilities. A financial liability is classified as fair value gain or loss through profit or loss in case it is held for sale. A financial liability is recognized as held for sale in case this financial liability is a derivative instrument or defined as at the first registration. Financial liabilities fair value gain or loss through profit or loss are measured at their fair value and net gain or losses are stated under profit or loss including interest expenses. Other financial liabilities are measured at their amortized costs following their first recognition. Interest expenses and foreign currency gains or losses are stated under profit or loss. Profit or losses resulting sale of these financial liabilities are stated under profit or loss.

Effect of foreign currency transactions

The consolidated financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in TL, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements.

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

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

2. Presentation of the financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Earnings per share (loss)

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.

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.

2. Presentation of the financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Mine site rehabilitation provision

Cost of reclamation, rehabilitation and closure of mines comprise the provisioned amount for costs that are considered as highly probable to be incurred during the closure and rehabilitation of mines, discounted and recognized on the reporting date of the financial statements. These provisions are discounted at the reporting date with the discount rates, which are non-taxable and risk-free rates for the future expected cash flows, taking into consideration the market interest rate and the risk associated with the liability. The calculations are reviewed at each reporting date. The changes arising from the changes in the management estimates used for the calculation of the provision related to the conditioning, rehabilitation and closure of mining areas, are recognized in the reclamation of mining areas, rehabilitation and closure costs. On the other hand, in determining the costs related to the reclamation, rehabilitation and closure of mines the depreciation rate used is the lower of; the remaining economic life of the mine, or the quantity of the mined amount during the period divided by the reserves left in the mine at the end of the period. Based on the scope of existing programs to prevent environmental pollution and protection of the environment is reflected in the consolidated statement of profit or loss as an expense in the period in which the costs are incurred.

Segment information

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 the basis of the company's earnings

Turkish tax legislation does not permit a parent company and its subsidiary to file a consolidated tax return. Therefore, provisions for taxes, as reflected in the consolidated financial statements, have been calculated on a separate-entity basis.

Tax expense includes current tax expense and deferred tax expense. Tax is included in the income statement, provided that it is not related to an operation that is accounted for directly under equity. Otherwise, the tax is accounted under equity as well as the related transaction.

Current income tax

Current income tax expense is calculated taking into account tax legislation in force in the countries where the Group's subsidiaries operate as of the date of the consolidated statement of financial position. According to Turkish tax legislation, legal or business centers institutions in Turkey, the corporation is subject to tax. Current year tax liability is calculated on the portion of the period profit subject to taxation. Taxable profit differs from the profit included in the income statement because it excludes taxable or tax-deductible items in other years or taxable items that cannot be deducted from taxable income. The Group's current income tax liability is calculated using tax rates that are legally enacted or substantively enacted by the balance sheet date.

The corporate tax rate in Turkey is 25% (25% was applied for the corporate earnings of the institutions for the 2023 taxation periods). The corporate tax rate is the addition of the expenses that are not considered to be deductible in accordance with the tax laws to the commercial income of the corporations. is applied to the net corporate income to be found as a result of deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the thirtieth day of the fourth month following the end of the year in which it relates, and is paid in one installment until the end of the relevant month.

Companies calculate provisional tax at a rate of 25% on their quarterly financial profits and declare and pay it by the 17th day of the second month following that period. The provisional tax paid during the year is related 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 there is any amount of provisional tax paid remaining after the offset, this amount can be refunded in cash or offset against any other financial debt to the state.

2. Presentation of the financial statements (continued)

2.5 Summary of significant accounting policies (continued)

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period not exceeding 5 years. Declarations and related accounting records can be examined within five years of tax.

In Turkey, the resident companies from corporation tax and not responsible for the income tax and who are resident in Turkey, those made to those except for exempt and non-natural persons and dividend payments to legal persons not resident in Turkey are subject to 10% income tax.

Dividend payments made to resident corporations in Turkey again from resident companies in Turkey are not subject to income tax. In addition, if the profit is not distributed or added to the capital, the income tax is not calculated.

As of December 31, 2024 and 2023, the tax provision has been set aside under the current tax legislation.

25% of the profits arising from the sale of the intangible assets held in the assets for the same period as the 75% of the profits arising from the sale of founders' shares, founding shares and preferential rights, to be added to the capital as stipulated in the Corporate Tax Law or to be kept in a special fundaccount for 5 years.

Deferred tax

Deferred tax is determined by calculating the temporary differences between the carrying amounts of assets/liabilities in the financial statements and the corresponding tax bases, used in the computation of the taxable profit, using currently enacted tax rates. Deferred tax liabilities are generally recognized for all taxable temporary differences where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

In the deferred tax calculation, a tax rate of 25% is used for temporary differences expected to be realized/closed in 2024 and after.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group 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 only recognized if it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis Deferred income tax is determined using tax rates that have been enacted by the balance sheet date.

2. Presentation of the financial statements (continued)

2.5 Summary of significant accounting policies (continued)

Tax is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized in equity. Taxes arisen on items recognized in equity are recognized directly in equity.

Deferred income tax liabilities are recognized for all taxable temporary differences; whereas deferred income tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred income tax asset is recognized to the extent that it is probable that the entity will have sufficient taxable profit in the same period as the reversal of the deductible temporary difference arising from tax losses carried forward.

Deferred income tax assets and deferred income tax liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities. Deferred income tax assets and deferred income tax liabilities are classified as long-term in the consolidated financial statements.

Employee benefits

Long term provisions recognized in the financial statements related to benefits provided to employees consist of retirement pay liability, seniority incentive premiums arising from current employment contracts and provisions for accumulated vacation liabilities.

In Turkey, severance pay according to the current laws and collective bargaining agreements are paid in case of retirement or dismissal. In accordance with TAS 19 Employee Benefits Standard, such payments are classified as defined retirement benefit plans. The Company calculated the provision for severance indemnity on the financial statements based on its experience gained in previous years by using the "Projection Method" and completing the personnel service period and retirement benefits of the Company and recording the discounted value at the balance sheet date.

The Group makes certain assumptions about discount rates, inflation rates, salary increases rate and employee turnover rates in calculation of provisions for employee benefits. Actuarial loss / gain from changes in current account; are accounted for in the statement of comprehensive income / expense for the termination indemnity liability. If the termination benefit premium is related to the incentive premium, it is recognized in the profit or loss table.

The liabilities arising from unused vacation rights, which are defined as long-term provisions provided to the employees, are accrued, and accounted for at the period when 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 premiums

Share premium represents differences resulting from the sale of the Group's subsidiaries and associates' shares at a price exceeding the face values of those shares or differences between the face values and the fair value of shares issued for acquired companies. The amounts arising from the disposal of the Group's repurchased shares are accounted for under share premiums account.

2. Presentation of the financial statements (continued)

2.5 Summary of significant accounting policies (continued)

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.

Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously.

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 the tax base financial statements adjusted for the purchasing power of the Turkish Lira as of December 31, 2024, and the consolidated financial statements prepared in accordance with TAS 29 under TFRS.

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

Deferred tax assets and liabilities are calculated using the tax rates (tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply in the period when the asset is realized or the liability is settled. During the calculation of deferred tax assets and liabilities, the tax consequences of the methods that the Group estimates will be used to recover the carrying amount of its assets or to settle its liabilities as of the balance sheet date are considered.

2. Presentation of the financial statements (continued)

2.6 Significant judgments, assumptions, and estimates (continued)

The Group has deferred tax assets and liabilities consisting of carried forward losses that can be deducted from future profits, tax assets arising from cash capital increases, and other deductible temporary differences. The recoverable amount of the deferred tax assets, in whole or in part, has been estimated under current conditions. During the assessment, the 5-year projection prepared by the Group management as the foreseeable future and the timing of the recovery of taxable temporary differences have been taken into consideration. If the Group has taxable temporary differences that are expected to reverse in the same period that the deductible temporary differences reverse, or in the periods when it is possible to utilize the fiscal losses due to the deferred tax asset, a deferred tax asset is recognized for the deductible temporary differences in the periods they arise (Note 25).

Fair values measurement of property, plant and equipments

The Group accounts for its land, machinery and equipment under tangible assets according to the revaluation model, updated over their fair values within the scope of TAS 16. The Group works with an independent valuation company authorized by the Capital Markets Board in Turkey in order to determine the fair values of these assets. The revaluation for the land as well as machinery and equipments were re-performed as of December 31, 2024, and the real fair value increases/decreases, adjusted for the inflation effect under the provisions of TAS 29, have been accounted under other comprehensive income (expense) accounts in the consolidated financial statements.During the determination of the fair values of the tangible fixed assets, evaluations were made by considering the current situation of the related assets, market conditions and the most efficient way of use, considering the peer comparison method and the cost method (Notes 12 and 28).

Useful lifes 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.

Provision for mine site rehabilitation

The Group calculates for stone and earth-based land degraded by mining activities within the scope of reintegration for mine site rehabilitation. Technical personnel have made certain important assumptions in determining calculation of provision. Explanations regarding such mine site rehabilitation are presented in Note 14. The provision is discounted to the present value of the and the related expense for the period, is included in financial expenses as the cost of rehabilitation.

Provisions for employee benefits

Severance pay and seniority incentive premium liabilities are determined by actuarial calculations based on a number of assumptions, including discount rates, future salary increases and employee retirement rates. Because these plans are long-term, the assumptions involve significant uncertainties. Details regarding the allowance for employee benefits are provided in Note 15.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

3. Segment Reporting

Operating segments have been determined as those components, the operating results of which, are reviewed regularly and the Executive Board is the operating decision-making body of the Group. The Group's foreign sales represent sales made to different geographical regions. The details of revenue have been given as domestic and foreign sales in Note 18.

The business activities of the Group are being managed and organized according to the contents of the output that the Group either provide or serve. The Group's product groups based on the breakdown is as follows: stone and soil-based products, ready-mixed concrete, port services and electricity production.

