NUH ÇİMENTO SANAYİ A.Ş.
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL
STATEMENTS AS OF 31 DECEMBER 2024
AND INDEPENDENT AUDITOR'S REPORT

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

INDEX **Pages**

KPMG

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CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH

To the General Assembly of Nuh Çimento Sanayi Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Nuh Çimento Sanayi Anonim Şirketi ("the Company") and its subsidiaries (together will be referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statements of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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 ("TFRS").

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under Standards on Auditing issued by POA are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA (including Independence Standards) ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA and Capital Markets Board regulations ("CMB") and related other regulations that are relevant to audit of consolidated financial statements, and we have also fulfilled other responsibilities related to ethics within the scope of the Ethical Rules and legislation.. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter-Comparative Information

As explained in detail in Note 2.3, the Group's comparative financial statements as at 31 December 2023 and 31 December 2022 (from which the financial position statement as of 1 January 2023 was obtained) have been restated. However, this matter does not affect our opinion.

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.

Revenue Recognition

For details of the accounting policies and significant accounting estimates and assumptions used in revenue recognition, please see Note 2.5 and Note 20.

Key Audit Matter	**How the matter was addressed in our audit**
The Group's main revenues are generated from the sale of various types of cement, lime, ready-mixed concrete and gas concrete products. The Group recognizes revenue in the financial statements when it fulfills its performance obligation by transferring control of the products it produces to its customers. Since revenue is one of the Group's key performance indicators and inherently carries the risk of not recognizing products that are completed and delivered in the relevant period, "revenue recognition" has been determined as a key audit matter.	Our audit procedures in this area include the following: • The design and implementation of internal controls related to the revenue recognition process were evaluated. • Testing when the transfer of control occurred through sales documents received for sales transactions selected through a sample and whether the revenue was recognized in accordance with accounting policies in the relevant reporting period in which the control was transferred, • Checking the existence of trade receivables and the accuracy of receivable balances through external confirmations obtained directly for customers we determined through sample selection, • Testing the journal entries made by the Group regarding revenue during the period, • Testing the existence of trade receivables through those selected through a sample from trade receivables collections realized after the reporting period, • Evaluating whether the transfer of control of products occurred through relevant documents and third party verifications for sales transactions selected at the end of the period and testing whether the revenue was included in the financial statements in the relevant correct reporting period, • Evaluating the compliance and adequacy of the footnote explanations made by the Group regarding revenue in its consolidated financial statements with TFRSs.

Other Matter

The Group's consolidated financial statements for the reporting periods ending as at 31 December 2023 and 31 December 2022 (from which the consolidated financial position statement was obtained as at 1 January 2023) were audited by another independent auditor before the restatements explained in note 2.3 and an unmodified opinion was given on these consolidated financial statements on 1 February 2024.

Within the scope of our independent audit conducted on the consolidated financial statements for the period ended 31 December 2024, we have also audited the adjustments made to restate the consolidated financial statements as at 31 December 2023 and 31 December 2022 and the consolidated statement of profit or loss and other comprehensive income for the period ended 31 December 2023, and explained in note 2.3. Since we were not appointed to perform an independent audit, limited review or any procedure on the consolidated financial statements of the Group for the periods ended 31 December 2023 and 31 December 2022 prior to the adjustments explained in note 2.3, we do not express an audit opinion or other assurance on the respective consolidated financial statements as a whole as of 31 December 2023. In our opinion, the respective adjustments explained in note 2.3 are appropriate and have been applied accurately.

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.

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

Responsibilities of auditors in an 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 Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing issued by POA, 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.

• 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.

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) Other Legal and Regulatory Requirements

1) The Auditor's Report on the Early Detection of Risk System and Committee, prepared in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code No. 6102 ("TCC"), was presented to the Company's Board of Directors on 26 February 2025.

2) Pursuant to the fourth paragraph of Article 402 of the TCC, no significant issue was found indicating that the Company's bookkeeping system and consolidated financial statements for the accounting period of 1 January – 31 December 2024 were not in compliance with the provisions of the TCC and the Company's articles of association regarding financial reporting.

3) In accordance with the fourth paragraph of Article 402 of the TCC, the Board of Directors made the requested explanations and provided the requested documents within the scope of the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Aysel Tunç, SMMM
Partner

26 February 2025
İstanbul, Turkey

NUH ÇİMENTO SANAYİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

	Notes	Current Year Audited 31 December 2024	Restated (*) Prior Year Audited 31 December 2023	Restated (*) Prior Year Audited 1 January 2023
ASSETS				
Current Assets		**12.292.547.230**	**8.646.609.740**	**8.441.083.331**
Cash and Cash Equivalents	34	7.642.248.896	4.173.183.522	2.576.486.420
Financial Investments	28	66.555.522	78.968.220	352.337.972
Trade Receivables		1.916.606.192	2.377.432.290	2.230.071.430
Trade Receivables from Third Parties	6	*1.916.606.192*	*2.371.280.400*	2.230.071.430
Trade Receivables from Related Parties	5	-	*6.151.890*	-
Other Receivables	7	48.135.129	23.744.167	364.587.613
Other Receivables from Third Parties		*48.135.129*	*23.744.167*	364.587.613
Inventories	9	1.692.203.902	1.605.474.557	2.363.706.668
Prepaid Expenses	10	787.473.413	156.557.649	157.575.671
Current Tax Assets	26	-	5.254.870	21.385.257
Other Current Assets	8	139.324.176	225.994.465	374.932.300
Non-Current Assets		**11.957.878.010**	**18.639.752.944**	**15.204.511.836**
Other Receivables	7	3.737.947	5.519.792	8.351.578
Other Receivables from Third Parties		*3.737.947*	*5.519.792*	8.351.578
Financial Investments	28	829.705	4.227.626.155	2.641.180.492
Investment Properties	11	2.289.335.123	2.421.226.780	2.468.064.010
Property, Plant and Equipment	12	8.936.116.905	8.463.782.445	7.556.888.795
Right-of-Use Assets	14	98.102.942	272.883.858	322.633.197
Intangible Assets	13	386.576.621	399.949.441	411.064.305
Goodwill		*67.795.777*	*67.795.777*	67.795.777
Other Intangible Assets		*318.780.844*	*332.153.664*	343.268.528
Prepaid Expenses	10	110.421.433	110.989.620	166.936.185
Deferred Tax Asset	26	132.757.334	2.735.266.932	1.619.931.189
Other Non-Current Assets	8	-	2.507.921	9.462.085
TOTAL ASSETS		**24.250.425.240**	**27.286.362.684**	**23.645.595.167**

(*) Note 2.3.

CONVENIENCE TRANSLATION OF THE REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
NUH ÇİMENTO SANAYİ A.Ş. AND ITS SUBSIDIARIES
AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024
(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

		Current Year Audited 31 December 2024	Restated (*) Prior Year Audited 31 December 2023	Restated (*) Prior Year Audited 1 January 2023
LIABILITIES AND EQUITY				
Current Liabilities		**3.421.764.970**	**3.160.322.336**	**4.575.179.127**
Short-Term Borrowings	28	374.536.510	935.055.253	1.540.256.866
Short-Term Portions of Long-Term Borrowings	28	457.253.702	371.239.760	937.962.886
Lease Payables	28	16.590.555	14.024.233	14.748.166
Trade Payables		1.611.250.451	1.172.026.798	1.534.035.920
Trade Payables to Third Parties	6	*1.611.250.451*	*1.172.026.798*	*1.534.035.920*
Payables Related to Employee Benefits	17	95.960.113	82.126.940	57.141.090
Other Payables		516.969.914	84.584.395	68.128.082
Other Payables to Related Parties	5	*416.928.974*	-	-
Other Payables to Third Parties	7	*100.040.940*	*84.584.395*	*68.128.082*
Deferred Income	10	199.827.340	219.391.152	213.534.123
Current Income Tax Liability	26	73.109.486	206.213.667	118.723.023
Short-Term Provisions		72.354.608	66.351.978	79.296.455
Short-Term Provisions for Employee Benefits	17	*41.369.965*	*29.479.507*	*34.891.227*
Other Short-Term Provisions	16	*30.984.643*	*36.872.471*	*44.405.228*
Other Current Liabilities	18	3.912.291	9.308.160	11.352.516
Non-Current Liabilities		**1.356.729.325**	**4.880.038.847**	**2.418.165.076**
Long-Term Liabilities	28	992.393.973	2.226.059.295	499.309.681
Lease Liabilities	28	61.545.164	76.357.839	102.407.287
Long-Term Provisions		274.744.272	280.912.330	443.552.680
Long-Term Provisions for Employee Benefits	17	*217.252.325*	*228.285.017*	*411.203.288*
Other Long-Term Provisions	16	*57.491.947*	*52.627.313*	*32.349.392*
Deferred Tax Liability	26	28.045.916	2.296.709.383	1.372.895.428
EQUITY		**19.471.930.945**	**19.246.001.501**	**16.652.250.964**
Equity Attributable to Equity Holders of the Parent		**19.471.941.412**	**19.246.007.363**	**16.652.239.264**
Paid-in Share Capital	19	150.213.600	150.213.600	150.213.600
Capital Adjustments Differences	19	4.025.730.271	4.025.730.271	4.025.730.271
Accumulated Other Comprehensive Income (Expenses) that will not be Reclassified to Profit or Loss		(124.554.388)	1.907.696.573	464.266.611
- Gains from investments to equity-based financial instruments		-	*2.025.968.339*	*585.817.632*
- Loss on remeasurement of defined benefit plans		*(124.554.388)*	*(118.271.766)*	*(121.551.021)*
Restricted Reserves Appropriated from Profit	19	4.349.020.520	4.046.832.297	3.816.926.041
Prior Years' Profit		9.672.643.803	6.334.919.197	5.092.466.395
Net Profit for the Period		1.834.507.046	2.780.615.425	3.102.636.346
Dividend Advances Paid		(435.619.440)	-	-
Non-Controlling Interest		**(10.467)**	**(5.862)**	**11.700**
TOTAL LIABILITIES AND EQUITY		**24.250.425.240**	**27.286.362.684**	**23.645.595.167**

(*) Note 2.3.

NUH ÇİMENTO SANAYİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

	Notes	Current Period 1 January- 31 December 2024	Restated (*) Prior Period 1 January- 31 December 2023
PROFIT OR LOSS			
Revenue	20	15.483.294.874	19.341.713.605
Cost of Sales (-)	20	(11.283.302.563)	(14.725.931.119)
GROSS PROFIT		**4.199.992.311**	**4.615.782.486**
General Administrative Expenses (-)	21	(1.033.665.212)	(803.071.126)
Marketing and Sales Expenses (-)	21	(444.537.565)	(462.794.603)
Research and Development Expenses (-)	21	(38.594.201)	(28.612.305)
Income from Operating Activities	23	235.197.216	290.510.389
Expenses from Operating Activities (-)	23	(140.247.614)	(276.044.376)
OPERATING INCOME		**2.778.144.935**	**3.335.770.465**
Income from Investing Activities	24	268.102.725	412.484.723
Expenses from Investing Activities (-)	24	(363.064.979)	(51.741.589)
PROFIT BEFORE FINANCE EXPENSES		**2.683.182.681**	**3.696.513.599**
Financial Income	25	2.240.349.505	1.241.374.556
Financial Expenses (-)	25	(787.514.056)	(1.480.448.907)
Monetary Gain / (Loss)	31	(1.300.347.627)	(76.661.333)
PROFIT BEFORE TAX		**2.835.670.503**	**3.380.777.915**
Tax Expenses		**(1.001.168.062)**	**(600.180.052)**
Current Tax Expense	26	*(665.227.724)*	*(868.319.060)*
Deferred Tax Income / (Expense)	26	*(335.940.338)*	*268.139.008*
NET PROFIT		**1.834.502.441**	**2.780.597.863**
Attributable to:		0	0
Non-controlling interests		(4.605)	(17.562)
Owners of the Company		1.834.507.046	2.780.615.425
Earnings per share	27	12,21	18,51

(*) Note 2.3.

AUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira (“TL”) in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

	Notes	Current Period 1 January- 31 December 2024	Prior Period 1 January- 31 December 2023
PROFIT FOR THE PERIOD		**1.834.502.441**	**2.780.597.863**
OTHER COMPREHENSIVE (EXPENSES) / INCOME:			
Items that will be Reclassified to Profit or Loss			
Items that will not be Reclassified to Profit or Loss		**(6.282.622)**	**1.443.429.962**
Remeasurement (Losses) of Defined Benefit Plans	*17*	*(8.376.829)*	*4.099.069*
Remeasurement (Losses) of Defined Benefit Plans, Tax Effect	*17*	*2.094.207*	*(819.814)*
Earnings from Investments in Equity-Based Financial Instruments		-	*1.515.948.113*
Tax (Expense) / Income Regarding Other Comprehensive Expenses		-	*(75.797.406)*
OTHER COMPREHENSIVE INCOME / (EXPENSES)		**(6.282.622)**	**1.443.429.962**
TOTAL COMPREHENSIVE INCOME		**1.828.219.819**	**4.224.027.825**
Total Comprehensive Income Attributable To:		**1.828.219.819**	**4.224.027.825**
Non-Controlling Interests		(4.605)	(17.562)
Equity of the Parent Company		1.828.224.424	4.224.045.387