Segment assets, segment liabilities, investment expenditures, depreciation and amortisation charges and interest income and expenses as of December 31, 2024 and December 31, 2023 comprise of the following:

December 31, 2024	**Product of stone and land basis**	**Ready-mixed concrete**	**Harbour services**	**Electricity production**	**Total**
Total assets	**19.251.500**	**2.965.876**	**4.090.867**	**1.389.451**	**27.697.694**
Total liabilities	**5.410.656**	**1.795.559**	**910.712**	**448.242**	**8.565.169**
Current year investment expenditures	**128.133**	**28.935**	**207.941**	**-**	**365.009**
Current year depreciation and amortization expense	**909.561**	**76.714**	**50.769**	**34.904**	**1.071.948**
Interest income	**18.876**	**3.784**	**2.761**	**5.730**	**31.151**
Finance expense	**1.644.120**	**151.097**	**92.078**	**31.791**	**1.919.086**

December 31, 2023	Product of stone and land basis	Ready-mixed concrete	Harbour services	Electricity production	Total
Total assets	20.229.369	2.687.830	4.392.047	1.630.710	28.939.956
Total liabilities	8.711.063	1.465.098	842.173	214.536	11.232.870
Current year investment expenditures	192.530	19.127	439.063	117	650.837
Current year depreciation and amortization expense	809.629	88.776	54.714	40.404	993.523
Interest income	17.401	2.612	44.684	7.104	71.801
Finance expense	3.944.715	63.595	50.429	51.077	4.109.816

The results of the financial figures by segments for the year ended December 31, 2024 are as follows:

January 1 – December 31, 2024	**Product of stone and land basis**	**Ready-mixed concrete**	**Harbour services**	**Electricity production**	**Total**
Revenue	**7.022.294**	**3.990.965**	**896.401**	**1.530.545**	**13.440.205**
Cost of sales (-)	**(6.135.713)**	**(3.806.314)**	**(304.872)**	**(1.593.906)**	**(11.840.805)**
Gross profit	**886.581**	**184.651**	**591.529**	**(63.361)**	**1.599.400**
General administrative expenses (-)	**(372.342)**	**(55.702)**	**(50.980)**	**(13.389)**	**(492.413)**
Marketing expenses (-)	**(525.149)**	**(49.103)**	**-**	**(5.673)**	**(579.925)**
Other income from operating activities	**267.546**	**68.643**	**34.981**	**54.633**	**425.803**
Other expenses from operating activities (-)	**(247.936)**	**(82.482)**	**(27.987)**	**(26.452)**	**(384.857)**
Operating profit/(loss)	**8.700**	**66.007**	**547.543**	**(54.242)**	**568.008**
Income/Expense from investing activities, net	**-**	**(8)**	**194.067**	**-**	**194.059**
Finance expenses (-) net	**(1.581.418)**	**(146.375)**	**(88.417)**	**(31.790)**	**(1.848.000)**
Monetary gain / (loss), net	**1.701.765**	**(27.418)**	**(304.017)**	**(18.845)**	**1.351.485**
Profit/(loss) before tax	**129.047**	**(107.794)**	**349.176**	**(104.877)**	**265.552**

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

3. Segment Reporting (continued)

The results of the financial figures by segments for the year ended December 31, 2023 are as follows:

January 1 – December 31, 2023	Product of stone and land basis	Ready-mixed concrete	Harbour services	Electricity production	Total
Revenue	8.936.558	3.867.842	1.024.066	2.771.502	16.599.968
Cost of sales (-)	(7.174.884)	(3.887.209)	(414.810)	(2.753.253)	(14.230.156)
Gross profit	1.761.674	(19.367)	609.256	18.249	2.369.812
General administrative expenses (-)	(386.445)	(53.908)	-	(8.654)	(449.007)
Marketing expenses (-)	(439.323)	(36.648)	(13.111)	(19.975)	(509.057)
Other income from operating activities	516.072	225.664	21.885	26.258	789.879
Other expenses from operating activities (-)	(904.249)	(213.884)	(36.399)	(22.834)	(1.177.366)
Operating profit/(loss)	547.729	(98.143)	581.631	(6.956)	1.024.261
Income from investing activities	28.877	658	-	-	29.535
Expense from investing activities	-	-	-	(91.431)	(91.431)
Finance expenses (-) net	(3.765.352)	(59.952)	(5.412)	(104.331)	(3.935.047)
Monetary gain / (loss), net	4.012.732	125.066	(14.820)	(60.669)	4.062.309
Profit/(loss) before tax	823.986	(32.371)	561.399	(263.387)	1.089.627

4. Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash	**32**	61
Banks		
- Demand deposits	**119.432**	42.310
- Time deposits	**207.439**	407.307
	326.903	449.678

As of December 31, 2024, and December 31, 2023 the details of time deposits are as follows:

				December 31, 2024
Currency	**Weighted average interest rate**	**Maturity**	**Foreign currency**	**TL Equivalent**
TL	**%48,25**	**January 2025**	**207.439**	**207.439**
Total				**207.439**

				December 31, 2023
Currency	Weighted average interest rate	Maturity	Foreign currency	TL Equivalent
TL	%33,36	January 2024	407.307	407.307
Total				407.307

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

5. Financial investment

	December 31, 2024	December 31, 2023
Short-term		
Other financial assets	**226**	-
	226	-

	December 31, 2024	December 31, 2023
Long-term		
Other financial assets	**10**	14
	10	14

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

6. Financial liabilities

	December 31, 2024	December 31, 2023
Short term bank loans	**750.565**	537.935
Current portion of long term lease liabilities	**22.256**	28.908
Current portion of long-term loans	**1.076.087**	1.114.248
Long term bank loans	**2.916.468**	4.778.672
Long term lease liabilities	**130.028**	85.869
Letter of credit liabilities	**190.347**	328.268
	5.085.751	6.873.900

				December 31, 2024
Currency	**Interest type**	**Nominal interest rate**	**Original currency amount**	**TL Equivalent**
Short term borrowings				
US Dollar	Floating	SOFR 6M + %2,70	**3.366**	**118.760**
US Dollar	Fixed	%8,5 - 9,5	**5.940**	**209.610**
EUR	Floating	EURIBOR 6M + %2,70	**178**	**6.564**
TL	Fixed	%50	**415.631**	**415.631**
Current portion of long-term bank loans				
US Dollar	Floating	SOFR 6M + %3,25 - 7,93	**27.589**	**973.511**
US Dollar	Fixed	%8,75	**218**	**7.675**
EUR	Floating	EURIBOR 6M + %3,25	**2.281**	**83.975**
TL	Fixed	%25 - 29,50	**10.926**	**10.926**
Long term borrowings				
US Dollar	Floating	SOFR 6M + %3,25 - 7,93	**77.646**	**2.739.868**
US Dollar	Fixed	%8,75	**2.686**	**94.789**
EUR	Floating	EURIBOR 6M + %3,25	**2.223**	**81.811**
Letter of credit borrowings				
US Dollar	Fixed	%7,18 - 7,71	**5.404**	**190.347**
				4.933.467

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

6. Financial liabilities (continued)

				December 31, 2023
Currency	Interest type	Nominal interest rate	Original currency amount	TL Equivalent
Short term borrowings				
US Dollar	Fixed	%8,75 - 11,5	8.535	363.420
US Dollar	Floating	6M Libor+%5,5	4.099	174.515
Current portion of long-term bank loans				
US Dollar	Floating	6M Libor + %5,75	5.627	239.626
US Dollar	Floating	6M Libor + %7,5	18.350	781.309
US Dollar	Fixed	%8,75 - 11,5	280	11.920
US Dollar	Floating	6M Libor + %5,5	803	34.200
TL	Fixed	%13,80 - 29,5	32.687	47.193
Long term borrowings				
US Dollar	Floating	6M Libor + %5,75	8.300	353.407
US Dollar	Floating	6M Libor + %7,5	101.026	4.301.633
US Dollar	Floating	6M Libor + %5,5	750	31.934
US Dollar	Fixed	%8,75 - %11,5	1.756	74.755
TL	Fixed	%13,80 - 29,5	11.735	16.943
Letter of credit borrowings				
US Dollar	Floating	12M Libor + %5,75	7.710	328.268
				6.759.123

The principal repayment schedule for long-term bank loans as of December 31, 2024, and December 31, 2023, is as follows:

	December 31, 2024	December 31, 2023
Between 1-2 years	**658.160**	807.629
Between 2-3 years	**485.212**	621.445
Between 3-4 years	**475.800**	621.445
Between 4-5 years	**494.625**	621.445
5 years and longer	**802.671**	2.106.708
	2.916.468	4.778.672

The movement schedules for financial borrowings as of December 31, 2024, and 2023, for the years ended are as follows:

	2024	2023
Opening balance, January 1	**6.873.900**	7.794.949
New borrowings obtained	**2.313.118**	2.067.225
Principal paid	**(3.046.997)**	(2.355.266)
Change in interest accruals	**(11.714)**	25.703
Finance lease cash outflows	**(26.302)**	(18.208)
Payables arising from new leases	**131.314**	251.459
Foreign exchange effect	**1.024.272**	2.514.122
Monetary gain / (loss)	**(2.171.840)**	(3.406.084)
Closing balance, December 31	**5.085.751**	6.873.900

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

7. Related party disclosures

a) Trade receivables from related parties

	December 31, 2024	December 31, 2023
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	**150**	3.467
	150	3.467

b) Other receivables from related parties

	December 31, 2024	December 31, 2023
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1) (*)	-	1.153.353
	-	1.153.353

(*) The shares of Batıçim Batı Anadolu Çimento Sanayii A.Ş. held by the Company's subsidiary Batıliman Liman İşletmeleri A.Ş. were sold to Çiftay İnşaat Taahhüt ve Ticaret A.Ş. on December 4, 2023 for TL 1.411.845. The consideration was collected in June 2024.

c) Trade payables from related parties

	December 31, 2024	December 31, 2023
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	**2.756**	-
	2.756	-

d) Transactions with related parties

	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)	**13.228**	**71.182**	**226.751**
	13.228	**71.182**	**226.751**

	January 1 – December 31, 2023		
	Purchases of goods and services	Sales of goods and services	Other income (expense)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	795	145.757	42.774
	795	145.757	42.774

(1) Main shareholder

(All amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

7. Related party disclosures (continued)

e) Key management compensation

Benefits to the key management personnel during the period as follow:

	January 1 – December 31, 2024	January 1 – December 31, 2023
Wage, bonus, social relief benefits	**13.458**	13.816
Seniority incentive, performance premium, other reliefs, and payments	**1.307**	5.089
	14.765	18.905

8. Trade receivables and payables

a) Trade receivables

	December 31, 2024	December 31, 2023
Trade receivables	**1.494.870**	1.626.988
Notes receivables	**984.454**	841.363
Provisions for doubtful receivables (-)	**(4.083)**	(5.624)
	2.475.241	2.462.727

Average turnover for account receivables is 1-2 months (December 31, 2023: 1-2 months).

As of December 31, 2024, the Group has trade receivables that are 30-60 days past due but not impaired, amounting to TL 11.818 (December 31, 2023: TL 116.677).

As of December 31, 2024, a doubtful account receivables provision adjustment in the amount of TL 4.083 (December 31, 2023: TL 5.624) has been booked. Allowances for doubtful receivables are recognized against trade receivables based on estimated irrecoverable amounts determined by reference top as default experience of the counterparty.

The Group's guarantees, pledges and mortgages received for trade receivables and credit risk disclosures are disclosed in Note 14 and 27.

December 31, 2024 and 2023 movement of Group’s provision for doubtful receivables is as follows:

	2024	2023
Opening balance on 1 January	**5.624**	4.163
Current period provision expense (reversal)	**215**	3.962
Monetary gain / (loss)	**(1.756)**	(2.501)
Closing balance on 31 December	**4.083**	5.624

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

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

8. Trade receivables and payables (continued)

b) Trade payables:

	December 31, 2024	December 31, 2023
Trade payables	**1.808.530**	2.450.420
	1.808.530	2.450.420

As of December 31, 2024, there are letters of credit of the same amount opened with banks for raw material purchases amounting to USD 5.561 equivalent to TL 195.871, in the trade payables account (December 31, 2023: USD 8.291 and EUR 1.771, equivalent to TL 447.579).

The average maturity of trade payables is 1-2 months (December 31, 2023: 1-2 months).

9. Other receivables and payables

a) Other short-term receivables

	December 31, 2024	December 31, 2023
Other receivables	**11.310**	33.845
	11.310	33.845

b) Other long-term receivables

	December 31, 2024	December 31, 2023
Deposits and guarantees given	**15.717**	22.203
	15.717	22.203

c) Other short-term payables

	December 31, 2024	December 31, 2023
Taxes and funds payable	**25.833**	35.259
Deposits and guarantees taken	**271**	328
	26.104	35.587

10. Inventories

	December 31, 2024	December 31, 2023
Raw materials	**162.150**	241.023
Work in process inventories	**391.889**	524.317
Finished goods	**9.060**	13.014
Other inventories	**626.773**	896.234
	1.189.872	1.674.588
Inventory impairment provision (-)	**(13.874)**	-
	1.175.998	1.674.588

(All amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

10. Inventories (continued)

Auxiliary materials and spare parts are composed of auxiliary materials and spare parts that may be used in manufacturing.

There is insurance coverage of approximately USD 8.581 equivalent of TL 302.251 on inventories (December 31, 2023: USD 9.534 equivalent of TL 485.635).

There is any impairment on inventories:

	2024	2023
January 1	**-**	43.503
Current year provision/(Reversal through sales)	**15.925**	(43.503)
Monetary gain/loss	**(2.051)**	-
December 31	**13.874**	-

11. Prepaid expenses and deferred income

a) Short-term prepaid expenses

	December 31, 2024	December 31, 2023
Advances given for inventory purchases	**184.824**	142.464
Prepaid expense	**30.087**	7.712
Advances given to personnel	**182**	287
	215.093	150.463

b) Long-term prepaid expenses

	December 31, 2024	December 31, 2023
Prepaid expense	**20**	15.482
Advances given for fixed asset purchases	**-**	4.029
	20	19.511

c) Contract liabilities

	December 31, 2024	December 31, 2023
Advances received	**99.421**	257.391
	99.421	257.391

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

12. Property, plant, and equipment

	January 1, 2024	Additions	Disposals	Transfers (*)	Revaluation value increase	Revaluation impact	December 31, 2024
Cost value:							
Land	**9.003.915**	**11.254**	**-**	**-**	**1.175.341**	**(89.795)**	**10.100.715**
Land improvements	**1.860.883**	**18**	**(69)**	**49**	**-**	**-**	**1.860.881**
Buildings	**6.317.386**	**301**	**-**	**-**	**-**	**-**	**6.317.687**
Plant, machinery, and equipment (*)	**6.034.985**	**36.271**	**(1.123)**	**235.904**	**(513.786)**	**(417.794)**	**5.374.457**
Vehicles	**74.241**	**4.165**	**(13.012)**	**-**	**-**	**-**	**65.394**
Furniture and fixtures (*)	**1.595.938**	**8.814**	**(1.095)**	**51.146**	**-**	**-**	**1.654.803**
Mine assets	**30.272**	**-**	**-**	**-**	**-**	**-**	**30.272**
Leashold improvements	**401.188**	**-**	**-**	**525.174**	**-**	**-**	**926.362**
Construction in progress	**632.678**	**300.615**	**-**	**(614.732)**	**-**	**-**	**318.561**
	25.951.486	**361.438**	**(15.299)**	**197.541**	**661.555**	**(507.589)**	**26.649.132**
Accumulated depreciation:							
Land improvements	**(1.381.858)**	**(56.495)**	**64**	**-**	**-**	**-**	**(1.438.289)**
Buildings	**(2.036.793)**	**(136.238)**	**-**	**-**	**-**	**-**	**(2.173.031)**
Plant, machinery, and equipment	**(5.348)**	**(572.304)**	**15**	**-**	**571.836**	**-**	**(5.801)**
Vehicles	**(41.454)**	**(7.086)**	**5.620**	**-**	**-**	**-**	**(42.920)**
Furniture and fixtures	**(1.311.267)**	**(162.103)**	**1.062**	**-**	**-**	**-**	**(1.472.308)**
Mine assets	**(30.272)**	**-**	**-**	**-**	**-**	**-**	**(30.272)**
Leashold improvements	**(128.360)**	**(17.137)**	**-**	**-**	**-**	**-**	**(145.497)**
	(4.935.352)	**(951.363)**	**6.761**	**-**	**571.836**	**-**	**(5.308.118)**
Net book value	**21.016.134**	**(589.925)**	**(8.538)**	**197.541**	**1.233.391**	**(507.589)**	**21.341.014**

(*) Represents firebricks amounting to TL 151.510 and spare parts amounting to TL 46.031 transferred from inventories to fixed assets in the current period.

(**) In the current period, the Group has recognized a total increase of TL 1.233.391 in the value of fixed assets according to the revaluation model. TL 462.714 of the impairment arising from the revaluation is offset against the previously recognized revaluation reserve and TL 44.875 is recognized as expense.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

12. Property, plant, and equipment (continued)

	January 1, 2023	Additions	Disposals	Transfers	Revaluation	December 31, 2023
Cost value:						
Land	7.913.158	-	-	-	1.090.757	9.003.915
Land improvements	1.854.887	3.871	-	2.125	-	1.860.883
Buildings	6.312.171	5.215	-	-	-	6.317.386
Plant, machinery, and equipment (*)	5.836.307	9.174	(5.000)	178.015	16.489	6.034.985
Vehicles	50.118	29.221	(5.098)	-	-	74.241
Furniture and fixtures (*)	1.468.084	24.996	(10.586)	113.444	-	1.595.938
Mine assets	30.272	-	-	-	-	30.272
Leashold improvements	407.915	-	(6.727)	-	-	401.188
Construction in progress	235.013	577.805	-	(180.140)	-	632.678
	24.107.925	650.282	(27.411)	113.444	1.107.246	25.951.486
Accumulated depreciation:						
Land improvements	(1.325.306)	(56.552)	-	-	-	(1.381.858)
Buildings	(1.900.459)	(136.334)	-	-	-	(2.036.793)
Plant, machinery, and equipment	(631.033)	(508.960)	972	-	1.133.673	(5.348)
Vehicles	(42.602)	(3.944)	5.092	-	-	(41.454)
Furniture and fixtures	(1.169.028)	(143.915)	1.676	-	-	(1.311.267)
Mine assets	(30.272)	-	-	-	-	(30.272)
Leashold improvements	(114.918)	(14.692)	1.250	-	-	(128.360)
	(5.213.618)	(864.397)	8.990	-	1.133.673	(4.935.352)
Net book value	18.894.307		(18.421)		2.240.919	21.016.134

(*) In the current period, firebricks are reclassified from inventories to tangible assets

As of December 31, 2024, there are no borrowing costs capitalized in the current period regarding the investments in progress (December 31, 2023: None).

The Group accounted the revaluation of land, machinery and equipments measured in accordance with the TAS 16 revaluation model within tangible fixed assets as of December 31, 2024, by taking into account the current valuation reports prepared by a valuation company licensed by the Capital Markets Board (CMB).

As of December 31, 2024, there are first level and second level pledges and mortgages were places on the tangible assets respectively USD 400 million and TL 2,6 billion (December 31, 2023: USD 400 million of first level pledge and TL 2,6 billion of second level pledge). Details regarding the additional guarantees, pledges and mortgages given within the scope of the refinancing agreement signed by the Group on February 28, 2022 are explained in Note 14.

There is insurance coverage of USD 166.825, equivalent to approximately TL 5.885.636 on tangible fixed assets (December 31, 2023: USD 166.825, equivalent to approximately TL 6.625.862).