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

NUH ÇİMENTO SANAYİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

				Accumulated Other Comprehensive Income or Expenses that will not be Reclassified Subsequently to Profit or Loss				Retained Earnings				
	Not	Paid-in Capital	Capital Adjustment Difference	Gain / (Loss) on Remeasurement of Defined Benefit Plans	Gains from Investments in Equity Financial Instruments	Restricted Reserves Appropriated from Profit	Dividend Advance Paid	Retained Earnings	Net Profit for the Period	Total Equity Attributable to the Parent	Non-Controlling Interests	Equity
Balances as of 1 January 2023		150.213.600	4.025.730.271	(121.551.021)	751.723.551	3.816.926.041	-	4.926.560.476	3.102.636.346	16.652.239.264	11.700	16.652.250.964
Restatement Effect (*)		-	-	-	(165.905.919)	-		165.905.919	-	-	-	-
Balances as of 1 January 2023		150.213.600	4.025.730.271	(121.551.021)	585.817.632	3.816.926.041	-	5.092.466.395	3.102.636.346	16.652.239.264	11.700	16.652.250.964
Transfers		-	-	-	-	229.906.256	-	2.872.730.090	(3.102.636.346)	-	-	-
Total comprehensive income		-	-	3.279.255	1.440.150.707	-	-	-	-	1.443.429.963	-	1.443.429.963
Period Net Profit		-	-	-	-	-	-	-	2.780.615.425	2.780.615.425	(17.562)	2.780.597.863
Dividends	19	-	-	-	-	-	-	(1.630.277.288)	-	(1.630.277.288)	-	(1.630.277.288)
Balance at 31 December 2023		150.213.600	4.025.730.271	(118.271.766)	2.025.968.339	4.046.832.297	-	6.334.919.197	2.780.615.425	19.246.007.363	(5.862)	19.246.001.501
Balances as of 1 January 2024		150.213.600	4.025.730.271	(118.271.766)	2.255.570.150	4.046.832.297	-	6.095.386.270	2.908.162.181	19.373.554.119	(5.862)	19.373.548.257
Restatement Effect (*)		-	-	-	(229.601.811)	-	-	239.532.927	(127.546.756)	(127.546.756)	-	(127.546.756)
Balances as of 1 January 2024		150.213.600	4.025.730.271	(118.271.766)	2.025.968.339	4.046.832.297		6.334.919.197	2.780.615.425	19.246.007.363	(5.862)	19.246.001.501
Transfers		-	-	-	-	302.188.223	-	2.478.427.202	(2.780.615.425)	-	-	-
Other Amounts Reclassified from Accumulated Other Comprehensive Income to Retained Earnings (Losses)		-	-	-	(2.025.968.339)	-	-	2.025.968.339	-	-	-	-
Total comprehensive income		-	-	(6.282.622)	-	-	-	-	-	(6.282.622)	-	(6.282.622)
Period Net Profit		-	-	-	-	-	-	-	1.834.507.046	1.834.507.046	(4.605)	1.834.502.441
Dividends	19	-	-	-	-	-	(435.619.440)	(1.166.670.935)	-	(1.602.290.375)	-	(1.602.290.375)
Balances as of 31 December 2024		150.213.600	4.025.730.271	(124.554.388)	-	4.349.020.520	(435.619.440)	9.672.643.803	1.834.507.046	19.471.941.412	(10.467)	19.471.930.945

(*) Note 2.3.

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

CONVENIENCE TRANSLATION OF THE REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
NUH ÇİMENTO SANAYİ A.Ş. AND ITS SUBSIDIARIES

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS AS OF 31 DECEMBER 2024

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

	Notes	Current Period 1 January- 31 December 2024	Prior Period 1 January- 31 December 2023
A. Cash Flows from Operating Activities			
Profit for the Period		**1.834.502.441**	**2.780.597.863**
Adjustments Related to Reconciliation of Net Profit for the Period			
Adjustments Related to Depreciation and Amortisation	22	1.178.577.359	988.259.740
- Adjustments Related to Impairment in Receivables	6	*8.627.653*	24.605.676
- Adjustments Related to Legal Claims	16	*7.891.297*	15.088.354
- Adjustments Related to (Reversal of) Provisions Allocated Within the Framework of Sectoral Requirements	16	*21.041.081*	42.567.759
- Adjustments Related to Provision for Employee Benefits	17	110.902.219	155.623.482
Adjustments Related to Tax Income / Expense	26	1.001.168.062	600.180.052
Adjustments Related to Unrealized Foreign Currency Translation Differences		391.520.741	668.425.819
- Adjustments Related to Interest Income	25	*(1.859.942.141)*	*(281.846.007)*
- Adjustments Related to Interest Expense	25	*285.944.643*	*239.407.021*
- Adjustments Related to Gain on Disposal of Property, Plant and Equipment	24	*992.284*	*(107.770.148)*
- Adjustments Related to Gain on Disposal of Investment Properties	24	(31.835.920)	-
- Adjustments Related to Losses (Gains) on Disposal of Financial Investments		309.841.970	-
Monetary loss/gain		935.489.504	1.302.183.553
		4.194.721.193	**6.427.323.164**
Changes in working capital			
- Adjustments Related to Increase in Inventories		(132.923.325)	(445.404.636)
- Adjustments Related to Increase in Trade Receivables		(278.570.512)	(889.699.133)
- Adjustments Related to Increase in Other Receivables from Operating Activities		(475.334.971)	154.919.624
- Adjustments Related to Decrease in Trade Payables		799.478.203	255.533.658
- Adjustments Related to Decrease in Other Payables from Operating Activities		36.134.015	(5.467.997)
Net Cash Flows Generated from Operating Activities		**4.143.504.603**	**5.497.204.681**
Taxes Paid/Returns	26	(720.949.968)	(654.935.468)
Legal Claims Paid	16	(1.696.508)	(2.056.793)
Employee Benefits Paid	17	(51.881.898)	(174.611.644)
		3.368.976.229	**4.665.600.776**
B. Cash Flows from Investing Activities			
Cash Outflows from Purchases of Property, Plant and Equipment and Intangible Assets	*12,13*	(1.521.341.238)	(1.728.292.977)
Cash Inflows from Sales of Property, Plant and Equipment and Intangible Assets	*12,13*	3.586.529	140.218.094
Cash Inflows from Sales of Investment Properties		-	7.282.280
Cash outflows from financial investments		(47.892.237)	-
Cash inflows from financial investments		3.882.898.115	292.662.323
Adjustments Related to Interest Income	*25*	18.015.944	17.711.820
		2.335.267.113	**(1.270.418.459)**
C. Cash Flows from Financing Activities			
Dividend Paid		(1.166.670.935)	(1.630.277.288)
Interest Paid		(253.487.819)	(245.853.694)
Cash Inflows / (Outflows) from Borrowings, net	*28*	(1.006.873.382)	765.050.439
Cash Outflows from Repayment of Lease Liabilities	*28*	145.183.670	(28.504.779)
Interest Received		1.859.942.141	281.846.007
		(421.906.325)	**(857.739.315)**
D. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		(1.784.466.983)	(1.069.575.078)
NET INCREASE IN CASH AND CASH EQUIVALENTS BEFORE THE EFFECTS OF FOREIGN CURRENCY TRANSLATION DIFFERENCES (A+B+C)		**3.497.870.034**	**1.467.867.923**
Effect of foreign currency translation differences on cash and cash equivalents		(28.804.660)	(15.528.406)
E. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD (A+B+C+D)	34	4.173.183.522	2.720.844.005
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (A+B+C+D)	34	**7.642.248.896**	**4.173.183.522**

(*) Note 2.3.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

1. ORGANIZATION AND OPERATIONS OF THE GROUP

Nuh Çimento Sanayi A.Ş. ("Nuh Çimento" or "the Company") and its subsidiaries ("the Group") are joint stock and limited liability companies and their principal activities are production of various types of cement, lime, ready-mixed concrete, gas concrete, electricity generation, transportation, real estate and marketable securities management, import, export service and trade sectors.

The head office address of the Company is Hacı Akif Mah. D-100 Karayolu Cad. No:92 Körfez / Kocaeli.

The Company is registered with the Capital Markets Board ("CMB") and 18,82 % of its shares are open to the public. It has been traded on Borsa Istanbul ("BIST") since 24 February 2000.

The details of the reporting according to the fields of activity and geographical sections related to the ongoing activities of the Group are included in the Note 4.

As of 31 December 2024 and 2023, the average number of personnel of the Group is categorized as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
White collar	1.146	1.088
Blue collar	342	337
	1.488	1.425

The main shareholder of the Group and the parties that hold the main control are Nuh Ticaret Sanayi ve Ticaret A.Ş. and Partaş Capital Danışmanlık A.Ş. companies, respectively.

Shareholders	31 December 2024	31 December 2023
Nuh Ticaret Sanayi ve Ticaret A.Ş.	44,13%	44,13%
Partaş Tekstil İnşaat Sanayi ve Ticaret A.Ş.	16,32%	16,32%
Traded on BIST	18,82%	17,35%
Other (*)	20,73%	22,20%
Total Shares	100,00%	100,00%

(*) Represents total of shares less than 5%.

Approval of the Consolidated Financial Statements:

The consolidated financial statements have been approved for issue by the Board of Directors on 26 February 2025.General Assembly and other regulatory authorities have the right to restate the legal financial statements, base of the accompanying financial statements, after the financial statements is published.

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

Subsidiaries:

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

Nuh Beton A.Ş. ("Nuh Beton")

Nuh Beton started to produce ready-mixed concrete in 1987 at the Bostancı facility as a separate entity of Nuh Çimento parallel to the developments in concrete industry, new facilities were established in Hereke, Büyükbakkalköy, İkitelli, Büyükçekmece and İzmit.

In order to get better organized in the rapid developing ready-mixed concrete sector, the facilities separated from Nuh Çimento and Nuh Beton A.Ş. (Nuh Beton) was established in 1995. Besides, approximately 87 thousand m² shopping center and hotel constructions on the land owned by Nuh Beton in Bostancı were finalized in and carried to financial statements as investment property.

Nuh Yapı Ürünleri A.Ş. ("Nuh Yapı")

A lime factory with a capacity of 160,000 m3/year within the body of Nuh Çimento in 1984, and a gas concrete brick plant with a capacity of 160,000 tons/year in 1996, became operational.

The legal establishment of Nuh Yapı was realized in 1995. In 1998, the Company started its operations with two facilities stated above and machine factory which was a part of Nuh Çimento and mainly serves the Nuh group companies in the production of equipment and projects for maintenance, repair and investments.

Nuh Yapı completed the construction of aerated concrete block production facility, in 2008 with an annual capacity of 400,000 m³, which was started in 2007. Besides, the limestone production facility whose investment started in 2007 was completed at the end of 2010 with an annual quicklime production capacity of 212,000 tons.

Nuh Gayrimenkul İnşaat A.Ş. (Nuh Gayrimenkul)

Nuh Gayrimenkul was established in 1997 for the purpose of ensuring efficient use of the real estate within the structure of the Group companies, of production and project preparation operations in the construction sector.

Çim-Nak Taşımacılık Limited Şirketi (Çim-Nak)

It was established in 1979 to provide maritime and land transportation services, mine ores management and sea transportation services.

Çim-Nak still continues its activities by providing services to its main partner, Nuh Çimento, for mine ore management and sea transportation.

Navig Holding Trade B.V. (Navig)

Navig was established in 1997 in Netherlands with the 100% participation of Nuh Çimento to assist the export-import operations of the Group's firms, finding long-term external credits for investments and making securities investments. The activities of the Company are not at a significant level for the Group.

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

Subsidiaries: (cont'd)

Nuh Agro Tarım A.Ş. (Nuh Agro)

It was established in 2019 to operate in the medical, medicinal and aromatic plants sector. Its capital is TL 100,000. The Company has a total of 85% share in the subsidiary. The activities of the Company are not at a significant level for the Group.

Financial Investments

Oyak Çimento Fabrikaları A.Ş. ("Oyak Çimento")

All of the shares of Oyak Çimento Fabrikaları A.Ş. ("Oyak Çimento"), which the Group owns 4,24% and accounted as financial investment, were sold back to Oyak Çimento on 29 July 2024 at an indexed price of TL 4.333.766.105 (nominal TL 3.864.882.771) within the scope of the obligation to make a share purchase offer arising within the scope of the provisions of the "Share Purchase Offer Communiqué" numbered II-26.1 of the Capital Markets Board due to the change of management control of Oyak Çimento. The fair value of these shares at the transaction date is indexed TL 4,639,936,791 (nominal TL 4,639,936,791) and the difference of indexed TL 306,170,685 (nominal TL 273,045,106) between the sales price and fair value is recognized as loss on marketable securities (Note 24). The fair value differences amounting to TL 2.025.968.339 after tax, which were recognized as accumulated other comprehensive income that will not be reclassified to profit or loss in equity, have been transferred to retained earnings.

2. BASIS OF PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of Presentation

Statement of Compliance with TFRS
The accompanying consolidated financial statements have been prepared in accordance with the Turkish Financial Reporting Standards ("TFRSs") promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA") as adopted by the CMB in accordance with the Communiqué numbered II-14.1 "Communiqué on the Principles of Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on June 13, 2013. TFRSs include Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards, TAS Interpretations and TFRS Interpretations issued by POA.

The consolidated financial statements are presented in accordance with the formats specified in the "Announcement on TFRS Taxonomy" published by POA on April 15, 2019 and the Financial Statement Examples and User Guide published by CMB.

The Group maintains its books of account and prepares its consolidated financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance of the Republic of Turkey ("Ministry of Finance"). Subsidiaries and associates operating in foreign countries prepare their statutory financial statements in accordance with the laws and regulations in force in the countries in which they operate. The consolidated financial statements are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with TFRS. The consolidated financial statements are prepared on the historical cost basis except for financial instruments carried at fair value. The determination of historical cost is generally based on the fair value of the consideration paid for the assets.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

Functional Currency

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

Restatement of financial statements during periods of high inflation

In accordance with the CMB's decision dated 28 December 2023 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of TAS 29 to their annual financial statements for the accounting periods ending on 31 December 2023.

POA made a announcement on 23 November 2023 regarding the scope and application of TAS 29. It stated that the financial statements of the entities applying Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be presented in accordance with the related accounting principles in TAS 29, adjusted for the effects of inflation.

In this framework, while preparing the consolidated financial statements dated 31 December 2024, 31 December 2024 and 2022, inflation adjustment has been made in accordance with TAS 29.

The financial statements and related figures for previous periods have been restated for changes in the general purchasing power of the functional currency and, consequently, the financial statements and related figures for previous periods 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 consolidated financial statements, of each entity whose functional currency is the currency of a hyperinflationary economy. If an economy is subject to 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.

As at the reporting date, entities operating in Turkey are required to apply TAS 29 "Financial Reporting in Hyperinflationary Economies" for the reporting periods ending on or after 31 December 2023, as the cumulative change in the general purchasing power of the last three years based on the Consumer Price Index ("CPI") is more than 100%.

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

Date	Index	Index %	Adjustment coefficient
31.12.2022	1.128,45	64,27	2,379
31.12.2023	1.859,38	64,77	1,444
31.12.2024	2.684,55	44,38	1,000

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

2.1 Basis of Presentation (cont'd)

Hyperinflation adjustments of financial statements during periods of high inflation (cont'd)

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

• As of the reporting date, all items other than those stated in terms of current purchasing power are restated by using the relevant price index coefficients. Prior year amounts are also restated in the same way.

• Monetary assets and liabilities are expressed in terms of the purchasing power at the reporting date and are therefore not subject to restatement. Monetary items are cash and items to be received or paid in cash.

• Fixed assets, subsidiaries and similar assets are indexed to their acquisition values, which do not exceed their market values. Depreciation has been adjusted in a similar manner. Amounts included in shareholders' equity have been restated by applying general price indices for the periods in which they were contributed to or arose within the Company.

• All items in the income statement, except for non-monetary items in the balance sheet that affect the income statement, are indexed with coefficients calculated based on the periods in which the income and expense accounts were first reflected in the financial statements.

• The gain or loss arising on the net monetary position as a result of general inflation is the difference between the adjustments to non-monetary assets, equity items and income statement accounts. This gain or loss on the net monetary position is included in net profit.

The impact of the application of TAS 29 Inflation Accounting is summarised 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 arising on restatement of non-monetary items is recognised in profit or loss and presented separately in the statement of 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.

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

2.1 Basis of Presentation (cont'd)

Depreciation and amortisation expenses have been restated using the restated balances of property, plant and equipment, intangible assets, investment property 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.

Consolidated financial statements

The financial statements of a subsidiary whose functional currency is the currency of a hyperinflationary economy are restated by applying the general price index before they are included in the consolidated financial statements prepared by the parent company. If the subsidiary is a foreign subsidiary, its restated financial statements are translated at the closing rate.

When consolidating financial statements with different reporting period ends, all monetary and non-monetary items are restated in accordance with the measuring unit current at the date of the consolidated financial statements.

Comparative figures

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the measuring unit applicable at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

Comparative Information and Restatement of Prior Period Consolidated Financial Statements

The financial statements of the Group include comparative financial information to enable the determination of the financial position and performance trends. In order to comply with the presentation of the current period financial statements, comparative information is reclassed, and significant changes are disclosed if necessary.

Periodicity

The Group's activities are increasing in spring and summer, when construction demand is rising, and the construction industry is reviving.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

2.1 Basis of Presentation (cont'd)

Basis of consolidation

The details of the Company and its subsidiaries as of 31 December 2024 and 2023 are as follows:

Subsidiaries	Location	Currency	Share (%) 31 December 2024	Share (%) 31 December 2023
Nuh Beton A.Ş.	Turkey	TL	%100	%100
Nuh Yapı Ürünleri A.Ş.	Turkey	TL	%100	%100
Çim-Nak Taşımacılık Limited Şirketi	Turkey	TL	%100	%99,99
Nuh Gayrimenkul İnşaat A.Ş.	Turkey	TL	%100	%100
Navig Holding Trade B.V.	Netherlands	Euro	%100	%100
Nuh Agro Tarım A.Ş.	Turkey	TL	%85	%85

All subsidiaries above are recognized in these consolidated financial statements using the full consolidation method.

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

- 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.

When the Company 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 Company 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 Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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.

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

2.1 Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date of acquisition to the date of disposal.

Profit or loss and each component of other comprehensive income are attributed to the parent and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the parent 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 subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable TAS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under TAS 39 Financial instruments: recognition and measurement, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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

2.1 Basis of Presentation (cont'd)

Basis of Consolidation (cont'd)

Investments in associates and joint ventures:

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A partnership is a joint venture in which entities with joint control in an arrangement have rights to the net assets in the joint arrangement. Joint control is based on the control contract on an economic activity. This control is deemed to exist when the decisions of the relevant activities require the parties sharing the control to agree with the unanimity of votes.

2.2 Changes in Accounting Policies

The Group has applied the accounting policies consistently with the previous year. Significant changes in accounting policies and significant accounting errors are applied retrospectively and prior period financial statements are restated.

2.3 Changes in Accounting Estimates and Errors

If the changes in accounting estimates are for only one period, changes are applied in the period in which the change is made and if the changes in accounting estimates are for future periods, changes are applied both in the period in which the change is made and prospectively in the future periods. The Group has not made any changes in accounting policies in the current year except for the effects of changes in new and revised standards as explained in Note 2.4.

Comparative Information and Restatement of Prior Period Consolidated Financial Statements

Comparative Information

The consolidated financial statements of the Group are prepared comparatively with the prior period in order to enable the determination of the financial position and performance trends. In order to maintain consistency with the presentation of the current period consolidated financial statements, comparative information is reclassified and significant differences are explained if necessary.

- As at December 31, 2023, cheques received amounting to TL 260.632.612 presented in cash and cash equivalents in the statement of financial position are reclassified to trade receivables from third parties.
- As of January 1, 2023, cheques received amounting to TL 144.357.585 presented in cash and cash equivalents in the statement of financial position are reclassified to trade receivables from third parties.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

2.3 Changes in Accounting Estimates and Errors (cont'd)

Restatement of financial statements

Due to the inflation adjustment calculation of the shares traded on the stock exchange, which are recognized as financial investments by the Group, a reclassification has been made between the monetary gains account in the opening balance sheet and the gains arising from investments in equity-based financial instruments.

In addition, in the inflation adjustment calculation of the Group prepared in accordance with the Tax Procedure Law, there have been changes in the calculation method and the underlying data between the publication date of the financial statements dated December 31, 2023 and the date of declaration of the Corporate Tax. These changes in the inflation adjustment prepared in accordance with the Tax Procedure Law have also caused deferred tax calculations to change.

The Group has retrospectively accounted for the effects of these changes on the basis of each consolidated financial statement item in accordance with "TAS 8 Changes in Accounting Estimates and Errors" and restated the consolidated statements of financial position as at 31 December 2023 and 1 January 2023 and the consolidated statement of profit or loss and consolidated statement of changes in equity for the year ended 31 December 2023. The effects of these restatements on the consolidated statement of financial position and consolidated statement of profit or loss for each consolidated financial statement item are presented in the table below:

1-Jan-2023

	Priorly Reported	Adjustments	Inflation impact	Restated
Assets	**16.377.473.596**	**-**	**7.268.121.571**	**23.645.595.167**
Current Assets	5.846.485.082	-	2.594.598.249	8.441.083.331
Non Current Assets	10.530.988.514	-	4.673.523.322	15.204.511.836
Liabilities	**4.843.748.242**	**-**	**2.149.595.960**	**6.993.344.202**
Current Liabilities	3.168.872.461	-	1.406.306.666	4.575.179.127
Non current Liabilities	1.674.875.781	-	743.289.295	2.418.165.076
Equity	**11.533.725.354**	**-**	**5.118.525.611**	**16.652.250.965**
Retained Earnings	3.394.150.165	192.034.086	1.506.282.144	5.092.466.395
Period Profit /Loss	2.148.956.052	-	953.680.294	3.102.636.346
Other comprehensive income	454.568.695	(192.034.086)	201.732.002	464.266.611
Other	5.536.050.442	-	2.456.831.171	7.992.881.613

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

2.3 Changes in Accounting Estimates and Errors (cont'd)

	31-Dec-2023			
	Priorly Reported	**Adjustments**	**Inflation impact**	**Restated**
Assets	**18.797.531.767**	**146.708.482**	**8.342.122.435**	**27.286.362.684**
Current Assets	5.988.831.237	-	2.657.778.503	8.646.609.740
Non Current Assets	12.808.700.530	146.708.482	5.684.343.932	18.639.752.944
Deferred tax assets	1.792.894.083	146.708.482	795.664.367	2.735.266.932
Other	11.015.806.447	-	4.888.679.565	15.904.486.012
Liabilities	**5.385.856.111**	**264.324.121**	**2.390.180.951**	**8.040.361.183**
Current Liabilities	2.188.907.778	-	971.414.558	3.160.322.336
Non current Liabilities	3.196.948.333	264.324.121	1.418.766.393	4.880.038.847
Deferred Tax liability	1.407.675.964	264.324.121	624.709.298	2.296.709.383
Other	1.789.272.369	-	794.057.095	2.583.329.464
Equity	**13.411.675.656**	**(117.615.639)**	**5.951.941.484**	**19.246.001.501**
Retained Earnings	4.221.802.284	239.532.927	1.873.583.986	6.334.919.197
Period Income /(Loss)	2.014.249.580	(127.546.756)	893.912.601	2.780.615.425
Other compehensive income	1.480.341.163	(229.601.811)	656.957.221	1.907.696.573
Other	5.695.282.629	-	2.527.487.677	8.222.770.306

	1January - 31 December 2023			
Profit Loss Statement	**Priorly Reported**	**Adjustments**	**Inflation effect**	**Restated**
Gross Profit	3.201.081.738	-	1.414.700.748	4.615.782.486
Operating imcome	2.315.278.370	-	1.020.492.095	3.335.770.465
Income before tax	2.298.974.077	-	1.081.803.838	3.380.777.915
Tax expense	(601.417.405)	-	(266.901.655)	(868.319.060)
Deferred tax income/expense	316.686.826	(66.003.970)	17.456.152	268.139.008
Monetary gain loss	(95.726.483)	(61.542.786)	80.607.936	(76.661.333)
Net profit/loss	2.014.249.580	(127.546.756)	893.895.039	2.780.597.863

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

2.4 New and Revised Turkish Accounting Standards

As at December 31, 2024, standards and amendments to existing standards that are issued but not yet effective:

Elimination of Exchangeability - Amendments to IAS 21 Effects of Changes in Foreign Exchange Rates

In August 2023, the International Accounting Standards Board ("IASB") amended IAS 21 to clarify the following::

• when one currency can be converted into another currency; and

• How a company estimates the prevailing (spot) rate when a currency is not tradable.

The related amendments were made and published by the Public Oversight Accounting and Auditing Standards Authority ("POA") in the same manner on June 5, 2024.

At the measurement date and for a particular reason, if an entity is able to exchange one currency for another currency, those currencies are considered to be exchangeable for the entity. However, if the currencies are not exchangeable for the company, the company is required to estimate a spot exchange rate.

When an entity estimates the spot exchange rate, its objective is only to ensure that the exchange rate reflects the rate that would prevail on the measurement date for regular transactions between market participants under current economic conditions. This amendment to the standard does not include specific requirements for estimating the spot exchange rate.

Therefore, an entity may use the following when estimating the spot exchange rate:

• an observable exchange rate that does not require adjustment; or

• another forecasting technique.

Under the amendments, entities will be required to provide new disclosures to help entities assess the impact of the estimated use of foreign exchange rates on the financial statements. These disclosures may include:

• the nature and financial effects of the inability to settle the currency;

• Spot exchange rate used;

• the forecasting process; and

• Risks to which the company is exposed due to the inability to settle the currency.

The amendments are effective for annual periods beginning on or after January 1, 2025. Early application is permitted.

The Group does not expect that application of these amendments will have significant impact on its consolidated financial statements..

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

2.4 New and Revised Turkish Accounting Standards (cont'd)

The new standards, amendments and interpretations that are issued by the International Accounting Standards Board ("IASB") but not yet issued by the Public Oversight Accounting and Auditing Standards Authority ("POA")

IFRS 18 - Presentation and Disclosures in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosures in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 carries forward many of the provisions of IAS 1 unchanged.

The objective of IFRS 18 is to set out the requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help provide relevant information that fairly reflects an entity's assets, liabilities, equity, income and expenses.

IFRS 18 introduces three defined categories for income and expenses (operating, investing and financing) to improve the structure of the income statement and requires all entities to present newly defined subtotals, including operating profit.

IFRS 18 is effective for annual periods beginning on or after January 1, 2027 and is applied retrospectively. Early adoption is permitted.

The Group is in the process of assessing the potential impact of adopting IFRS 18 on its consolidated financial statements.

Amendments to Classification and Measurement of Financial Instruments - IFRS 9 Financial Instruments and IFRS 7 Financial Instruments : Changes in disclosure standards

Classification of financial assets with contingent features

The amendments introduce an additional SPPI (principal and interest payment only) test to clarify the classification of financial assets with contingent features that are not directly related to a change in the underlying credit risks or costs - for example, where cash flows vary depending on whether the borrower meets an ESG (environmental, social and governance) objective specified in the loan contract, the classification of that contingent financial asset would be based on the SPPI test. The SPPI test determines whether the asset is recognized at amortized cost or at fair value.

Under the amendments, certain financial assets, including those with ESG-related characteristics, may now meet the SPPI criterion, provided that their cash flows are not materially different from an identical financial asset without such a characteristic. However, companies will need to undertake additional work to prove this, which will require judgment.

The amendments also include additional disclosures for all financial assets and financial liabilities with the following specific contingent characteristics:

- Not directly related to a change in the underlying credit risks or costs; and
- not measured at fair value through profit or loss.

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

2.4 New and Revised Turkish Accounting Standards (cont'd)

Reconciliation with electronic payments

A company that settles a trade payable using an electronic payment system generally derecognizes the trade payable on the settlement date. The amendments introduce an exception to derecognition for such financial liabilities. This exception allows a company to derecognize a trade payable before the settlement date if the company uses an electronic payment system that meets all of the following criteria

- It is not possible to withdraw, stop or cancel the payment instruction;

- there is no ability to access cash to be used for payment as a result of the payment instruction; and the settlement risk associated with the electronic payment system is insignificant.

Other changes

Contractual instruments (CLIs) and non-recourse features

The amendments clarify the key features of contractual instruments and how they differ from financial assets with non-recourse features. The amendments also set out the factors that an entity should consider when assessing the cash flows that comprise its financial assets with non-recourse features (the 'review' test).

Disclosures on investments in equity instruments

The amendments require additional disclosures for investments in equity instruments measured at fair value with gains or losses recognized in other comprehensive income (FVOCI).

The amendments are effective for annual periods beginning on or after January 1, 2026. Entities may choose to early adopt these amendments (including the related disclosure requirements) separately from the amendments on recognition and derecognition of financial assets and financial liabilities.

The Group does not expect that application of these amendments to IFRS 9 and IFRS 7 will have significant impact on its consolidated financial statements.

IFRS 19 Subsidiaries that are not accountable to the public: Disclosures

Subsidiaries of companies that use IFRS Accounting Standards may significantly reduce their disclosures and focus more on the needs of users following the issuance of IFRS 19.

A subsidiary may elect to apply the new standard in its consolidated, separate or individual financial statements if it meets the following criteria

-lack of accountability to the public

-The parent company prepares consolidated financial statements in accordance with IFRSs.