The distribution of depreciation and amortization is as follows:

	January 1 – December 31, 2024	January 1 – December 31, 2023
Tangible Assets	**951.363**	864.397
Intangible Assets (Note 13)	**38.879**	41.620
Right of use Assets (Note 13)	**81.706**	87.506
	1.071.948	993.523

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

12. Property, plant, and equipment (continued)

	January 1 – December 31, 2024	January 1 – December 31, 2023
Cost of Sales	**1.011.616**	933.168
Sales and Marketing Expenses	**5.502**	9.109
General Administrative Expenses	**54.830**	51.246
	1.071.948	993.523

13. Intangible assets and right of use assets

a) Other intangible assets

	January 1, 2024	**Additions**	**December 31, 2024**
Cost value:			
Rights	**402.575**	**3.571**	**406.146**
Assets subject to amortization	**12.952**	**-**	**12.952**
	415.527	**3.571**	**419.098**
Accumulated depreciation:			
Rights	**(267.222)**	**(10.017)**	**(277.239)**
Assets subject to amortization	**(12.952)**	**-**	**(12.952)**
	(280.174)	**(10.017)**	**(290.191)**
Net book value	**135.353**		**128.907**

	January 1, 2023	Additions	December 31, 2023
Cost value:			
Rights	402.020	555	402.575
Assets subject to amortization	12.952	-	12.952
	414.972	555	415.527
Accumulated depreciation			
Rights	(257.931)	(9.291)	(267.222)
Assets subject to amortization	(12.952)	-	(12.952)
	(270.883)	(9.291)	(280.174)
Net book value	144.089		135.353

The "Port Operating license" included among the Group's rights, which has a cost of TL 247.446 with a useful life of 49 years, is amortized over the remaining useful life of 35 years as of the date of transfer to Group. The expiration date of license is the year 2041.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

b) Intangible assets related to concession agreements

Movement tables of intangible assets and accumulated amortization related to concession for the years ended December 31, 2024 and December 31, 2023 are as follows:

	January 1, 2024	Additions	Disposals	December 31, 2024
Cost value:				
Privileged intangible assets	**1.414.244**	**-**	**-**	**1.414.244**
	1.414.244	**-**	**-**	**1.414.244**
Accumulated amortization:				
Privileged intangible assets	**(348.751)**	**(28.862)**	**-**	**(377.613)**
	(348.751)	**(28.862)**	**-**	**(377.613)**
Net book value	**1.065.493**		**-**	**1.036.631**

	January 1, 2023	Additions	Disposals (*)	December 31, 2023
Cost value:				
Privileged intangible assets	2.093.768	-	(679.524)	1.414.244
	2.093.768	-	(679.524)	1.414.244
Accumulated amortization:				
Privileged intangible assets	(456.256)	(32.329)	139.834	(348.751)
	(456.256)	(32.329)	139.834	(348.751)
Net book value	1.637.512		(539.690)	1.065.493

(*) The operating lincenses of Hasanlar Hidroelektrik Santrali has been transferred to Sim Yenilenebilir Enerji Üretim A.Ş. on April 6, 2023 for the price of TL 272.392.

Batıçim Enerji, which is a subsidiary of the Group, has signed an agreement with Prime Ministry Privatization Administration and Electricity Generation Corporation ("EGC") on December 7, 2011 for the transfer of operational rights of Group 4:Kovada I and Kovada II Hydroelectric Plants, on March 1, 2013 for Group 7:Hasanlar Hydroelectric Plants. According to these agreements, Batıçim Enerji has obtained the operating rights of the power plants for 49 years and is responsible for transferring them to EÜAŞ in full and operational condition at the end of the period. Batıçim Enerji has liability to transfer all plant's operation with full function to EGC. According to the agreement, Batıçim Enerji must keep the plants productivity with appropriate level and meet the maintenance, reparation, and improvement costs. Batıçim Enerji is liable for all sort of damages and harms on production facilities. Intangible assets related to concession agreements are amortized over the contract period.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

c) Right of use assets

	January 1, 2024	Additions	Disposal	December 31, 2024
Cost value:				
Vehicles	**104.557**	**51.254**	**-**	**155.811**
Land and buildings	**232.214**	**80.060**	**(1.337)**	**310.937**
	336.771	**131.314**	**(1.337)**	**466.748**
Accumulated depreciation:				
Vehicles	**(65.267)**	**(35.863)**	**-**	**(101.130)**
Land and buildings	**(63.563)**	**(45.843)**	**1.337**	**(108.069)**
	(128.830)	**(81.706)**	**1.337**	**(209.199)**
Net book value	**207.941**			**257.549**

	January 1, 2023	Additions	Disposals	December 31, 2023
Cost value:				
Vehicles	35.617	68.940	-	104.557
Land and buildings	49.695	182.519	-	232.214
	85.312	251.459	-	336.771
Accumulated depreciation:				
Vehicles	(24.736)	(40.531)	-	(65.267)
Land and buildings	(16.588)	(46.975)	-	(63.563)
	(41.324)	(87.506)	-	(128.830)
Net book value	43.988			207.941

14. Provisions, contingent assets, and liabilities

a) Short-term provisions

	December 31, 2024	December 31, 2023
Lawsuit provisions	**8.475**	7.158
Other provisions	**7.730**	3.826
	16.205	10.984

b) Long-term provisions

As of December 31, 2024, and 2023, the movement of the provision for mine site rehabilitation is as follows:

	December 31, 2024	December 31, 2023
Mine site rehabilitation provision	**70.078**	70.369
	70.078	70.369

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

As of December 31, 2024, and 2023, the movement of the provision for mine site rehabilitation is as follows:

	2024	2023
January 1	**70.369**	63.954
Current year expense, net	**24.493**	40.347
Monetary gain / (loss)	**(24.784)**	(33.932)
December 31	**70.078**	70.369

Provision was booked in order to rehabilitate land which has been impacted by the Group's quarry mining activities. Related expense for the period is included in cost of sales as the cost of rehabilitation.

Guarantees-Pledges-Mortgages ("GPM")

The Group's guarantees/pledge/mortgage position as of December 31, 2024 and December 31, 2023 is as follows:

	December 31, 2024	December 31, 2023
A. Total amount of GPMs given for the Company's own legal personality (*)	**16.063.243**	18.488.709
B. Total amount of GPMs given on behalf of fully consolidated companies (**)	**652.742**	454.845
C. GPM given in order to guarantee third parties debts for the routine trade operations	**-**	-
D. Total amounts of other GPM given		
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	**-**	-
iii. Total amount of GPMs given on behalf of third parties which are not in scope of C.	**-**	-
Total given GPMs	**16.715.985**	18.943.554
Ratio of other GPMs to shareholder's equity	**%0**	%0

(*) Within the scope of the "Refinancing Agreement" signed with consortium banks (Emlak Katılım, Halk Bankası, İşbank, TSKB, Vakıf Katılım, Vakıfbank, Ziraat Bankası, Ziraat Katılım), first level and second level mortgages on the tangible assets of the "Credit Recipients" and "Guarantor" companies has been established. According to agreement of loan, Batıçim and Batısöke defined as "Credit Recipients" while Batıliman and Batıbeton defining as "Guarantor" companies.There are, respectively, USD 400 Million and TL 2,6 billion mortgages of these companies' tangible assets. Agreement also includes immovable and movable pledges.

(**) The Group has an intergroup guarantee amounting to TL 652.742, provided pursuant to loan agreements.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

Guarantees-Pledges-Mortgages ("GPM") (continued)

Guarantees given on December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Pledges and mortgages given	**14.702.850**	17.031.671
Guarantees given	**1.283.465**	1.286.003
Letter of credits	**76.928**	171.035
Total	**16.063.243**	18.488.709

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

	December 31, 2024	December 31, 2023
Letters of guarantee given for the Eximbank loan	**1.042.356**	1.116.351
Letters of guarantee given to suppliers	**113.294**	107.232
Letters of guarantee given to public institutions	**81.025**	41.468
Letters of guarantee given to the tax office	**42.922**	16.996
Letters of guarantee given to the enforcement office	**3.868**	3.956
Total	**1.283.465**	1.286.003

Letters of guarantees received

Guarantee letters received against the Group's trade receivables as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Letters of guarantees received (*)	**1.053.561**	1.109.948
	1.053.561	1.109.948

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

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

15. Employee benefits

a) Employee benefits

	December 31, 2024	December 31, 2023
Social security premiums payable	**33.337**	43.279
Payables to personnel	**25.270**	25.026
	58.607	68.305

b) Long-term provisions for employee benefit

	December 31, 2024	December 31, 2023
Provision for employee termination benefit	**118.628**	89.369
Premium provision	**28.916**	114.462
Unused vacation liability	**21.365**	18.137
	168.909	221.968

Provision for employee termination benefit:

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

As of December 31, 2024, the severance pay to be paid is subject to a ceiling of TL 41.828,42 (December 31, 2023: TL 23.489,83). As of January 1, 2025, the severance pay ceiling has been updated to TL 46.655,43.

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

The principal assumption is that the maximum liability for each year of service will increase parallel with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Consequently, in the accompanying consolidated financial statements as of December 31, 2024, the provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees. The provisions at the respective reporting dates have been calculated with the assumption of 2,61% real discount rate calculated by using 24,75% annual inflation rate and 28% discount rate (December 31, 2023: 2,55%). The drop-out rate for voluntary work for 0–15-year employees is 2,70%. For the employees who work 15 years and over, the rate is taken as 0%.

The movement in the provision for employee termination benefits:

	2024	2023
January 1	**89.369**	206.350
Interest cost	**19.109**	33.952
Service cost	**29.332**	34.348
Actuarial loss/(gain)	**22.679**	40.602
Payments during the period	**(6.005)**	(154.198)
Monetary gain / (loss)	**(35.856)**	(71.685)
December 31	**118.628**	89.369

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

15. Employee benefits (continued)

The sensitivity analyses of the significant assumptions used in calculation of retirement pay liability as of December 31, 2024 are as follows:

	Net discount rate		Turnover rate to estimate the probability of retirement	
Sensitivity level	**%0,5 decrease**	**%0,5 increase**	**%0,5 decrease**	**%0,5 increase**
Rate (%)	**%2,11**	**3,11**	**95,68**	**96,68**
Change in the retirement pay liability (TL)	**11.655**	**(10.374)**	**(3.134)**	**3.267**

<u>Performance and seniority encouragement Premium provisions</u>

Provision for performance and employment termination benefit is provided to employees in accordance with the Group policy and the present value of the obligation is measured at the reporting date using a net discount rate.