A subsidiary that applies the reduced disclosure standards in IFRS 19 will fully comply with the recognition, measurement and presentation requirements of IFRSs, but will reduce disclosures and will be required to clearly and unambiguously state that it applies IFRS 19 in its statement of compliance with IFRSs.

The amendments are effective for annual periods beginning on or after January 1, 2027. Early application is permitted.

The Group does not expect that application of IFRS 19 will have significant impact on its consolidated financial statements.

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

2.4 New and Revised Turkish Accounting Standards (cont'd)

Annual Improvements to IFRSs - Amendment 11:

The annual improvements process aims to improve the clarity and internal consistency of IFRS Accounting Standards. In July 2024, the IASB issued "Annual Improvements to IFRS Accounting Standards-11th Amendment" to make minor amendments to five standards.

Transaction Price (Amendments to IFRS 9: Financial Instruments) : 'Transaction price' in IFRS 9, which is used in some paragraphs of IFRS 9 in a sense that is not necessarily consistent with its definition in IFRS 15, has been updated to replace it with 'amount determined by applying IFRS 15'.

Derecognition of lease liabilities (Amendments to IFRS 9: Financial Instruments) : When a lease liability is derecognized, the transaction is accounted for in accordance with IFRS 9. However, a lease modification is accounted for in accordance with IFRS 16. The IASB's amendment clarifies that when a lease liability is derecognized under IFRS 9, the difference between the carrying amount and the consideration paid is recognized in profit or loss. The amendment applies only to lease liabilities that expire after the beginning of the annual reporting period in which the amendment is first applied. The amendments are effective for annual periods beginning on or after January 1, 2026. Early application is permitted.

Hedge Accounting for First-Time Adopters (Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards)
IFRS 1 has been amended to:
- Increase consistency with the requirements in IFRS 9 on hedge accounting;
- To improve clarity

IFRS 1 adds a cross-reference to IFRS 9 in the "Exception for retrospective application of other IFRSs" section.
Profit or Loss on Derecognition (Amendments to IFRS 7 Financial Instruments: Disclosures):
A statement has been added to clarify that the guidance in IFRS 7 does not sample all the requirements for recognizing gains and losses on derecognition. In addition, the phrase "inputs that are not based on observable market data" has been corrected to "unobservable inputs" to align with IFRS 13 terminology.

Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to IFRS 7 Financial Instruments: Disclosures):
The unadjusted wording from IFRS 13, issued in May 2011, simplifies and clarifies the concept that a transaction price may differ from fair value at initial recognition. Fair value is not supported by a price that is quoted in an active market for the same asset or liability (a Level 1 input) or a valuation technique based solely on observable market data. (In these cases, the difference will be recognized in profit or loss in subsequent periods in accordance with IFRS 9).

Credit Risk Disclosures: Amended paragraph IG1 to clarify that it does not necessarily exemplify all the requirements in the referenced paragraphs of IFRS 7.

Designation of a Fiduciary (Amendments to IFRS 10 Consolidated Financial Statements): The investor's determination of whether another party is acting on its behalf has been amended to use less precise language to determine whether a party is acting as a de facto agent when the parties directing the investor's activities have the ability to direct that party to act on the investor's behalf, in which case an assessment is required.
Cost Method (Amendments to IAS 7)
Following the removal of "cost method" in the previous amendments, the wording in IAS 7 has been corrected from "cost method" to "accounted for at cost".

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

2.4 New and Revised Turkish Accounting Standards (cont'd)

Contracts for Electricity Generated from Natural Resources - Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB amended IFRS 9 to address challenges in applying IFRS 9 to contracts for electricity generated from natural resources, sometimes called renewable energy supply agreements ("RESAs"). The amendments include guidance on
- The "own use" exemption for electricity purchasers under such NETAs; and
- Hedge accounting requirements for entities that hedge electricity purchases or sales using NETAs.
- IFRS 7 Financial Instruments: Disclosures and IFRS 19 Non-public Subsidiaries: Disclosures, new disclosure requirements for certain NETAs.

These amendments are effective for reporting periods beginning on or after January 1, 2026. Early application is permitted.

Self-use Exemption for YETAs
If the own-use exemption under IFRS 9 is not applied when purchasing electricity through NETAs, the NETAs are treated as derivatives and measured at fair value through profit or loss, which can lead to significant volatility in the income statement because NETAs are generally long-term contracts.
In order for the own-use exemption to apply to NETs, IFRS 9 requires entities to assess whether the contract is appropriate for the entity's expected purchase or use requirements - for example, if the entity expects to consume the purchased electricity. The unique characteristics of electricity, its inability to be stored, and the requirement to sell unused electricity to the market within a short period of time, and for those sales to occur on market terms, are not subject to short-term price speculation, which has created a need for clarity in applying the current exemption. The amendments allow companies to apply the own-use exemption for NETAs if they are expected to continue to be net buyers of electricity during the contract period.

These amendments are applied retrospectively based on the facts and circumstances at the beginning of the first application reporting period, without requiring restatement of prior periods.

Hedge Accounting Requirement for YETAs
The hedge accounting requirements in IFRS 9 have been amended to permit the application of hedge accounting for NETAs, as virtual NETAs (contracts for difference) and NETAs that do not meet the own-use exemption are accounted for as derivatives and measured at fair value through profit or loss. This change is intended to reduce profit or loss volatility:

- It allows entities to designate a variable nominal volume of renewable electricity sales or purchases as the hedging instrument, rather than a fixed volume.

- It allows them to measure the hedged item with the same volume assumptions used as the hedging instrument.

These amendments apply prospectively only to new hedging transactions designated after the date of initial application. It also allows entities to terminate an existing hedge accounting relationship and designate the same hedging instrument (i.e. contracts for electricity generated from natural resources) in a new hedging relationship and apply the amendments.

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

2.4 New and Revised Turkish Accounting Standards (cont'd)

Changes that have entered into force and have been implemented

Effective for annual periods beginning on or after January 1, 2024, the amendments are as follows:

1) Classification of Liabilities as Current or Non-Current (Amendments to TAS 1)

2) Lease liability in sale and leaseback transactions - Amendments to TFRS 16 Leases

3) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Amendments to Disclosures - Supplier Financing Agreements

4) TSRS 1 General requirements for disclosure of sustainability-related financial information and TSRS 2 Climate-related disclosures

5) International Tax Reform - Second Pillar Model Rules - Amendments to IAS 12 : The IASB has amended IAS 12 to introduce a temporary mandatory exemption from accounting for deferred tax arising from legislation implementing the Global Anti-Baseline Erosion Rules ("GloBE model rules"). Under this exemption, companies are exempted from the obligation to recognize and disclose deferred tax on additional tax. However, they are required to disclose that the exemption applies.

The exemption is effective immediately and is applied retrospectively in accordance with IAS 8. It will remain in effect until the IASB decides to remove or make permanent this exemption. The related amendments have been issued by POA by amending TAS 12 in the same way.

These newly adopted amendments did not have a significant impact on the Group's consolidated financial statements.

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

2.5 Summary of Significant Accounting Policies

Related Parties

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

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

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

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

(i) The entity and the reporting entity are members of the same group (i.e. each parent, subsidiary and other subsidiary is related to the others).

(ii) The entity is an associate or joint venture of the other entity (or 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 that third entity.

(v) The entity has a post-employment benefit plan for employees of the reporting entity or of an entity related to the reporting entity. If the reporting entity itself has 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 clause (i) of clause (a) has significant influence over the entity or is a member of the key management personnel of that entity (or of its parent).

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

Revenue

Revenue is reflected in the consolidated financial statements based on the transaction price. The transaction price is the amount that the company expects to be entitled to in return for transferring the promised goods or services to the customer, excluding the amounts collected on behalf of third parties. When the control of the goods or services is transferred to its customers, the Group reflects the relevant amount as revenue in its consolidated financial statements.

The Group recognizes revenue in its consolidated financial statements within the scope of the five-stage model below in accordance with TFRS 15 "Revenue from Customer Contracts Standard", which entered into force as of January 1, 2018.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Revenue (cont'd)

• Defining contracts with customers
• Defining performance obligations in contracts
• Determining transaction price in contracts
• Allocating transaction price to performance obligations.
• Recognizing revenue

The Group evaluates the cement and clinkers it commits to in each contract with customers and determines each commitment to transfer the relevant goods or services as a separate performance obligation. For each performance obligation, whether the performance obligation will be fulfilled over time or at a specific time is determined at the beginning of the contract. If the Group transfers control of a good or service over time and therefore fulfills its performance obligations related to the relevant sales over time, it measures the progress towards fulfilling the relevant performance obligations completely and records the revenue in the financial statements over time. When the Company fulfills or continues to fulfill its performance obligation by transferring a promised good or service to its customer, it records the transaction price corresponding to this performance obligation as revenue in its financial statements. When the control of the goods or services is transferred (or passed) to the customers, the goods or services are transferred. When the Group evaluates the transfer of control of the sold good or service to the customer, it considers:

- The Group's ownership of the right to collect the goods or services,
- The customer's ownership of the legal title to the goods or services,
- The transfer of control over the goods or services,
- The customer's ownership of significant risks and rewards arising from ownership of the goods or services,
- The customer's acceptance conditions for the goods or services are taken into account.

Significant financing component

The Company reviews the amount reflecting the cash sales price of the promised goods or services with the amount committed to be paid for the effect of a significant financing component. As a practical application, if the Company expects the period between customer payment and transfer of goods or services to be one year or less at the inception of the contract, it may not adjust the transaction price for the effects of a significant financing component. In cases where the Company's obligations during the period, advances received and the payment schedule are broadly consistent, the Company assesses that the period between fulfillment of the obligation and payment will never exceed 12 months. If the expiration date between the date of transfer of the goods or services and the date on which the customer pays for the goods or services is one year or less by utilizing the facilitative application in IFRS 15, no adjustment is made to the transaction price for the effect of a significant financing component.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Stocks

Stocks are valued at the lower of cost and net realizable value. Costs, which include a portion of fixed and variable general production expenses, are valued according to the method appropriate to the class to which the stocks are affiliated, and mostly according to the weighted average cost method. Net realizable value is obtained by deducting the total of the estimated completion cost and the estimated costs to be incurred to make the sale from the estimated sales price incurred in ordinary commercial activities. When the net realizable value of stocks falls below their cost, stocks are reduced to their net realizable value and reflected as an expense in the profit or loss statement in the year in which the value decrease occurs. In cases where the conditions that previously caused stocks to be reduced to net realizable value are no longer valid or when it is proven that there has been an increase in net realizable value due to changing economic conditions, the allocated value decrease provision is cancelled. The cancelled amount is limited to the previously allocated value decrease amount.

Property Plant Equipment

Property Plant Equipment are shown at the amount after deducting accumulated depreciation and accumulated value decreases from their cost values. Land and plots are not subject to depreciation and are shown at the amount after deducting accumulated value decreases from their cost values.

Assets under construction for administrative purposes or other purposes not yet determined are shown at their cost values minus any value decreases. Legal fees are also included in the cost. When the construction of these assets is completed and they are ready for use, they are classified into the relevant tangible fixed asset item. Such assets are depreciated when they are ready for use, as in the depreciation method used for other fixed assets.

Except for land and investments in progress, the cost amounts of tangible fixed assets are depreciated using the straight-line depreciation method according to their expected useful lives. The expected useful lives, residual values and depreciation methods are reviewed annually for the possible effects of changes in estimates and if there is a change in estimates, they are accounted for prospectively.

There are spare parts transferred from stocks in tangible fixed assets. These spare parts are kept in hand due to the fact that the operations of the machinery and equipment used in production are not interrupted. However, they are ready to be used. The Group follows the spare parts in tangible fixed assets in terms of its accounting policy. Since they have not yet started to be used and there is no risk of depreciation, depreciation is not applied.

When a tangible fixed asset is disposed of or if no future economic benefit is expected from its use or sale, it is excluded from the financial position statement. The gain or loss arising from the disposal of tangible fixed assets or the decommissioning of a tangible fixed asset is determined as the difference between the sales revenue and the book value of the asset and is included in the profit or loss statement.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Intangible Fixed Assets

Goodwill

Business combinations are accounted for using the purchase method within the scope of TFRS 3, "Business Combinations" standard. The difference between the purchase price and the (i) value of net identifiable assets and contingent liabilities in the statement of financial position prepared in accordance with TFRS 3 on the purchase date, (ii) value of non-controlling interests and (iii) fair value of previously held shares of the acquired business is accounted for as goodwill. If this difference is negative, no goodwill is created and the difference is accounted for in the "Income from investment activities" account as gain from bargain purchase. Goodwill resulting from a business combination is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to cash-generating units or groups of cash-generating units expected to provide benefits.

In this method, the purchase price is measured at the fair value of cash or other assets given, capital instruments issued or liabilities assumed on the purchase date. If the business combination agreement includes provisions that foresee that the purchase price may be adjusted depending on future events; If this correction is probable and its value can be determined, this correction is included in the purchase price on the merger date. The costs related to the purchase transaction are expensed in the period they are incurred.

In the consolidated financial position statement of the acquired company, as of the purchase date and in accordance with the provisions of TFRS 3, the identifiable assets, liabilities and contingent liabilities of the acquired company are measured at their fair values.

Goodwill generated during the business combination is not subject to amortization, but is instead subject to an impairment test once a year (as of December 31) or at more frequent intervals when conditions indicate an impairment. Impairment losses calculated on goodwill are not associated with the profit or loss statement in subsequent periods, even if the impairment in question is eliminated. Goodwill is associated with cash-generating units during the impairment test. Legal mergers between businesses controlled by the Group are not evaluated within the scope of TFRS 3. Therefore, goodwill is not recognized in such transactions.

Computer software

Purchased computer software is capitalized based on the costs incurred during purchase and from the time it is purchased until it is ready for use. These costs are amortized over their useful lives.

Costs associated with developing and maintaining computer software are recorded in the profit or loss statement in the period they are incurred. Expenses that are directly attributable to identifiable and unique software products that are under the Group's control and that will provide economic benefits above their cost for more than one year are considered intangible assets. Costs include the costs of employees developing the software and a portion of general production expenses.

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

2.5 Summary of Significant Accounting Policies (cont'd)

<u>Derecognition of intangible assets</u>

An intangible asset is derecognized when it is disposed of or when no future economic benefits are expected to be obtained from its use or sale. The profit or loss arising from the derecognizing of an intangible asset is calculated as the difference between the net collections from the disposal of the assets, if any, and their book values. This difference is recognized in profit or loss when the relevant asset is derecognized.

Impairment of Propery Plant Equipment and Intangible Fixed Assets Other Than Goodwill

The Group reviews the carrying amount of its tangible and intangible assets, excluding goodwill, to determine whether there is an impairment in its assets at each reporting date. In the event of an impairment in assets, the recoverable amount of the assets, if any, is measured to determine the amount of the impairment. In cases where the recoverable amount of an asset cannot be measured, the Group measures the recoverable amount of the cash-generating unit associated with the asset. If a reasonable and consistent allocation basis is determined, the company's assets are allocated to the cash-generating units. In cases where this is not possible, the Group's assets are allocated to the smallest cash-generating units to determine a reasonable and consistent allocation basis.

Intangible assets with indefinite economic lives that are not ready for use are tested for impairment at least once a year or if there is an indication of impairment. The recoverable amount is the higher of the fair value of an asset or cash-generating unit less costs to sell and its value in use. The value in use is the present value of the future cash flows expected to be obtained from an asset or cash-generating unit. In calculating the value in use, a pre-tax discount rate reflecting the value in use of money according to the current market valuation and the risks specific to the asset that are not taken into account in future cash flow estimates is used.

In cases where the recoverable amount of an asset (or cash-generating unit) is lower than its book value, the book value of the asset (or cash-generating unit) is reduced to its recoverable amount. In cases where the relevant asset is not measured at the revalued amount, the impairment loss is recognized directly in profit/loss.

In cases where the impairment loss is reversed in subsequent periods, the book value of the asset (or cash-generating unit) is increased to match the updated estimated amount for the recoverable amount. The increased book value should not exceed the book value that the asset (or cash-generating unit) would have reached if no impairment loss had been recognized for the asset in previous periods. Unless the asset is shown at a revalued amount, the reversal of the impairment loss is directly recognized in profit/loss.

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

2.5 Summary of Significant Accounting Policies (cont’d)

Borrowing Costs

In the case of assets that require significant time to be ready for use and sale (specialized assets), borrowing costs directly associated with their purchase, construction or production are included in the cost of the asset until the relevant asset is ready for use or sale. There are no special assets as of December 31, 2024 and 2023.

Financial Instruments

Financial assets and liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets and liabilities are initially measured at their fair value. Transaction costs directly related to the acquisition or issuance of financial assets and liabilities (excluding financial assets and liabilities at fair value through profit or loss) are added to or subtracted from the fair value of those financial assets and liabilities, as appropriate, at initial recognition. Transaction costs directly related to the acquisition or issuance of financial assets and liabilities are directly reflected in profit or loss.

Financial assets

Financial assets traded through regular means are recognized or excluded at the transaction date.

The Group classifies its financial assets as measured at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss, based on the characteristics of the contractual cash flows of the financial asset. When an entity changes its business model for managing financial assets only, it reclassifies all financial assets affected by this change. The reclassification of financial assets is applied prospectively from the reclassification date. In such cases, no adjustments are made to previously recognized gains, losses (including impairment gains or losses) or interest.

<u>Classification of financial assets</u>

Financial assets are subsequently measured at amortised cost if:

• the financial asset is held within a business model that aims to collect contractual cash flows; and
• the contractual terms of the financial asset result in cash flows that consist solely of payments of principal and interest on the principal outstanding on specified dates.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Classification of financial assets (cont'd)

Financial assets that meet the following conditions are measured at FVTPL:
• The financial asset is held within a business model that aims to collect contractual cash flows and sell the financial asset; and
• The contractual terms of the financial asset result in cash flows that consist solely of payments of principal and interest on the principal outstanding on specified dates.

If a financial asset is not measured at amortized cost or FVTPL, it is measured at FVTPL.

On initial recognition, the Group may make an irrevocable choice to present subsequent changes in the fair value of an investment in an equity instrument not held for trading purposes in FVTPL.

Amortized cost and effective interest method

Interest income for financial assets stated at amortized cost is calculated using the effective interest method. The effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income to the relevant period. This income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset, except for the following:

(a) Financial assets that are credit-impaired when purchased or originated. For such financial assets, the entity applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from the initial recognition in the financial statements.

(b) Financial assets that are not credit-impaired financial assets when purchased or originated but subsequently become credit-impaired financial assets. For such financial assets, the entity applies the effective interest rate to the amortized cost of the asset in subsequent reporting periods.

Interest income is recognized using the effective interest method for debt instruments whose amortized cost and fair value changes are reflected in other comprehensive income in subsequent accounting.

Interest income is recognized in profit or loss and shown in the "finance income – interest income" line item (Note 25).

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

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

Classification of financial assets (continued)

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

Financial assets that do not meet the criteria for measurement at amortised cost or FVTPL are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each period and all changes in fair value are recognised in profit or loss, unless the related financial assets are part of a hedging transaction.

(iii) Equity instruments at FVTPL

On initial recognition, the Group may make an irrevocable choice to present subsequent changes in the fair value of each equity instrument not held for trading in other comprehensive income.

A financial asset is deemed to be held for trading if:

- is acquired for sale in the near future; or
- is part of a portfolio of certain financial instruments that the Group manages together at the time of initial recognition and there is recent evidence that the Group has a short-term profit-making tendency; or
- is a derivative instrument (excluding derivative instruments that are financial guarantee contracts or designated and effective hedging instruments).

Investments in equity instruments at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Gains and losses arising from changes in fair value are subsequently recognised in other comprehensive income and accumulate in the revaluation reserve. In the event of disposal of equity investments, the accumulated total gain or loss is transferred to retained earnings.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

Exchange rate gains and losses

The carrying amount of financial assets in foreign currency is determined in the relevant foreign currency and translated at the applicable exchange rate at the end of each reporting period. In particular,

• For financial assets carried at amortised cost and not part of an identified hedging transaction, exchange rate differences are recognised in profit or loss;
• For debt instruments measured at fair value through other comprehensive income and not part of an identified hedging transaction, exchange rate differences calculated on the amortised cost are recognised in profit or loss for the period. All other exchange rate differences are recognised in other comprehensive income;
• For financial assets measured at fair value through profit or loss and not part of an identified hedging transaction, exchange rate differences are recognised in profit or loss for the period; and
• For equity instruments measured at fair value through other comprehensive income, exchange rate differences are recognised in other comprehensive income.

Impairment of financial assets

The Group recognizes impairment provisions in its financial statements for debt instruments, lease receivables, trade receivables, assets arising from contracts with customers and also expected credit losses related to investments in financial guarantee agreements, which are measured at amortized cost or at fair value through other comprehensive income. The expected credit loss amount is updated in each reporting period to reflect changes in credit risk since the initial recognition of the relevant financial asset in the financial statements.

The Group calculates impairment provisions for trade receivables, assets arising from contracts with customers and lease receivables without significant financing elements by using the simplified approach at an amount equal to the expected credit loss over the life of the relevant financial asset.

For all other financial instruments, the Group recognizes lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition. However, if the credit risk of the financial instrument has not increased significantly since initial recognition, the Group recognizes a loss provision for that financial instrument at the amount of 12-month expected credit loss.

Measuring and accounting for expected credit losses

The measurement of expected credit losses is a function of the probability of default, the loss given default (i.e. the size of the loss if default occurs), and the amount at risk given default. The assessment of the probability of default and the loss given default is based on historical data adjusted with forward-looking information. The amount at risk given default of financial assets is reflected in the gross carrying amount of the relevant assets at the reporting date.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

Measuring and accounting for expected credit losses (continued)

The expected credit loss of financial assets is the present value of the difference between all of the Group's contractually due cash flows and all of the cash flows that the Group expects to collect (all cash shortfalls) calculated on the initial effective interest rate (or the credit-adjusted effective interest rate for financial assets that are credit-impaired when purchased or originated).

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights related to the cash flows arising from the financial asset expire or when it transfers the financial asset and all risks and rewards arising from ownership of the financial asset to another entity to a significant extent.

When a financial asset measured at amortized cost is derecognized, the difference between the carrying amount of the asset and the consideration received and to be received is recognized in profit or loss. In addition, in the derecognition of a debt instrument whose fair value change is reflected in other comprehensive income, the total gain or loss previously accumulated in the revaluation fund related to the relevant instrument is reclassified in profit or loss. In the event that an equity instrument that the Group prefers to measure by reflecting the fair value change in other comprehensive income in the initial recognition is derecognized, the total gain or loss accumulated in the revaluation fund is not recognized in profit or loss, but is directly transferred to retained earnings.

Financial liabilities

The entity measures a financial liability at fair value on initial recognition. For liabilities other than those at FVTPL, the transaction costs directly attributable to their acquisition or issue are added to the fair value at initial measurement.

The entity classifies all financial liabilities as subsequently measured at amortised cost, except for:

(a) Financial liabilities at FVTPL: These liabilities, including derivatives, are subsequently measured at fair value.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Financial Instruments (cont'd)

Financial assets (cont'd)

(b) Financial liabilities arising when the transfer of a financial asset does not meet the conditions for derecognition or when the continuing relationship approach is applied: If the Group continues to show an asset in the financial statements to the extent of its continuing relationship, it also reflects a liability related to it in the financial statements. The transferred asset and the related liability are measured in a way that reflects the rights and obligations that the entity continues to hold. The liability related to the transferred asset is measured in the same manner as the net book value of the transferred asset.

(c) Contingent consideration recognized in the financial statements by the acquirer in a business combination where IFRS 3 is applied: After initial recognition in the financial statements, the fair value changes in such contingent consideration are measured by reflecting them in profit or loss.

The entity does not reclassify any financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities only when the Group's obligations are extinguished, cancelled or expire. The difference between the carrying amount of the derecognised financial liability and the amount paid or payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Goodwill

The amount of goodwill created in the acquisition transaction is valued at the cost value on the acquisition date after deducting any impairment provisions.

For the impairment test, goodwill is distributed to the cash-generating units (or cash-generating unit groups) of the Group that expect to benefit from the synergy brought about by the merger.

The cash-generating unit to which the goodwill is allocated is subject to an impairment test every year. If there are indications that the unit is impaired, the impairment test is performed more frequently. If the recoverable amount of the cash-generating unit is lower than its carrying amount, the impairment provision is first separated from the goodwill allocated to the unit, and then the carrying amount of the assets in the unit is reduced. The impairment provision for goodwill is directly recognized in consolidated profit or loss. The goodwill impairment provision is not cancelled in subsequent periods.

During the sale of the relevant cash-generating unit, the amount determined for goodwill is included in the calculation of profit/loss in the sale transaction.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Effects of Exchange Rate Changes (continued)

Foreign Currency Transactions and Balances

The financial statements of each company of the Group are prepared in the currency of the primary economic environment in which they operate (functional currency). The financial position and operating results of each company are expressed in TL, which is the Company's functional currency and the presentation unit for consolidated financial statements.

During the preparation of the financial statements of each company, transactions in foreign currencies (currencies other than TL) are recorded based on the exchange rates on the transaction date. Monetary assets and liabilities indexed to foreign currency in the balance sheet are translated into Turkish Lira using the exchange rates valid on the balance sheet date. Non-monetary items recorded in foreign currency that are monitored at fair value are translated into TL based on the exchange rates on the date the fair value is determined. Non-monetary items in foreign currency measured in terms of historical cost are not subject to retranslation.

Exchange rate differences are recognized in profit or loss in the period in which they occur, except for the following situations:

- Exchange rate differences that are considered as adjustment items for interest costs on debts denominated in foreign currency and related to assets under construction for future use and included in the cost of such assets,
- Exchange rate differences arising from monetary debts and receivables originating from foreign operations that constitute a part of the net investment in a foreign operation, are recognized in translation reserves and are associated with profit or loss on sale of the net investment, and have no intention or possibility of being paid.

Earnings Per Share

Earnings per share stated in the consolidated profit or loss statement are found by dividing the net profit for the period by the weighted average number of shares held during the period.

In Turkey, companies can increase their capital through "free shares" that they distribute to their shareholders from previous year profits. Such "free shares" distributions are evaluated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is found by taking into account the retroactive effects of the said share distributions.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Events After the Reporting Period

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

In the event that events requiring adjustments occur after the balance sheet date, the Group adjusts the amounts included in the financial statements in accordance with this new situation.

Provisions, Contingent Assets and Liabilities

A provision is set aside in the financial statements when there is a current obligation arising from past events, when the obligation is likely to be fulfilled, and when the amount of the obligation can be reliably estimated.

The amount set aside as a provision is calculated by estimating the expenditure to be made to fulfill the obligation in the most reliable way as of the balance sheet date, taking into account the risks and uncertainties related to the obligation. If the provision is measured using the estimated cash flows required to meet the current obligation, the book value of the provision is equal to the present value of the relevant cash flows.

In cases where a part or all of the economic benefit required for the payment of the provision is expected to be met by third parties, the amount to be collected is recognized as an asset when the collection of the relevant amount is almost certain and can be measured reliably.

Reporting Financial Information by Segment

The Group's operating segments are determined based on the activities that generate revenue and have separate financial information. Accordingly, the financial information of companies engaged in the production and trade of cement, concrete, and building materials is shown in the "Construction and building materials" activity group, while the financial information of companies engaged in the production and sale of electric energy is shown in the "Energy" activity group. Apart from these two areas of activity, the assets of the Nuh Group companies engaged in construction, transportation, and service activities do not exceed 10% of the total assets of all operating segments, and therefore, they are shown in the "Construction and building materials" activity group.

Investment Properties

Investment properties are properties held for the purpose of earning rental and/or capital gains, and are shown with the amounts after the accumulated depreciation and any accumulated value decreases are deducted from the cost value. If it meets the accepted criteria, the cost of changing any part of the existing investment property is included in the amount included in the balance sheet. Daily maintenance performed on investment properties is not included in the amount in question. The straight-line depreciation method is used in the depreciation of investment properties. The depreciation period of investment properties is 35-50 years.

Investment properties are derecognized if they are sold or become unusable and if it is determined that no future economic benefit will be obtained from their sale. Profit/loss arising from the completion of the useful life or sale of investment properties are included in the profit or loss statement in the period in which they occur.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Taxes Calculated on Corporate Earnings

Since Turkish Tax Legislation does not allow a parent company and its subsidiary to prepare a consolidated tax return, tax provisions are calculated separately for each business, as reflected in the accompanying consolidated financial statements.