The movement of performance and seniority encouragement premium provision:

	2024	2023
January 1	**114.462**	79.681
Interest cost	**5.130**	12.993
Service cost	**12.026**	41.864
Actuarial loss/(gain)	**(80.578)**	39.353
Payments during the period	**(6.610)**	(9.630)
Monetary gain / (loss)	**(15.514)**	(49.799)
December 31	**28.916**	114.462

The movement schedule for the provision for unused leave is as follows:

	2024	2023
Opening, January 1	**18.137**	20.756
Service cost	**10.104**	7.083
Monetary gain / (loss)	**(6.876)**	(9.702)
Closing, December 31	**21.365**	18.137

16. Other assets and liabilities

i) Other assets

a) Other current assets:

	December 31, 2024	December 31, 2023
Deferred VAT	**325.429**	301.901
Other	**1.595**	551
	327.024	302.452

ii) Other liabilities

a) Other Short-Term Liabilities:

	December 31, 2024	December 31, 2023
Mine tax accruals	**25.301**	20.650
Value added tax payable ("VAT")	**10.738**	538
	36.039	21.188

(All amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

17. Share capital, reserves, and other equity items

a) Paid in capital

The Group is subject to the upper limit is TL 800.000 as of December 31, 2024 (December 31, 2023: TL 800.000) . Share capital of Group consist of A group bearer share and B group bearer shares. TL 48 of its TL 180.000 issued capital consists of Group A bearer shares and Group B bearer shares amounting to TL 179.952.

The composition of the A group shareholders (preferred stock) is as follows:

	December 31, 2024		December 31, 2023	
Shareholders	**Share (%)**	**Amount (Thousand TL)**	Share (%)	**Amount (Thousand TL)**
Çiftay İnşaat Taahhüt ve Ticaret A.Ş.	**39,72**	**71.503**	45,43	81.769
İstanbul Portföy Yönetimi A.Ş Pre-IPO Girişim Sermayesi Yatırım Fonu	**11,96**	**21.534**	12,00	21.594
İstanbul Portföy İkinci Serbest Fon	**6,75**	**12.141**	5,50	9.891
KTLP Limited	**5,7**	**10.267**	-	-
Other	**35,87**	**64.555**	37,07	66.746
Rearranged share capital	**100,00**	**180.000**	100,00	180.000

Group A shareholders have the following rights:

- All members of the board of governors have to be appointed from among the candidates chosen by holders of Group A transferable shares.
- Group A shareholders have the right to 15 (fifteen) votes. Whereas Group B shareholders have the right to 1 (one) vote during general assemblies.
- Without prejudice to the first dividend, Group A shareholders receive %10 of the total net earnings, to be distributed in proportion to their stake.
- In order to: amend articles numbered 7 (expect for paragraph 1 specifying the number of members of the Administrative Board), 8, 9, 10, 15, 18, 19, 24, 25 and 27; divide to dissolve the Group; increase capital by issuing more than number of bearer shares stated in article 6 or by issuing new name shares; change the type, group or number of Group A shares; convert already issued or to be issued Group B bearer or name shares to Group A shares or to Exchange with Group a name or bearer shares, 3/4 (three quarters) of the votes of Group A bearer shareholders must be obtained.

	December 31, 2024	December 31, 2023
Capital adjustment differences	**5.109.762**	5.109.762
	5.109.762	5.109.762

"Paid-in capital", "Restricted reserves" and "Share premiums" in accordance with the Communiqué Serial: II-14.1 "Communiqué on Principles of Financial Reporting in Capital Market" published in the Official Gazette No: 28676 dated June 13, 2013 "Must be shown in the amounts in the legal records. The valuation differences (such as inflation adjustment differences) shall be disclosed as follows:

- If the difference is arising from the valuation of “Paid-in capital” and has not yet been transferred to capital, it should be classified under the “Inflation adjustment capital”;
- If the difference is arising from valuation of “Restricted reserves” and “Share Premium” and the amount has not been subject to dividend distribution or capital increase, it shall be classified under “Retained earnings”. Other equity items are presented with their values measured within the TAS framework.

Capital adjustment differences can only be added to the capital.

(All amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

a) Share capital (continued)

Listed companies processes their profit distributions according to the II-19.1 numbered CMB profit distribution declaration become effective on or after February 1, 2014.

Shareholders distributes their profits within the frame of profit distribution policies determined by general assembly and according to the related declaration by the approval of general assembly. Within the mentioned declaration, minimum rate of distribution is not determined. Companies distribute their profits according to the predetermined terms in their articles of incorporation or profit distribution policies. In addition, equal or different purchases of dividends may be paid in instalments, and dividend advances may be distributed in cash over the profit included in the interim financial statements.

In accordance with the Turkish Commercial Code, unless the required reserves and the dividend for shareholders as determined in the Articles of Association or in the dividend distribution policy of the company are set aside; no decision may be taken to set up other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct shares, to the members of the board of directors or to the employees; and no dividend can be distributed to these people unless the determined dividend for shareholders is paid in cash.

Inflation adjustment differences of shareholders' equity and bonus share capital increase of extraordinary reserves; cash profit distribution or loss deduction. However, equity inflation adjustment differences will be subject to corporation tax if used for cash profit distribution.

Legal reserves and share premiums that are subject to statutory reserve in accordance with Article 466 of the Turkish Commercial Code are stated in the legal books. In this context, the differences arising from the inflation adjustments that are not included in dividend distribution or capital increase arising in the IFRS basis are attributed to previous years' profit / loss.

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, In the event that it is decided to distribute bonus shares by capitalizing the profit, the second legal reserve is not set aside.

b) Share premiums

Represents the difference between the nominal amount of the newly issued shares arising from the capital increase and the sales amount. As of December 31, 2024, TL 247.882 (December 31, 2023: TL 238.631) (As of December 31, 2023, 772.189.137 Group B shares with a total nominal value of TL 11.148.772, corresponding to approximately 4,29% of the Company's share capital and belonging to Batıçim, the main shareholder of the Group's subsidiary Batıliman, were sold to the Group's shareholder, Çiftay İnşaat Taahhüt ve Ticaret A.Ş. on December 4, 2023. The difference of TL 235.264 between the share value carried in the Company's cross shareholding capital adjustment account and the sales price is recognized in the share premium / (discount) account in equity).

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

The movement related to other comprehensive income or expense that will not be reclassified to profit or loss within the equity attributable to the parent company are as follows:

Revaluation gain/(loss) on tangible assets attributable to the parent company:

	2024	2023
Opening balance, January 1	**2.101.225**	574.288
Revalutation effect of property, plant and equipment	**1.100.298**	2.032.946
Deferred tax effect	**(209.014)**	(449.294)
Transfer	**(369.638)**	(51.513)
Effect of changes in minority interests	**-**	(5.202)
Closing balance, December 31	**2.622.871**	2.101.225

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

c) Other comprehensive income and expenses to be reclassified to profit or loss (continued)

Actuarial gain / (loss) fund related to defined benefit plans attributable to the parent company:

	2024	2023
Opening balance, January 1	**(170.465)**	(116.869)
Current year remeasurement effect	**51.751**	(71.719)
Deferred tax effect	**(12.938)**	17.930
Effect of changes in minority interests	**-**	193
Closing balance, December 31	**(131.652)**	(170.465)

d) Previous year profit / (loss)

According to the Tax Procedure Law and the relevant Communiqué published in the Official Gazettedated 30 December 2023 and numbered 32415 (2nd Duplicate), the balance sheet dated 31 December 2024 prepared in accordance with the Tax Procedure Law is included in the Producer Prices General Indices (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting application.) was corrected using. The attached financial statements have been subject to inflation correction by using the Consumer Price Indices (CPI) published by the Turkish Statistical Institute in accordance with TAS 29, and ultimately the amounts for the current and previous reporting period are expressed in terms of purchasing power as of December 31, 2024. Due to the use of different indices in the application of Tax Procedural Law and TAS 29 inflation accounting and the application of TAS 29 to the purchasing power of December 31, 2024, there are differences between the amounts reported in the balance sheet prepared in accordance with the Tax Procedural Law and the amounts reported in the financial statements prepared in accordance with TAS/TFRS for the items "Adjustments to Share Capital, "Share Premium (Bonus Shares)", "Restricted Reserves" and "Other Reserves".

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

December 31, 2024	Capital adjustment differences	Share premiums	Legal reserves	Treasury shares	Registered commodity special provision	Special reserves	Extraordinary reserves
According to TAS/TFRS Financial Statements	**5.109.762**	**247.882**	**639.440**	**(1.872)**	**-**	**-**	**-**
According to the Tax Procedure Law	**3.062.750**	**273.240**	**2.702.321**	**-**	**102.190**	**111.997**	**4.462.700**
Difference*	**2.047.012**	**(25.358)**	**(2.062.881)**	**(1.872)**	**(102.190)**	**(111.997)**	**(4.462.700)**

December 31, 2023	Capital adjustment differences	Share premiums	Legal reserves	Treasury shares	Registered commodity special provision	Special reserves	Extraordinary reserves
According to TAS/TFRS Financial Statements	5.109.762	238.631	639.440	(1.401)	-	-	-
According to the Tax Procedure Law	5.030.173	205.400	2.078.038	-	79.510	56.291	4.560.618
Difference*	79.589	33.231	(1.438.598)	(1.401)	(79.510)	(56.291)	(4.560.618)

(All amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

e) Non-controlling interest:

	December 31, 2024	December 31, 2023
Non-controlling interest	**2.266.783**	1.746.322
	2.266.783	1.746.322

The movement of non-controlling interests is as follows:

	2024	2023
Opening balance, January 1	**1.746.322**	918.502
Share of current period profit (loss)	**101.458**	319.305
Share of other comprehensive income (expense)	**111.829**	151.307
Effect of change in shareholding of subsidiaries	**-**	359.424
Other transfer	**(1.630)**	(2.216)
Capital increase	**308.804**	-
Closing balance, December 31	**2.266.783**	1.746.322

18. Revenue and cost of sales

a) Revenue

	January 1 – December 31, 2024	January 1 – December 31, 2023
Domestic sales	**10.951.731**	12.027.599
Export sales	**2.624.530**	4.637.201
Other revenue	**197.058**	241.365
Sales returns (-)	**(11.230)**	(39.376)
Sales discounts (-)	**(31.247)**	-
Other discounts (-)	**(290.637)**	(266.821)
Net sales	**13.440.205**	16.599.968

In the sale of goods, the asset is transferred when control of the asset is in the hands of the customers and revenue is recognized.