Income tax expense consists of the sum of current tax and deferred tax expense.

Current tax

The current year tax liability is calculated on the taxable part of the profit for the period. Taxable profit differs from the profit reported in the statement of profit or loss because it excludes items that are taxable or deductible in other years and items that are not taxable or deductible. The Group's current tax liability is calculated using the tax rate that has been enacted or substantially enacted as of the reporting date.

Deferred tax

Deferred tax liability or asset is determined by calculating the tax effects of temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base according to the balance sheet method, taking into account the enacted tax rates. While deferred tax liabilities are calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly probable to benefit from the said differences by earning taxable profit in the future. The assets and liabilities in question are not recognized if they arise from the initial recognition of temporary differences, goodwill or other assets and liabilities related to transactions that do not affect commercial or financial profit/loss (other than business combinations).

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

2.5 Summary of Significant Accounting Policies (cont'd)

Taxes Calculated on Corporate Earnings (continued)

Deferred tax (continued)

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and affiliates and shares in joint ventures, except for cases where the Group can control the elimination of temporary differences and where it is unlikely that such differences will be eliminated in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and shares are calculated on the condition that it is highly probable to benefit from such differences by making sufficient taxable profits in the near future and that the relevant differences will be eliminated in the future.

Deferred tax assets and liabilities are calculated based on tax rates (tax regulations) expected to be valid in the period in which the assets will be realized or the liabilities will be fulfilled and that have been legalized or substantially legalized as of the balance sheet date. During the calculation of deferred tax assets and liabilities, the tax consequences of the methods estimated by the Group to recover the book value of its assets or fulfill its liabilities as of the balance sheet date are taken into account.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and current tax liabilities, or when such assets and liabilities are associated with income tax collected by the same tax authority, or when the Group intends to settle current tax assets and liabilities by netting them.

Current and deferred tax for the period

Tax is included in the statement of profit or loss unless it relates directly to a transaction accounted for in equity, otherwise the tax is also accounted for in equity together with the transaction.

Employee Benefits

Employee Termination Benefit:

According to the current laws and collective bargaining agreements in Turkey, severance pay is paid in the event of retirement or termination. According to the updated TMS 19 Employee Benefits Standard ("TMS 19"), such payments are considered defined retirement benefit plans.

The severance pay liability recognized in the balance sheet is calculated according to the net present value of the expected future liability amounts due to the retirement of all employees and is reflected in the financial statements. All calculated actuarial gains and losses are recognized under other comprehensive income.

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

2.5 Summary of Significant Accounting Policies (cont'd)

Employee Benefits (cont'd)

Seniority incentive bonus provision

In accordance with the benefit provided by the Group to employees above a certain level of seniority under the name of "Seniority Incentive Bonus" by some companies, in order to encourage employees' commitment to their jobs and workplaces, employees within the scope who have reached 5 years of seniority are paid 30 days, those with 10 years of seniority 45 days, those with 15 years of seniority 55 days, those with 20 years of seniority 70 days, those with 25 years and 30 years of seniority 75 days of their basic salary, once for each seniority level, together with the salary of the month in which they have completed their seniority.

While calculating the seniority incentive bonus provision in the consolidated financial statements, the Group evaluated the period that has passed since the employees' starting date as of the financial position statement date and recorded the discounted value of the incentives planned to be paid as of the financial position statement date.

Dividend and bonus payments

The Group records dividends and bonuses calculated based on a method that takes into account the profit of the company's shareholders after some adjustments as liabilities and expenses. The Group makes provisions in cases where there is a contractual obligation or a past practice that creates an implicit obligation.

Cash Flow Statement

In the cash flow statement, cash flows for the period are reported by classifying them based on main, investing and financing activities.

Capital and Dividends

Ordinary shares are classified as equity. Dividends distributed on ordinary shares are recorded as deductions from retained earnings in the period in which the dividend decision is made.

2.6 Significant Accounting Judgements, Estimates and Assumptions

Critical decisions taken by the Group in applying its accounting policies

In the process of applying the accounting policies specified in Note 2.5, the management made the following comments (other than the estimates discussed below) that have a significant impact on the amounts recognized in the financial statements.

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

2.6 Significant Accounting Judgements, Estimates and Assumptions (continued)

Critical decisions taken by the Group while applying accounting policies (continued)

Deferred Tax

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between its legal financial statements and financial statements prepared in accordance with TFRS. The Group's subsidiaries have unused tax losses that can be deducted from future profits and deferred tax assets consisting of other deductible temporary differences. The partially or fully recoverable amount of deferred tax assets has been estimated under current conditions. During the evaluation, future profit generation potential, accumulated losses in recent years, history of carried forward losses and other tax deductions that are about to expire, statute of limitations regarding the carrying forward of deferred tax assets, future cancellations of existing taxable temporary differences, tax planning strategies, and the type of income to which the deferred tax asset will be subject to deduction are taken into consideration. In light of the data obtained, since the Group estimates that future taxable profits will be sufficient to cover all of the deferred tax assets, all of the deferred tax assets have been recorded.

Main sources of computational uncertainty

Significant future assumptions that have significant risks that will cause major adjustments to the carrying value of assets and liabilities in the next period and other main sources of calculation uncertainty at the reporting date are set out below.

Estimated impairment of goodwill

The Group tests the goodwill amount for impairment each year in accordance with the accounting policy stated in Note 2.5. The recoverable amounts of cash-generating units are determined according to value-in-use calculations. The assumptions used by the Group during the goodwill impairment test are explained in Note 15.

Useful lives of property plant and equipment

The Group reviews the expected useful lives of property, plant and equipment at the end of each reporting period. The planned use of property, plant and equipment, advances in technology related to particular assets are taken into account, as are other factors that may require adjustments to extend or shorten the useful lives and related depreciation of assets.

Provisions for lawsuits

When making provisions for lawsuits, the probability of losing the lawsuits and the liabilities that will arise in case of loss are evaluated by the Group management by taking the opinions of the legal advisors and experts of the Company and the subsidiaries. The Group management determines the amount of the lawsuit provision based on the best estimates.

Employee termination benefit and seniority incentive provisions

Employee termination benefit liability and seniority incentive bonus provision are determined using actuarial assumptions (discount rates, future salary increases and employee turnover rates) (Note 17).

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

3. SHARES IN OTHER ENTITIES

Associates

The Group sold all of its 4,24% shares of Oyak Çimento Fabrikaları A.Ş., which were accounted for as a financial investment, on July 29, 2024. The explanation regarding the transaction is explained in detail in footnote 1.

4. SEGMENT REPORTING

The Group has implemented TFRS 8 as of 1 January 2009 and determined operating segments based on internal management of reports used by governing body by the competent authority to make decisions about the Group's operations.

The revenue of the Group's reportable operating segments is mainly due to cement sales in foreign and domestic markets.

Information on the operating segments based on the Group's internal reporting is as follows:

1 January - 31 December 2024	**Construction and construction materials**	**Energy**	**Consolidation Adjustments**	**Total**
Third party sales	15.412.354.476	70.940.398	-	15.483.294.874
Cross-departmental sales	2.182.328.378	-	(2.182.328.378)	-
Net Sales	**17.594.682.854**	**70.940.398**	**(2.182.328.378)**	**15.483.294.874**
Cost of sales	(13.447.364.505)	(18.266.436)	2.182.328.378	(11.283.302.563)
Gross Profit	**4.147.318.350**	**52.673.961**	**-**	**4.199.992.311**
Total assets	24.250.425.240	-	-	24.250.425.240
Total liabilities	4.778.494.295	-	-	4.778.494.295

1 January - 31 December 2023	**Construction and construction materials**	**Energy**	**Consolidation Adjustments**	**Total**
Third party sales	19.269.714.228	71.999.377	-	19.341.713.605
Cross-departmental sales	2.000.657.427	-	(2.000.657.427)	-
Net satışlar	**21.270.371.654**	**71.999.377**	**(2.000.657.427)**	**19.341.713.605**
Cost of sales	(16.712.706.959)	(13.881.587)	2.000.657.427	(14.725.931.119)
Gross Profit	**4.557.664.696**	**58.117.790**	**-**	**4.615.782.486**
Total assets	27.286.362.684	-	-	27.286.362.684
Total liabilities	8.040.361.183	-	-	8.040.361.183

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

5. RELATED PARTY DISCLOSURES

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Trade receivables from related parties arise mainly from sale transactions of cement and construction supplies of the Company and its subsidiaries.

	31 December 2024			
	Current			
	Trade Receivables	Trade Payables	Sales	Donates
Advance dividend payables to shareholders	-	416.928.974	-	-
Nuh Çimento Eğitim ve Sağlık Vakfı (2) (*)	-	-	4.596.949	34.738.887
		416.928.974	4.596.949	34.738.887

	31 December 2024			
	Current			
	Trade Receivables	Trade Payables	Sales	Donates
Nuh Çimento Eğitim ve Sağlık Vakfı (2) (*)	6.151.890	-	15.104.803	37.723.084
	6.151.890	-	15.104.803	37.723.084

(1) Financial investments of the Company
(2) Foundation which was established by the Company with the decision of Council of Ministers
(*) Amounts consist of concrete sales that the Group has made to Nuh Çimento Eğitim ve Sağlık Vakfı.

Compensation of key management personnel:

Key management personnel consist of members of Board of Directors and Executive Board members. The compensation of key management personnel includes salaries, bonus, health insurance and transportation etc. The remuneration of key management personnel during the year were as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Salaries and other short-term benefits	115.103.449	112.613.070

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

6. TRADE RECEIVABLES AND PAYABLES

a) Trade Receivables:

As of the reporting date, details of the Group's trade receivables are as follows:

	31 December 2024	31 December 2023
Trade receivables	1.112.233.041	1.539.159.762
Trade receivables from related parties (Note: 21)	-	6.151.890
Cheques Receivable	732.948.747	260.632.612
Notes receivable	177.295.417	719.783.145
Provision for doubtful receivables (-)	(105.871.012)	(148.295.119)
	1.916.606.192	2.377.432.290

Trade receivables are receivables from customers for products sold or services provided in the normal course of business. The maturity of trade receivables is generally 40 days and they are classified as short-term trade receivables. The Group holds its trade receivables for the purpose of collecting contractual cash flows and therefore measures them at amortized cost using the effective interest method (31 December 2023: 40 days).

As of December 31, 2024, a provision for doubtful receivables has been set aside for the portion of trade receivables in the amount of TL 105,871,012 (December 31, 2023: TL 148,295,119). A significant portion of doubtful trade receivables consist of provisions at varying rates depending on the delays, within the scope of the Group's general policy within the scope of the application of TFRS 9, for companies that unexpectedly experience economic difficulties and are in the process of legal proceedings.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

6. TRADE RECEIVABLES AND PAYABLES (cont'd)

a) Trade Receivables (cont'd):

Movements on the Group provision for doubtful trade receivables are as follows:

Movement of doubtful receivables	1 January - 31 December 2024	1 January - 31 December 2023
Opening balance	148.295.121	223.832.712
Payments and reversal of unnecessary reserve	(5.469.193)	(5.483.481)
Charge for the period	8.627.653	24.605.675
Monetary Gain/Loss	(45.582.569)	(94.659.787)
Closing balance	105.871.012	148.295.119

As of 31 December 2024, there are no guarantees received from customers for doubtful trade receivables (31 December 2023: None).

The aging of trade receivables are as follows:

	31 December 2024	31 December 2023
Neither not past due, nor imparied	1.259.635.820	1.546.136.590
Past due / overdue but not impaired	551.099.360	683.000.581
Impaired and provided for	105.871.012	148.295.119
	1.916.606.192	2.377.432.290

As of December 31, 2024, trade receivables in the amount of TL 551,099,360 (December 31, 2023: TL 683,000,581) are overdue, but since their collectibility has not been lost, they are not considered as doubtful receivables. Provisions have been set aside for the unsecured parts of these receivables within the scope of TFRS 9 application, at varying rates depending on the delays, within the Company's general policy. The maturity analysis of these receivables is as follows:

	31 December 2024	31 December 2023
1 - 3 months	534.085.492	661.914.580
3 - 6 months	1.058.056	1.311.293
6 - 9 months	574	712
Over 9 months	15.955.238	19.773.996
	551.099.360	683.000.581

The amount of letters of guarantee received from customers for receivables that are overdue but not impaired is TL 125,171,945 (31 December 2023: TL 182,779,915).

The Group measures the impairment for trade receivables at an amount equal to the lifetime expected credit loss. Expected credit losses on trade receivables are estimated using a provision matrix created by looking at the customer's past default status, analyzing the current financial situation, and considering the general economic conditions of the industry in which the relevant customer operates and the conditions at the reporting date.

There has been no significant change in the Group Management's estimates and assumptions in the current period.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

6. TRADE RECEIVABLES AND PAYABLES (cont'd)

b) Trade Receivables:

The Group's trade payables are as follows as of the balance sheet date:

	31 December 2024	31 December 2023
Trade payables	1.303.301.111	1.157.182.551
Notes payable	307.442.762	13.403.574
Expense Accruals	506.579	1.440.673
	1.611.250.451	1.172.026.798

The average payment term for purchases of certain goods is 32 days (31 December 2023: 34 days).

Explanations regarding the nature and level of risks in trade receivables and payables are provided in note 29.

7. OTHER RECEIVABLES AND PAYABLES

a) Other Receivables

Short-term other receivables	31 December 2024	31 December 2023
Other short-term receivables (*)	32.346.503	5.835.045
Due from personnel	16.218.662	12.274.171
Deposits and quarantees given	218.793	7.799.013
Provision for doubtful receivables (-)	(648.829)	(2.164.062)
	48.135.129	23.744.167

(*) As of December 31, 2024, the amount of TL 27,081,245 consists of receivables from the tax office.

Provision expenses related to other doubtful receivables are recognized in other expenses.