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

b) Cost of sales

	January 1 – December 31, 2024	January 1 – December 31, 2023
Raw materials used	**3.881.606**	5.349.760
Production overhead	**3.903.572**	4.039.086
Power generating cost	**1.842.312**	3.011.926
Payroll expenses	**883.428**	870.158
Depreciation and amortization expenses	**1.011.616**	933.168
Cost of services rendered	**393.165**	325.311
Provision for performance and seniority encouragement premium	**36.995**	61.712
Mine site rehabilitation provision expenses	**24.493**	40.347
Change in work-in process and finished goods (Note:10)	**(136.382)**	(401.312)
	11.840.805	14.230.156

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

a) Administrative expenses

	January 1 - December 31, 2024	January 1 - December 31, 2023
Payroll expenses	**197.386**	175.880
Outsource expenses	**160.367**	86.613
Real estate tax expenses	**32.544**	79.049
Depreciation and amortization expenses	**54.830**	51.246
Provision for performance and seniority encouragement premium	**3.605**	10.098
Security expenses	**7.144**	5.810
Fuel expenses	**4.968**	4.181
Tax expenses	**10.066**	3.171
Other	**21.503**	32.959
	492.413	449.007

b) Marketing expenses:

	January 1 - December 31, 2024	January 1 - December 31, 2023
Transportation and loading expenses	**479.341**	408.480
Payroll expenses	**73.082**	47.906
Depreciation and amortization expenses	**5.502**	9.109
Provision for performance and seniority encouragement premium	**758**	5.281
Other	**21.242**	38.281
	579.925	509.057

20. Expenses by nature

	January 1 - December 31, 2024	January 1 - December 31, 2023
Raw material used	**3.881.606**	5.349.760
Production overhead	**3.903.572**	4.039.086
Electricity expenses	**1.842.312**	3.011.926
Payroll expenses	**1.153.896**	1.093.944
Depreciation and amortization expenses	**1.071.948**	993.523
Change in work-in process and finished goods	**(136.382)**	(401.312)
Transportation and loading expenses	**479.341**	408.480
Service production expense	**393.165**	325.311
Real estate tax expenses	**32.544**	79.049
Provision for performance and seniority encouragement premium	**41.358**	77.091
Outsourcing expenses	**160.367**	86.613
Mine rehabilitation provision expenses	**24.493**	40.347
Security expenses	**7.144**	5.810
Fuel expenses	**4.968**	4.181
Taxes and dues	**10.066**	3.171
Other	**42.745**	71.240
	12.913.143	15.188.220

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

21. Other income from operating activities/ (expenses)

a) Other income from operating activities

	January 1 – December 31, 2024	January 1 – December 31, 2023
Rediscount interest income	**128.377**	510.168
Foreign exchange income from operating activities	**131.050**	256.111
Other	**166.376**	23.600
	425.803	789.879

b) Other expenses from operating expenses

	January 1 – December 31, 2024	January 1 – December 31, 2023
Foreign exchange losses from operating activities	**210.509**	556.860
Rediscount interest expense	**80.349**	556.782
Impairment of property, plant and equipment	**44.875**	-
Other	**49.124**	63.724
	384.857	1.177.366

22. Income and expense from investing activities

	January 1 - December 31, 2024	January 1 - December 31, 2023
Income from investing activities:		
Interest income	**194.067**	29.022
Profit on sale of property, plant, and equipment	**-**	513
	194.067	29.535

	January 1 - December 31, 2024	January 1 - December 31, 2023
Expense from investing activities:		
Loss on sale of intangible assets	**(8)**	(91.431)
	(8)	(91.431)

23. Financial income

	January 1 - December 31, 2024	January 1 - December 31, 2023
Foreign exchange gains	**39.935**	131.990
Income interest	**31.151**	42.779
	71.086	174.769

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

24. Financial expenses

	January 1 – December 31, 2024	January 1 – December 31, 2023
Foreign exchange losses	**1.024.272**	2.514.122
Interest expenses	**731.736**	1.438.132
Interest expenses from rent expenses	**71.744**	43.081
Commission expenses for letter of guarantee	**32.605**	22.770
Other	**58.729**	91.711
	1.919.086	4.109.816

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

Corporate tax

The corporate tax rate in Turkey is 25% (25% was applied for the corporate earnings of the institutions for the 2023 taxation periods). The corporate tax rate is the addition of the expenses that are not considered to be deductible in accordance with the tax laws to the commercial income of the corporations. is applied to the net corporate income to be found as a result of deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the thirtieth day of the fourth month following the end of the year in which it relates, and is paid in one installment until the end of the relevant month.

Law No. 7524 published in the Official Gazette dated August 2, 2024, Domestic Minimum Corporate Tax has entered into force effective from January 1, 2025. As of December 31, 2024, this application has no effect on the financial statements.

	January 1 – December 31, 2024	January 1 – December 31, 2023
Current tax expense	**194.914**	352.550
Deferred tax income	**(5.491)**	(2.229.988)
Tax income / (expense) in the statement of profit or loss	**189.423**	(1.877.438)

	January 1 – December 31, 2024	January 1 – December 31, 2023
Current income tax provision	**(194.914)**	(352.550)
Prepaid taxes	**190.194**	202.568
Current tax expense recognized in equity	**-**	(270.020)
Monetary gain / (loss)	**-**	41.742
Current tax liabilities	**(4.720)**	(378.260)
Current income tax assets	**42.932**	2.760
Current income tax assets/liabilities, (net)	**38.212**	(375.500)

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

Deferred Tax

As of December 31, 2024, the tax rates used in the calculation of deferred tax assets and liabilities are used as 25%.

	Taxable temporary differences		Deferred tax assets / (liabilities)	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
Tangible and intangible assets	**1.933.701**	3.394.758	**483.425**	848.690
Carry forward tax losses	**2.606.998**	4.066.970	**651.749**	813.394
Cash capital increase interest incentive	**663.045**	776.785	**132.609**	155.357
The difference between the book values of the concessionary intangible assets and their tax bases	**(562.786)**	924.047	**(140.696)**	231.012
Investment incentives	**34.484**	-	**8.621**	-
Provision for mine site rehabilitation	**70.078**	70.369	**17.519**	17.593
Provisions for employee benefits	**168.908**	221.968	**42.227**	55.492
Other	**(78.712)**	216.842	**(19.676)**	54.441
Deferred tax assets	**4.835.716**	9.671.739	**1.175.778**	2.175.979
TAS 16 Revaluation effect on land	**(7.976.041)**	(6.629.208)	**(1.495.508)**	(1.242.977)
Inventories	**(358.581)**	(469.634)	**(89.645)**	(117.409)
Deferred tax liabilities	**(8.334.622)**	(7.098.842)	**(1.585.153)**	(1.360.386)
Deferred tax assets / (liabilities), net	**(3.498.906)**	2.572.897	**(409.375)**	815.593
Provision for deferred tax assets			**(435.555)**	(1.416.650)
Deferred tax assets / (liabilities), net			**(844.930)**	(601.057)
Deferred tax assets			**343.119**	243.441
Deferred tax liabilities, net			**(1.188.049)**	(844.498)

The recoverable amount of deferred tax assets, in whole or in part, has been estimated under current conditions. During the assessment, the 5-year projection prepared by the Company management as the foreseeable future and the timing of the recovery of taxable temporary differences have been taken into consideration. The Company has not recognized deferred tax for the portion that is not expected to be recoverable within a foreseeable period, after revisiting the deferred tax effects arising as of the reporting date from the carried forward fiscal losses that are anticipated to be available according to the financial profit projections prepared for the foreseeable future period, and the temporary differences resulting from inflation accounting in accordance with the provisions of the Tax Procedure Law.

As of the reporting dates, the maturity distribution and the estimated expiry of the carried nominal fiscal losses are as follows:

	December 31, 2024	December 31, 2023
December 31, 2024	**-**	36.295
December 31, 2025	**74.942**	-
December 31, 2026	**67.332**	38.106
December 31, 2027	**100.737**	640.201
December 31, 2028	**239.725**	1.392.974
December 31, 2029	**382.041**	-
	864.777	2.107.576

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

As of December 31, 2024 the maturity breakdown of deductible nominal financial losses for which deferred tax assets are not calculated is as follows:

	December 31, 2024	December 31, 2023
December 31, 2024	**-**	265.638
December 31, 2025	**294.101**	557.647
December 31, 2026	**213.410**	374.145
December 31, 2027	**342.681**	-
December 31, 2028	**725.080**	-
December 31, 2029	**166.949**	-
	1.742.221	1.197.430

Within the scope of the "Law Amending the Laws of Some Laws and Amendments to Laws" numbered 6637 published in the Commercial Gazette dated April 7, 2015, the capital increases of the capital companies as of July 1, 2015 and the cash contributions of the capital invested in newly established capital companies 50% of the amount calculated up to the end of the relevant accounting period will be deductible from the corporate tax base considering the weighted average annual interest rate applied to commercial loans. With the resolution numbered 2015/7910 published in the Commercial Gazette dated December 31, 2017, 50%.

a. For publicly traded capital companies whose shares are traded in the stock exchange, the nominal amount of the shares that are listed as shares in the stock exchange in the Central Registry Agency as of the last day of the year in which the deduction is utilized is 50% or less of the registered or registered capital registered in the trade register 25 points, 50 points for those who are above 50%.

b. If the capital raised in cash is to be used in investments of production and industrial facilities with investment incentive certificates and machinery and equipment investments belonging to these facilities and / or land and land investments allocated to the construction of these facilities, 25 points shall be added to the fixed investment amount stated in the investment incentive certificate the discount will be applied.

The Group has deferred tax assets of TL 795.300 as of December 31, 2024, within the framework of the projection of future taxable profits regarding the cash-capital increase interest incentive, which are considered to be indefinite within the scope of the relevant legislation.

The movement of the deferred tax assets/ (liabilities), net for the years ended December 31, 2024 and 2023 are as follows:

	January 1 – December 31, 2024	January 1 – December 31, 2023
January 1	**(601.057)**	(2.351.251)
Recognized in statement of profit or loss	**5.491**	2.229.988
Charged to other comprehensive (loss) / income	**(249.364)**	(479.794)
December 31	**(844.930)**	(601.057)

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

Reconciliation between tax deductions on which the statutory tax rate before tax is applied and the tax deduction on the total income statement including deferred tax deductions:

	January 1 – December 31, 2024	January 1 – December 31, 2023
Pre-tax income from continuing operations		
The current effective statutory tax rate	**265.522**	1.089.627
Calculated tax income (expense)	**%25**	%25
	(66.381)	(272.407)
Cash capital increase interest incentive		
The effect of non-deductible expense	**(17.329)**	24.640
Non-taxable montary gain / (loss) effect	**(19.968)**	(163.997)
	(86.046)	2.289.201
Taxation income (expense) reported in the statement of profit or loss		
	(189.423)	1.877.438

26. Earnings per share

	January 1 – December 31, 2024	January 1 – December 31, 2023
Net profit/loss for the year attributable to owners	**(25.329)**	2.647.760
Weighted average number of the shares outstanding	**18.000.000**	18.000.000
100-unit earnings/loss per share, nominal value is 1 TL	**(0,1407)**	14,7098

Earnings per share is calculated by dividing net profit by weighted average number of shares in the related year. Companies may increase capital by distributing shares ("No par shares") from its retained earnings to the existing shareholders. Therefore, weighted average number of shares used in earnings per share calculation, get by retrospective application of no-par share calculation.

27. Nature and level of risks arising from financial instruments

a) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, mainly from construction industry. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

Allowances for doubtful receivables are recognized against financial assets based on estimated irrecoverable amounts determined by reference to past experiences.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL
at December 31, 2024 unless otherwise indicated.)

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

Details of credit risk as of December 31, 2024 and 2023 are as follows:

December 31, 2024

	Receivables						
	Trade receivables		Other receivables				
	Related parties	Third parties	Related parties	Third parties	Financial investment	Deposits at bank	Total
Maximum credit risk as of reporting date (A+B+C+D+E) (*)	**150**	**2.475.091**	**-**	**27.027**	**226**	**326.871**	**2.829.365**
- Secured portion of the maximum credit risk by guarantees (**)	**-**	**1.053.561**	**-**	**-**	**-**	**-**	**1.053.561**
A. Net book value of financial assets that are neither overdue not impaired	**150**	**2.374.540**	**-**	**27.027**	**226**	**326.871**	**2.728.814**
B. Net book value of financial assets with renegotiated conditions that are otherwise considered as overdue or impaired	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Net book value of financial assets that are overdue but not impaired	**-**	**100.551**	**-**	**-**	**-**	**-**	**100.551**
D. Net book value of the impaired assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Overdue (gross book value)	**-**	**4.083**	**-**	**-**	**-**	**-**	**4.083**
- Impairment (-)	**-**	**(4.083)**	**-**	**-**	**-**	**-**	**(4.083)**
E. Off-balance-sheet items include credit risk	**-**	**-**	**-**	**-**	**-**	**-**	**-**

December 31, 2023

	Receivables						
	Trade receivables		Other receivables				
	Related parties	Third parties	Related parties	Third parties	Financial investment	Deposits at bank	Total
Maximum credit risk as of reporting date (A+B+C+D+E) (*)	3.467	2.459.260	1.153.353	56.048	-	449.617	4.121.745
- Secured portion of the maximum credit risk by guarantees (**)	-	1.109.948	-	-	-	-	1.109.948
A. Net book value of financial assets that are neither overdue not impaired	3.467	2.342.583	1.153.353	56.048	-	449.617	4.005.068
B. Net book value of financial assets with renegotiated conditions that are otherwise considered as overdue or impaired	-	-	-	-	-	-	-
C. Net book value of financial assets that are overdue but not impaired	-	116.677	-	-	-	-	116.677
D. Net book value of the impaired assets	-	-	-	-	-	-	-
- Overdue (gross book value)	-	5.624	-	-	-	-	5.624
- Impairment (-)	-	(5.624)	-	-	-	-	(5.624)
E. Off-balance-sheet items include credit risk	-	-	-	-	-	-	-

(*) The factors that increase the credit reliability, such as guarantees received are not considered in the determination of the balance.
(**) Guarantees consist of the guarantee letters, obtained from customers

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

b) Liquidity risk

The ultimate responsibility for liquidity risk management belongs the Board of Directors, which has built an appropriate liquidity risk management framework for the management of Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group's can be required to pay. The table includes both interest and principal cash flow.

December 31, 2024

Expected terms	Book value	Contracted cash outflow (I+II+III)	Less than 3 months (I)	3 - 12 months (II)	1 – 5 years and more (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial borrowings	**4.743.120**	**6.367.298**	**524.519**	**1.758.394**	**3.154.899**	**929.486**
Trade payables	**1.808.530**	**1.808.530**	**1.808.530**	**-**	**-**	**-**
Trade payables to related parties	**2.756**	**2.756**	**2.756**	**-**	**-**	**-**
Other payables and liabilities	**26.104**	**26.104**	**26.104**	**-**	**-**	**-**
Lease liabilities	**152.284**	**365.508**	**18.015**	**46.735**	**189.442**	**111.316**
Other financial liabilities	**190.347**	**195.876**	**195.876**	**-**	**-**	**-**
	6.923.141	**8.766.072**	**2.575.800**	**1.805.129**	**3.344.341**	**1.040.802**

December 31, 2023

Expected terms	Book value	Contracted cash outflow (I+II+III)	Less than 3 months (I)	3 - 12 months (II)	1 – 5 years and more (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Financial borrowings	6.430.855	9.463.871	544.421	1.840.855	4.401.290	2.677.305
Trade payables	2.450.420	2.513.255	2.513.255	-	-	-
Other payables and liabilities	35.587	35.587	35.587	-	-	-
Lease liabilities	114.777	280.882	15.268	32.458	93.812	139.344
Other financial liabilities	328.268	340.525	230.202	110.323	-	-
	9.359.907	12.634.120	3.338.733	1.983.636	4.495.102	2.816.649

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

c) Market risk

Foreign currency risk management

The Group carries foreign exchange risk due to its assets and liabilities denominated in USD and Euro. The following table details the Group's sensitivity to every 10% increase and decrease in the US Dollars, Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower. A positive number indicates an increase in profit or loss and other equity where the TL strengthens against the relevant currency.

	December 31, 2024			December 31, 2023		
	TL Equivalent	**USD**	**Euro**	TL Equivalent	ABD	Euro
1. Trade receivables	**234.547**	**6.321**	**314**	570.025	8.802	4.166
2a. Monetary financial assets (including cash and bar accounts)	**111.474**	**2.630**	**509**	25.211	591	3
2b. Non-monetary other liabilities	**-**					
3. Other	**79.447**	**2.155**	**93**	60.277	1.047	335
4. Current assets (1+2+3)	**425.468**	**11.106**	**916**	655.513	10.440	4.504
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)	**425.468**	**11.106**	**916**	655.513	10.440	4.504
10. Trade payables	**361.184**	**9.097**	**1.078**	764.211	15.552	2.166
11. Financial liabilities	**1.590.442**	**42.507**	**2.459**	1.933.258	45.404	-
12a. Monetary other liabilities	**294**	**-**	**8**	377	-	8
12b. Non-monetary other liabilities	**-**	**-**	**-**	-	-	-
13. Short term liabilities (10+11+12a+12b)	**1.951.920**	**51.604**	**3.545**	2.697.846	60.956	2.174
14. Trade payables	**-**	**-**	**-**	-	-	-
15. Financial liabilities	**2.916.468**	**80.332**	**2.223**	4.761.729	111.832	-
16a. Monetary other liabilities	**-**	**-**	**-**	-	-	-
16b. Non-monetary other liabilities	**-**	**-**	**-**	-	-	-
17. Long term liabilities (14+15+16a+16b)	**2.916.468**	**80.332**	**2.223**	4.761.729	111.832	-
18. Total liabilities (13+17)	**4.868.388**	**131.936**	**5.768**	7.459.575	172.788	2.174
19. Net asset/(liability)position of off-balance sheet derivative instruments (19a-19b)	**-**	**-**	**-**	-	-	-
19a. Off-balance sheet foreign currency derivative assets	**-**	**-**	**-**	-	-	-
19b. Off-balance sheet foreign currency derivative assets	**-**	**-**	**-**	-	-	-
20. Net foreign currency asset/(liability) position (9-18+19)	**(4.442.920)**	**(120.830)**	**(4.852)**	(6.804.062)	(162.348)	2.330
21. Net foreign currency asset/(liability)position of monetary items (TFRS7.B23) (=1+2a+5+6a-10-11-12a-14-15-16a)	**(4.522.367)**	**(122.985)**	**(4.945)**	(6.864.339)	(163.395)	1.995
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**	**-**	2.419.588	72.131	14.516
26. Import	**251.617**	**7.910**	**7.287**	802.986	19.047	-

(All amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

Table of foreign currency sensitivity analysis

		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	**(434.068)**	**434.068**
2- Amount hedged from USD risk (-)	**-**	**-**
3- USD net effect (1 +2)	**(434.068)**	**434.068**
When Euro changes by 10% against TL		
4- Euro net asset/liability	**(18.169)**	**18.169**
5- Amount hedged from Euro risk (-)	**-**	**-**
6- Euro net effect (4+5)	**(18.169)**	**18.169**
Total (3 + 6)	**(452.237)**	**452.237**

		December 31, 2023
		Profit / (loss) effect before tax
	Foreign currency appreciation	Foreign currency depreciation
When USD changes by 10% against TL		
1- USD net asset/liability	(697.391)	697.391
2- Amount hedged from USD risk (-)	-	-
3- USD net effect (1 +2)	(697.391)	697.391
A When Euro changes by 10% against TL		
4- Euro net asset/liability	10.958	(10.958)
5- Amount hedged from Euro risk (-)	-	-
6- Euro net effect (4+5)	10.958	(10.958)
Total (3 + 6)	(686.433)	686.433

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

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

Interest rate risk

Group is exposed to interest rate risk as entities in the group borrow funds at both fixed and floating interest rates. Hedging activities are evaluated regularly to align with interest rate views and defined risk aptitude; ensuring optimal hedging strategies are applied, by either positioning the statement of financial position or protecting interest expense through different interest rate cycles.