Long-term other receivables	31 December 2024	31 December 2023
Deposits and quarantees given	3.737.947	5.519.792
	3.737.947	5.519.792

b) Other Payables

Short-term other payables	31 December 2024	31 December 2023
Taxes and dues payable	93.871.866	57.783.535
Deposits and quarantees taken	3.910.082	25.440.638
Other payable	2.258.992	1.360.222
	100.040.940	84.584.395

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

8. OTHER CURRENT AND NON CURRENT ASSETS

Other current assets	31 December 2024	31 December 2023
Deferred VAT	133.138.053	218.987.429
Personnel advances	6.185.042	7.007.036
	139.324.176	225.994.465

Other non-current assets	31 December 2024	31 December 2023
Deductible VAT in future years	-	2.507.921
	-	2.507.921

9. INVENTORIES

	31 December 2024	31 December 2023
Raw materials	1.027.247.674	936.239.424
Work in process	638.651.197	583.285.824
Finished goods	25.392.204	84.953.244
Trade goods	912.827	996.065
	1.692.203.902	1.605.474.557

10. PREPAID EXPENSES AND DEFERRED REVENUES

Short term prepaid expenses	31 December 2024	31 December 2023
Order advances given for inventory purchase	710.251.694	96.504.125
Prepaid expenses	77.221.719	60.053.524
	787.473.413	156.557.649

Long term prepaid expenses	31 December 2024	31 December 2023
Order advances given for fixed asset purchase	104.562.375	106.845.851
Prepaid expenses	5.859.057	4.143.769
	110.421.433	110.989.620

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

10. PREPAID EXPENSES AND DEFERRED REVENUES (cont'd)

Short-term deferred income	31 December 2024	31 December 2023
Advances received	198.694.707	218.390.796
Deferred income	1.132.633	1.000.356
	199.827.340	219.391.152

11. INVESTMENT PROPERTIES

Cost Value	Land	Buildings	Advances given	Total
Opening balance as of 1 January 2024	768.754.582	2.039.901.739	1.202.252	2.809.858.573
Additions	-	-	-	-
Disposals	(53.892.645)	(41.273.500)	-	(95.166.145)
Transfers	-	542.994	(542.994)	-
Closing balance as of 31 December 2024	714.861.937	1.999.171.233	659.258	2.714.692.428

Accumulated Depreciation	Land	Buildings	Advances given	Total
Opening balance as of 1 January 2024	-	(387.883.694)	(748.099)	(388.631.793)
Charge of the year	-	(40.110.107)	(43.950)	(40.154.057)
Disposal	-	3.428.545	-	3.428.545
Transfers	-	(542.994)	542.994	-
Closing balance as of 31 December 2024	-	(425.108.250)	(249.055)	(425.357.305)
Carrying value as of 31 December 2024	714.861.937	1.574.062.983	410.203	2.289.335.123

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

11. INVESTMENT PROPERTIES (cont'd)

Cost Value	Land	Buildings	Advances given	Total
Opening balance as of 1 January 2023	776.036.862	2.039.609.462	1.202.252	2.816.848.577
Additions	-	292.277	-	292.277
Disposal	(7.282.280)	-	-	(7.282.280)
Closing balance as of 31 December 2023	768.754.582	2.039.901.739	1.202.252	2.809.858.573

Accumulated Amortization	Land	Buildings	Advances given	Total
Opening balance as of 1 January 2023	-	(348.089.469)	(695.097)	(348.784.566)
Charge of the year	-	(39.794.225)	(53.001)	(39.847.226)
Closing balance as of 31 December 2023	-	(387.883.694)	(748.099)	(388.631.793)
Carrying value as of 31 December 2023	768.754.582	1.652.018.045	454.154	2.421.226.780

All depreciation expenses are included in expenses from investment activities (31 December 2023: included in expenses from investment activities).

Investment properties consist of market and hotel blocks and land and buildings held by the Group for investment purposes. The Group evaluates whether there is any indication that there is a loss of value in investment properties. If there is such an indication, it compares the fair value of that asset with its carrying value and reflects the identified value decreases in the records.

As of 31 December 2024, the Group management, in line with the decision it has taken, has determined the fair value of the market and hotel blocks within the investment properties. The fair value of the buildings within the Group's investment properties has been determined by ACE Gayrimenkul Değerleme ve Danışmanlık A.Ş., an independent valuation company from the Group. The fair value of the bazaar with a net book value of TL 368,998,104 has been determined as TL 1,199,962,317 and the fair value of the hotel blocks with a net book value of TL 1,043,859,538 has been determined as TL 2,118,000,000. (December 31, 2023: Fair value of hotel and bazaar blocks: TL 2,127,421,197). The valuation was determined using the discounted cash flow method. In the valuation study, a capitalization rate of 8% and a nominal discount rate of 33,15% were used.

The total rental income obtained by the Group from its investment properties in the accounting period ending on December 31, 2024 is TL 174,991,277 (December 31, 2023: TL 224,949,183). The property tax paid by the Group for its investment properties is TL 2,859,555 (31 December 2023: TL 6,843,336) (Note: 24).

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

11. INVESTMENT PROPERTIES (cont'd)

The Group's investment properties and the fair value hierarchy of these assets as of December 31, 2024 are shown in the table below:

		Fair value as at reporting period		
	31 December 2024	Level 1 TL	Level 2 TL	Level 3 TL
Hotel and Shopping Mall	3.317.962.317	-	-	3.317.962.317

		Fair value as at reporting period		
	31 December 2023	Level 1 TL	Level 2 TL	Level 3 TL
Hotel and Shopping Mall	2.127.421.197	-	-	2.127.421.197
Buildings	182.343.844	-	-	182.343.844
Lands	1.276.156.853	-	-	1.276.156.853

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

12. FIXED ASSETS

	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Motor Vehicles	Furniture and Fixture	Other Tangible Fixed Assets	Leasehold Improvements	Construction in Progress	Total
Cost Value										
Opening balance as of 1 January 2024	833.697.762	1.917.281.060	3.232.883.451	16.553.645.816	2.566.409.695	1.102.050.472	11.116.122	154.343.721	1.220.791.591	27.592.219.690
Additions	171.285.648	-	20.128.302	624.324.459	490.772.942	58.807.800	-	30.755.076	116.499.772	1.512.573.999
Disposals	-	(1.924.568)	-	(45.623.838)	(71.261.871)	(1.013.341)	(315.493)	(647.432)	-	(120.786.542)
Transfers from inventory	-	-	-	65.157.536	-	-	-	-	-	65.157.536
Transfers	-	365.723	101.870.766	697.469.688	-	24.515	-	-	(799.730.692)	0
Closing balance as of 31 December 2023	1.004.983.411	1.915.722.215	3.354.882.518	17.894.973.661	2.985.920.766	1.159.869.446	10.800.629	184.451.366	537.560.671	29.049.164.683
Accumulated Depreciation										
Opening balance as of 1 January 2024	-	(1.511.573.691)	(2.138.703.111)	(13.092.096.820)	(1.316.718.575)	(953.427.015)	(11.116.122)	(104.801.911)	-	(19.128.437.245)
Charge of the year	-	(30.730.782)	(30.720.874)	(687.929.168)	(280.720.626)	(46.774.679)	315.493	(24.257.627)	-	(1.100.818.263)
Disposals	-	1.924.568	-	45.623.838	66.954.784	1.057.108	-	647.432	-	116.207.729
Closing balance as of 31 December 2024	-	(1.540.379.905)	(2.169.423.985)	(13.734.402.149)	(1.530.484.418)	(999.144.586)	(10.800.629)	(128.412.106)	-	(20.113.047.778)
Carrying value as of 31 December 2024	1.004.983.411	375.342.310	1.185.458.533	4.160.571.512	1.455.436.348	160.724.860	-	56.039.260	537.560.671	8.936.116.905

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

12. FIXED ASSETS (cont'd)

	Land	Land Improvements	Buildings	Plant, Machinery and Equipment	Motor Vehicles	Furniture and Fixture	Other Tangible Fixed Assets	Leasehold Improvements	Construction in Progress	Total
Cost Value										
Opening balance as of 1 January 2023	833.697.762	1.878.236.286	3.240.010.206	16.296.954.909	1.852.886.271	1.043.434.504	11.116.122	121.665.873	678.439.536	25.956.441.468
Additions	4.411.886	35.238.149	21.325.434	167.187.117	255.121.935	50.920.727	-	594.956	1.184.116.075	1.718.916.279
Disposals	(4.411.885)	(78.963)	(29.832.469)	(113.431.195)	(39.419.060)	(9.959.880)	-	-	-	(197.133.452)
Transfers from inventory	-	-	-	113.995.395	-	-	-	-	-	113.995.395
Transfers	-	3.885.589	1.380.279	88.939.590	497.820.550	17.655.120	-	32.082.892	(641.764.020)	-
Closing balance as of 31 December 2023	833.697.762	1.917.281.060	3.232.883.451	16.553.645.816	2.566.409.695	1.102.050.472	11.116.122	154.343.721	1.220.791.591	27.592.219.690
Accumulated Depreciation										
Opening balance as of 1 January 2023	-	(1.443.443.265)	(2.108.551.249)	(12.630.954.082)	(1.182.329.412)	(929.337.760)	(11.116.122)	(93.820.785)	-	(18.399.552.674)
Charge of the year	-	(68.199.301)	(59.947.193)	(553.344.270)	(167.285.437)	(33.812.750)	-	(10.981.126)	-	(893.570.077)
Disposals	-	68.874	29.795.332	92.201.533	32.896.273	9.723.495	-	-	-	164.685.507
Closing balance as of 31 December 2023	-	(1.511.573.691)	(2.138.703.111)	(13.092.096.820)	(1.316.718.575)	(953.427.015)	(11.116.122)	(104.801.911)	-	(19.128.437.245)
Carrying value as of 31 December 2023	833.697.762	405.707.368	1.094.180.340	3.461.548.997	1.249.691.120	148.623.457	-	49.541.811	1.220.791.591	8.463.782.445

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

12. FIXED ASSETS (cont'd)

The useful lives for property, plant and equipment is as follows:

	Useful lifes
Land Improvements	15-50 years
Buildings	25-50 years
Plant, Machinery and Equipment	5-25 years
Motor Vehicles	4-15 years
Furniture and Fixture	3-25 years
Other Tangible Fixed Assets	3-10 years
Leasehold Improvements	5-10 years

Of the depreciation expenses related to tangible fixed assets, intangible fixed assets and right of use assets, TL 1.053.227.139 (December 31, 2023: TL 863.328.702) was included in the cost of goods sold, TL 774.129 (December 31, 2023: TL 394.556) in marketing expenses, TL 84.422.033 (December 31, 2023: TL 86.709.504) in general administrative expenses and TL 18.963.556 (December 31, 2023: TL 13.378.215) in the cost of inventories.

As of 31 December 2024, the total insurance amount of the Group's property, plant and equipment is TL 35.318.910.015 (31 December 2023: TL 42.849.323.788).

Mortgages Given

As of 31 December 2024 and 2023, the Group has no pledge/mortgage positions.

13. INTANGIBLE ASSETS

Cost Value	Rights	Other intangible assets	Total
Opening balance as of 1 January 2024	617.704.743	4.152.943	621.857.686
Additions	8.288.978	478.261	8.767.239
Disposals	(7.951.314)	-	(7.951.314)
Closing balance as of 31 December 2024	618.042.407	4.631.204	622.673.611
Accumulated Amortization			
Opening balance as of 1 January 2024	(286.073.514)	(3.630.508)	(289.704.022)
Charge for the period	(22.129.049)	(11.011)	(22.140.059)
Çıkışlar	7.951.314	-	7.951.314
Closing balance as of 31 December 2024	(300.251.248)	(3.641.519)	(303.892.766)
Carrying value as of 31 December 2024	317.791.159	989.686	318.780.844

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

13. INTANGIBLE ASSETS (cont'd)

Cost Value	Rights	Other intangible assets	Total
Opening balance as of 1 January 2023	608.704.324	3.776.664	612.480.988
Additions	9.000.420	376.279	9.376.698
Disposals	-	-	-
Closing balance as of 31 December 2023	617.704.743	4.152.943	621.857.686
Accumulated Amortization			
Opening balance as of 1 January 2023	(265.588.346)	(3.624.113)	(269.212.459)
Charge for the period	(20.485.168)	(6.395)	(20.491.562)
Closing balance as of 31 December 2023	(286.073.514)	(3.630.508)	(289.704.022)
Carrying value as of 31 December 2023	331.631.229	522.435	332.153.664

Useful lives of intangible assets are as follows;

	Useful Life
Rights	4-20 years
Other intangible assets	1-10 years

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

14 RIGHT-OF-USE ASSETS

The Group's right-of-use asset movements as of the reporting period are as follows:

Cost Value	Land	Port area and pier usage	Vehicles	Buildings	Total
1 January 2024	344.427	318.432.118	106.749.407	4.465.932	429.991.885
Additions	5.612.993	-	-	-	5.612.993
Disposals	-	(121.090.928)	(36.451.072)	(2.809.889)	(160.351.890)
31 December 2024	5.957.420	197.341.190	70.298.335	1.656.043	269.639.995
Accumulated Depreciation					
1 January 2024	(120.548)	(99.066.531)	(54.199.333)	(3.721.609)	(157.108.022)
Charge of the year	(47.712)	(15.713.219)	(17.923.281)	(744.323)	(34.428.536)
Disposals	3.190.624	8.819.462	5.136.534	2.852.885	19.999.505
31 December 2024	3.022.364	(105.960.288)	(66.986.081)	(1.613.047)	(171.537.053)
Carrying value as of 31 December 2024	8.979.784	91.380.901	3.312.255	42.996	98.102.942

Cost Value	Land	Port area and pier usage	Vehicles	Buildings	Total
1 January 2023	344.427	318.432.118	106.749.407	4.465.932	429.991.885
Disposal	-	-	-	-	-
31 December 2024	582.985	319.407.749	134.027.913	4.465.932	458.484.580
Carrying value as of 31 December 2024	344.427	318.432.118	106.749.407	4.465.932	429.991.885

Accumulated Depreciation	Land	Port area and pier usage	Vehicles	Buildings	Total
1 January 2023	(51.664)	(76.379.980)	(28.321.918)	(2x.605.127)	(107.358.688)
Charge of the year	(68.885)	(22.686.553)	(25.877.416)	(1.116.483)	(49.749.338)
31 December 2023	(120.549)	(99.066.532)	(54.199.334)	(3.721.610)	(157.108.026)
Carrying value as of 31 December 2023	223.879	219.365.587	52.550.074	744.323	272.883.858

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

14. RIGHT-OF-USE ASSETS (cont'd)

Items of right-of-use assets recognized in profit or loss are as follows:

	31 December 2024	31 December 2023
Depreciation Expense	(34.428.536)	(49.749.338)
Interest Expense	(10.703.763)	(8.936.652)
	(45.132.299)	(58.685.990)

The Group rents land and vehicles for the use of the harbor and pier, concrete batching plant installation. Lease contracts are usually made for fixed periods of 1 to 3 years for concrete batching plants and vehicles, and 18 to 50 years for port and pier use, and may have extension options. Lease terms can be individually negotiated and include a wide variety of different terms and conditions. Lease agreements are subject to contracts, but leased assets cannot be used as a guarantee for borrowing purposes.