As of December 31, 2024, and 2023 table of sensitivity analysis for foreign currency risk is as follows:

	2024	2023
Fixed rate instruments		
Financial assets	**207.439**	407.307
Financial liabilities	**928.978**	842.499
Floating rate instruments		
Financial liabilities	**4.004.489**	5.916.624

d) Capital Management

The Group manages its capital to Group will be able to continue a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

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

The Group's board of directors review the capital structure semi-annually. The Group management considers the cost of capital and the risks associated with each class of capital. The management of the Group aims to balance its overall capital structure through new share issues, and by issue of new debt or the redemption of existing debt.

In parallel with the other entities in the sector, the Group monitors its debt/equity ratios for capital management purposes. This ratio is calculated as net debt divided by total equity. Net debt is calculated as the total liability (total amount of short- and long-term liabilities in the statement of financial position) less cash and cash equivalents. Total share capital is the sum of all equity items recognized in the statement of financial position.

	December 31, 2024	December 31, 2023
Total financial liabilities	**5.085.751**	6.873.900
Cash and cash equivalents (-)	**(327.129)**	(449.678)
Net financial liabilities	**4.758.622**	6.424.222
Total capital	**16.865.742**	15.960.764
Net liabilities / total equity ratio	**%28,2**	%40,3

28. Fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled in an arm's length transaction between knowledgeable willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, where one exists.

The Group has determined the estimated values of its financial instruments by using the available market information and best practices for valuation. However, fair value measurement requires interpretation and reasoning. Accordingly, the estimates arrived at may not always be the indicators of values that the Group would obtain from a current market operation.

The following methods and assumptions were used to estimate the fair value of the financial instruments for which fair value could be determined:

Financial assets

The carrying amounts of foreign currency denominated monetary assets which are translated at year end exchange rates are considered to approximate their fair values. Cash and cash equivalents are measured at fair value. Trade receivables and receivables from related parties are carried at their amortized cost and considered to approximate their respective carrying values.

Financial liabilities

Trade payables and receivables, payables to related parties and other monetary liabilities are estimated to be presented with their discounted carrying amounts and they are considered to approximate to their fair values and the fair values of balances denominated in foreign currencies, which are translated at year-end exchange rates, are considered to approximate carrying values.

The fair values of short-term bank loans and other monetary liabilities are estimated to approximate their carrying values due to their short-term nature. Since long-term floating rate bank loans are updated with regard to the changing market conditions, it is considered that the fair value of these loans represents the value they bear. When the long-term fixed interest rate borrowings are valued at the fixed interest rate as of the balance sheet date, fair value is found to be close to the carrying value.

Levels of fair value measurement

The Group classifies the fair value measurement of each class of financial instruments according to their sources, using a three-level hierarchy 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.

<u>Non-financial assets</u>

Real estate appraisal reports prepared by a real estate appraisal company authorized by the CMB are used to determine the fair values of land and land measured at fair value on the financial statements. Tangible assets measured at fair value are based on the reports prepared by the real estate appraisal Group.

It is defined as the determination of the value of the real estate to be appraised, using the appropriate comparison criteria, by applying the necessary adjustments on the sales prices of the real estate that has been sold recently and that are similar to the real estate to be valued, again according to these criteria. Those comparable to the real estate in question are analysed by comparing them in order of priority in terms of property rights, financing, sales conditions, after-sales expenditures, market conditions, location, and physical characteristics. Quantitative and qualitative techniques are applied in the corrections to be made. In case of sufficient and reliable data, it can be applied in the valuation of all types of real estate, and in the case of data, it is accepted as the most appropriate approach to determine the value.

(All amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

28. Fair value (continued)

In the revaluation of the Group's machinery, facilities and devices, value appraisal was made using the "market approach" and "cost approach" method. In the market approach method, after it is concluded that there is sufficient sales data for the assets, the value is appraised by comparing the sales of similar assets in the open market or by comparing the prices requested and the offers. Based on this value, the loss in value (depreciation) due to physical wear and being out of date functionally and economically has been estimated, and the remaining value has been appraised as fair value.

December 31, 2024	**Fair value level as of reporting date**		
	1. Level	**2. Level**	**3. Level**
	TL	**TL**	**TL**
Lands	**-**	**10.100.715**	**-**
Machinery, and equipment	**-**	**-**	**5.368.656**
	-	**10.100.715**	**5.368.656**

December 31, 2023	Fair value level as of reporting date		
	1. Level	2. Level	3. Level
	TL	TL	TL
Lands	-	9.003.915	-
Machinery, and equipment	-	-	6.029.637
	-	9.003.915	6.029.637

The real estate valuation reports prepared by the real estate appraisal company authorized by the CMB have been taken as basis in the determination of the fair values of the lands and lands, which are measured with their fair value in accordance with the revaluation model in the financial statements, and the relevant study has been updated as of December 31, 2024.

The methods used to determine the fair value of lands and lands measured at their fair value and important unobservable assumptions are as follows:

			December 31, 2024	
	Valuation Method	**Significant unobservable expenses**	**Data Range**	**Weighted average**
Tangible assets				
Lands	Market Approach	Precedent selling price (TL/m2)	116,6 – 18.091,2	5.706,67

(All amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at December 31, 2024 unless otherwise indicated.)

29. Fees for services received from independent auditor/independent audit firm

The Company's explanation regarding the fees for services rendered by independent audit firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on March 30, 2022, and the preparation principles of which are based on the letter of the POA dated August 19, 2023 are as follows:

	1 January - December 31, 2024	1 January - December 31, 2023
Independent audit fee for the reporting period	**7.311**	5.723
Fees for tax advisory services	**4.096**	1.224
	11.407	6.947

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

Non-Monetary Items	**31 December 2024**
Financial Position Items	
Inventories	**15.794**
Prepaid Expenses	**7.549**
Property, Plant and Equipment	**595.410**
Intangible Assets	**48.531**
Right of Use Assets	**63.975**
Deferred Tax Asset	**184.751**
Share Capital	**(132.581)**
Treasury Shares	**65**
Share Premiums/Discounts	**(73.350)**
Restricted Reserves Appropriated from Profits	**(19.041)**
Retained earnings	**(74.008)**
Profit or Loss Items	
Revenue	**(1.960.415)**
Cost of Sales	**2.259.644**
General Administrative Expenses	**56.388**
Marketing, Selling and Distribution Expenses	**85.792**
Other Income from Operating Activities	**(165.809)**
Other Expense from Operating Activities	**108.140**
Financial Income	**(9.060)**
Financial Expenses	**306.713**
Current Period Tax (Expense) Income	**27.179**
Other Comprehensive Income (Expense) Items	
Gains (Losses) on Remeasurements of Defined Benefit Plans	**25.818**
Gains (Losses) On Net Monetary Position	
	1.351.485

31. Subsequent events

The portion of the Company's receivable from Batısöke Söke Çimento Sanayii T.A.Ş., a subsidiary of the Company, amounting to TL 2.099.978.521,48 will be used in the capital increase to be realized at Batısöke Söke Çimento Sanayii T.A.Ş. and the related receivable will be followed in the capital advance accounts in the records of our subsidiary Batısöke Söke Çimento Sanayii T.A.Ş. Söke Çimento Sanayii T.A.Ş. in the capital increase to be realized at Batısöke Söke Çimento Sanayii T.A.Ş. and the related receivable to be followed up in the capital advance accounts in the records of our subsidiary Batısöke Söke Çimento Sanayii T.A.Ş., and in the capital increase to be realized at Batısöke Söke Çimento Sanayii T. A.Ş. in the capital increase, and in the event of an allocated capital increase, to purchase all shares issued by Batısöke Söke Çimento Sanayii T.A.Ş. through the allocated sales method, and our subsidiary has been notified about these issues.

Batısöke Söke Çimento Sanayii T.A.Ş., a subsidiary of the Company, was included in the BIST Participation All, BIST Participation 100, BIST Participation 50, BIST Participation 30 indices for the period December 1, 2024-April 30, 2025 and in the BIST Participation 100 index for the period January 1, 2025-March 31, 2025 by the General Directorate of Borsa Istanbul pursuant to Article 10.3 of the BIST Market Value Weighted Equity Indices Rule Set.

It has been decided to make the necessary preliminary preparations for the merger of Batıçim Enerji Elektrik Üretim A.Ş., a subsidiary of the Company, under Batıçim by taking it over by Batıçim.

Batıçim Enerji Toptan Satış A.Ş., a subsidiary of the Company, has decided to serve only the group companies within the Batı Anadolu Group of Companies as of 2025.

The issued capital of Batıliman Liman İşletmeleri A.Ş., a subsidiary of the Company, amounting to TL 100.000.000 (one hundred million - full TL) was increased by 200% (two hundred percent) from internal resources through a bonus issue and increased by TL 300.000.000 (three hundred million - full TL) was registered by the İzmir Trade Registry Office on March 7, 2025 and announced in the Turkish Trade Registry Gazette dated March 10, 2025 and numbered 11288.

The amendment text of Article 6 titled "Capital of the Company" of the Company's Articles of Association regarding the increase of the Company's issued capital of 180.000.000 (one hundred and eighty million - full TL) Turkish Liras to 5.580.000.000 (five billion five hundred and eighty million - full TL) Turkish Liras through a bonus issue from internal resources at the rate of 3000% (three thousand percent) has been registered by the İzmir Trade Registry Office on February 14, 2025 and this issue has been announced in the Turkish Trade Registry Gazette dated March 14, 2025 and numbered 11277. The amendment text of Article 6 of the Company's Articles of Association titled "Capital of the Company", which was approved by the Capital Markets Board, was registered by the İzmir Trade Registry Office on February 14, 2025, and this issue was announced in the Turkish Trade Registry Gazette dated March 14, 2025 and numbered 11272.

Our application to the Capital Markets Board on February 27, 2025 to increase the Company's registered capital ceiling from 800.000.000 (eight hundred million - full TL) Turkish Lira to 10.000.000.000 (ten billion - full TL) Turkish Lira for the period between 2025 and 2029 and to amend Article 6 of the Articles of Association titled "Capital of the Company" accordingly was approved by the Capital Markets Board on February 28, 2025.