In addition, car lease agreements with a usage permit between 2020 and 2024 and borrowing rate discounted with the rate in the initial calculation and measured at their present value, have been accounted for in the consolidated statement of financial position in line with the above explanations.

15. GOODWILL

Cost	31 December 2024	31 December 2023
Cost value at the beginning of the period	97.349.736	97.349.736
Closing value	97.349.736	97.349.736
Accumulated impairment		
Balance at the beginning of the period	(29.553.959)	(29.553.959)
Closing balance	(29.553.959)	(29.553.959)
Carrying amount		
Beginning of the Period	67.795.777	67.795.777
End of the Period	67.795.777	67.795.777

For the goodwill accounted for within the scope of the purchase of Kudret Energy shares, no impairment has been identified according to the valuations made by the Group using the discounted cash flow method as of 31 December 2024 and 2023. As of 31 December 2024, the equity value of the Group has been determined as 15 million USD (31 December 2023: 15 million USD) according to the valuations made by the Group using the discounted cash flow method. In the valuation study, the weighted average cost of capital based on USD 11.69% (31 December 2023: 11.69%) has been calculated for the periods 2024 and thereafter and unit electricity sales prices have been kept constant throughout the 10-year purchase guarantee period and it has been assumed that they will increase at the annual average consumer inflation rate starting from the following period. The estimated average electricity production during the period has been accepted as 33,000 kWh (31 December 2023: 33,000 kWh).

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Provisions

Short term other provisions	31 December 2024	31 December 2023
Legal claims and termination provisions	30.984.643	36.872.471
	30.984.643	36.872.471

As of December 31, 2024, the total amount of legal disputes filed by third parties against the parent company and subsidiaries and ongoing is TL 30.984.643 (December 31, 2023: TL 36.872.471). The lawsuits against the Group generally consist of labor lawsuits.

As a result of the evaluation made, the Group management has set aside a total provision of TL 30,984,643 (December 31, 2023: TL 36.872.471) for the lawsuits filed against the parent company and subsidiaries and ongoing as of December 31, 2024. The Company management does not foresee any cash outflows related to other ongoing lawsuits.

As of 31 December 2024 and 2023, movements of provision for legal claims and termination provisions are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	36.872.471	44.405.229
Payments and reversal	(13.779.125)	(2.056.793)
Charge for the period (Note: 21)	7.891.297	15.088.354
Monetary Gain/Loss	(12.082.617)	(20.564.320)
Closing balance	30.984.643	36.872.471

Long term other provisions	31 December 2024	31 December 2023
Land restoration provision	57.491.947	52.627.313
	57.491.947	52.627.313

As of December 31, 2024, the Company has mining sites whose property is owned by the Company and whose operation licenses are owned by the Treasury. In order to fulfill its obligations under the "Regulation on Restoration of Lands Degraded by Mining Activities to Nature" (Regulation) of the Ministry of Environment and Forestry, which was published in the Official Gazette on December 14, 2007 and entered into force and was later amended on January 23, 2012, the Company has calculated a provision of TL 57.491.947 (December 31, 2023: TL 52.627.313) in total for landscaping expenses related to the spreading of topsoil and revegetation of the land in the reorganized areas of the mine lands it uses as of December 31, 2024. In accordance with the Regulation, the land is made suitable for use after the operation within two years after the completion of the operation activities. At the end of the five-year monitoring period following the completion of the relevant studies, the activity owners are given permission to leave the area.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

a) Provisions (cont'd)

As of 31 December 2024 and 2023, movements for land restoration are as follows:

	1 January- 31 December 2024	1 Ocak- 31 December 2023
Opening balance	52.627.313	32.349.392
Changes in current year charge	21.041.081	42.567.759
Inflation effect	(16.176.447)	(22.289.839)
Closing balance	57.491.947	52.627.313

The entire change in the period expense related to the land rearrangement provision is recognized in the cost of goods sold.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

b) Contingent Assets and Liabilities (cont'd)

The Group's guarantees/pledge/mortgage (GPM) are as follows:

31 December 2024	TL Equivalent	TL	US Dollars	Euro
A. Total amount of the GPM's given for its own legal entity				
-Guarantee	120.086.804	114.794.759	150.000	-
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
B. GPM's given on behalf of fully consolidated companies				
-Guarantee	43.021.161	35.086.142	-	216.000
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
C. GPM's are given on behalf of the third parties' debt for continuation of their economic activities				
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
D. Total amount of other GPM's				
i. Given on behalf of majority shareholder				
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C				
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
iii. Given on behalf of third parties which are not in the scope of C				
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
Total	163.107.965	149.880.901	150.000	216.000

(*) The guarantee amounts consist of letters of guarantee received from banks regarding current balances..

As of 31 December 2023, the rate of total amount of other "GPM"s to total equity of the Group is 0%.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (cont'd)

b) Contingent Assets and Liabilities (cont'd)

31 December 2023	TL Equivalent	TL	US Dollars	Euro
A. Total amount of the GPM's given for its own legal entity				
-Guarantee	167.102.008	110.639.896	150.000	1.065.000
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
B. GPM's given on behalf of fully consolidated companies				
-Guarantee	45.498.281	35.339.846	-	216.000
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
C. GPM's are given on behalf of the third parties' debt for continuation of their economic activities				
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
D. Total amount of other GPM's				
i. Given on behalf of majority shareholder				
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
ii. Given on behalf of other group companies which are not in the scope of B and C				
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
iii. Given on behalf of third parties which are not in the scope of C				
-Guarantee	-	-	-	-
-Pledge	-	-	-	-
-Collaterals	-	-	-	-
	212.600.289	145.979.743	150.000	1.281.000

(*) The guarantee amounts consist of letters of guarantee received from banks regarding current balances..

As of 31 December 2023, the rate of total amount of other "GPM"s to total equity of the Group is 0%.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

17. EMPLOYEE BENEFITS

Payables related to employee benefits

	31 December 2024	31 December 2023
Social security premiums payable	45.915.360	43.234.770
Due to personnel	50.044.753	38.892.170
	95.960.113	82.126.940

Short-term provision for employee benefits

	31 December 2024	31 December 2023
Provision for seniority incentive bonus	2.618.260	5.072.390
Provision for unused vacation pay liability	38.751.705	24.407.117
	41.369.965	29.479.507

As of 31 December 2024 and 2023, movements of unused vacation is as follows:

	1 January-31 December 2024	1 January-31 December 2023
Opening balance	24.407.117	28.060.883
Period charge	19.316.103	7.377.084
Inflation effect	(4.971.515)	(11.030.850)
Closing balance	38.751.705	24.407.117

Long-term provision for employee benefits

	31 December 2024	31 December 2023
Provision for employee termination benefits	155.980.632	175.264.573
Provision for seniority incentive bonus	61.271.693	53.020.444
	217.252.325	228.285.017

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

17. EMPLOYEE BENEFITS (cont'd)

Long-term provision for employee benefits (cont'd)

Seniority incentive bonus:

Some subsidiaries of the Group pays additional employee benefits to their employees above certain seniority limits as seniority incentive premiums. These incentive provision is reserved for to promote loyalty to the Company and its subsidiaries. The benefits are provided as follows; employees with 5 year work experience are paid for their 30 days wage, those with 10 year work experience are paid for their 45 days of their gross wage, those with 15 year work experience are paid for their 55 days wage, those with 20 year work experience are paid for their 70 days wage, those with 25 or 30 year work experience are paid for their 75 days wage, for each level of payment with their actual working wage in the month they complete the respective seniority level in the mentioned range.

While calculating the seniority incentive bonus provision in the consolidated financial statements, the Group evaluated the period that has passed since the employees' starting date as of the financial position statement date and recorded the discounted value of the incentives planned to be paid as of the financial position statement date (Discount rate: 27.3% was applied).

As of 31 December 2024 and 2023, movements of seniority incentive bonus are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Opening balance	58.092.834	68.004.197
Current year charge	31.394.495	21.146.959
Payments	(4.694.423)	(5.884.655)
Inflation Effect	(20.902.953)	(25.173.666)
Closing balance	63.889.953	58.092.834

Provision for employment termination benefits

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, is called up for military service, dies or achieves 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 monthly ceiling of TL 41,828.42 (December 31, 2023: TL 23,489.83).

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

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

17. EMPLOYEE BENEFITS (cont'd)

Long-term provision for employee benefits (cont'd)

Provision for employment termination benefits (cont'd):

The principal assumption is that the maximum liability amount for each year of service will increase in line with inflation. Therefore, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. Therefore, as of December 31, 2024, the provisions in the accompanying consolidated financial statements are calculated by estimating the present value of the probable future liability arising from the retirement of employees. The provisions as of the relevant balance sheet dates are calculated using the real discount rate obtained as approximately 3.12% based on the assumptions of 23.20% annual inflation and 27.05% discount rate (December 31, 2023: 3.12%). Voluntary termination rates are also taken into account as 5.72% for employees with 0-15 years of service and 0% for employees with 15 and over years of service. (December 31, 2023: 5.72% for employees with 0-15 years of service; 0% for employees with 15 and over years of service). The ceiling amount of 46,655.43 TL valid as of January 1, 2025 has been taken into account (January 1, 2024: 35,058.58 TL).

Significant assumptions used in the calculation of employee termination benefit is likely to leave the job depends on the discount rate and demand.

- If the discount rate is taken as 1% higher (lower), the severance pay liability will be 18,818,861 TL (31 December 2023: 12,946,991 TL) less (22,983,018) (31 December 2023: (10,368,859 TL)) more.

- If the other assumptions are kept the same and the probability of leaving the job voluntarily is taken as 1% lower (higher), the severance pay liability will be 2,865,052 TL more and (2,643,249) TL less.

	1 January-31 December 2024	1 January-31 December 2023
Opening balance	175.264.573	350.029.433
Service cost	28.143.686	79.259.886
Interest cost	32.047.934	47.839.553
Termination benefits paid	(47.187.475)	(168.726.989)
Actuarial gain / (loss)	(8.376.829)	(4.099.069)
Inflation Effect	(23.911.257)	(129.038.241)
Closing balance	155.980.632	175.264.573

18. OTHER LIABILITIES

Other short term liabilities	31 December 2024	31 December 2023
Calculated VAT	3.897.500	9.244.837
Other liabilities	14.791	63.323
	3.912.291	9.308.160

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

19. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Share Capital

As of 31 December 2024 and 2023, the share capital held of the Company is as follows:

Shareholders	Share Rate (%)	31 December 2024	Share Rate (%)	31 December 2023
Nuh Ticaret Sanayi ve Ticaret A.Ş.	44,13	66.283.864	44,13	66.283.864
Partaş Capital Danışmanlık A.Ş.	16,32	24.515.195	16,32	24.515.195
Other (*)	39,55	59.414.541	39,55	59.414.541
	100,00	150.213.600	100,00	150.213.600
Capital inflation diffrences (**)		4.025.730.271		4.025.730.271
		4.175.943.871		4.175.943.871

(*) Represents total of shareholdings less than 5%.

(**)Adjustment to share capital represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the CMB Financial Reporting Standards. Adjustment to share capital has no use other than being transferred to paid-in share capital.

The Company is subject to the capital system. The Company's issued capital assigned to 150,213,600 shares with nominal value of 1 TL each, amounting to TL 150,213,600.

The capital adjustment differences may be used in free capital increase or loss deduction. Furthermore, the inflation adjustment differences arising from legal reserves bearing no annotation to disable profit distribution may be used in profit distribution.

Additional Information on Capital, Reserves and Other Equity Items

The comparison of the relevant equity items presented by the Group in its consolidated financial statements as adjusted for inflation as of 31 December 2023 with the inflation-adjusted amounts in its financial statements prepared in accordance with Law No. 6762 and other legislation is as follows;

31 December 2023	**Inflation-adjusted amounts in the financial statements prepared in accordance with Law No. 6762 and other legislation**	**Inflation-adjusted amounts in financial statements prepared in accordance with TAS/TFRS**	**Difference Followed in Previous Year Losses**
Capital Adjustment Difference	5.561.789.614	4.025.730.271	1.536.059.343
Legal reserves	7.174.000.932	4.349.020.520	2.824.980.412

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

19. SHARE CAPITAL, RESERVES AND OTHER EQUITY ITEMS

b) Restricted Profit Reserves

	31 December 2024	31 December 2023
Legal reserves	4.349.020.520	4.046.832.297
	4.349.020.520	4.046.832.297

The Company reserves 5% of the historical statutory profit as first legal reserve, until the total reserve reaches 20% of the historical paid in share capital. The other legal reserve is appropriated at the rate of 10% per annum of all cash dividend distributions after the payment of dividends to the shareholders at a rate of 5%. According to Turkish Commercial Law, general legal reserves can only be used if it does not exceed the capital or issued capital for close the losses, continue the business when business is not going well or end the unemployment and to take suitable precautions to reduce the results of unemployment.

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

b) Restricted Reserves Appropriated from Profit (cont'd)

Dividend Payment:

Listed companies distribute dividends according to the Communique numbered II-19.1 and published on 1 February 2014 in the Official Gazette.

Shareholders distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation, by the decision of the general assembly. Within the scope of the communiqué, a minimum distribution rate has not been determined. Companies pay dividends as specified in their articles of association or profit distribution policies.

The weighted average share of the company remained unchanged compared to the previous year and earnings per share was realized as 12.21 TL (31 December 2023: 18.51 TL).

As of February 29, 2024, the Group has paid a gross dividend of TL 7.77 (nominal TL 6.00) per share to the partners, amounting to a total indexed gross dividend of TL 1,166,670,935 (nominal TL 901,281,600) (In February 2023, an indexed gross dividend of TL 9.73 (nominal TL 4.60) per share, amounting to a total indexed gross dividend of TL 1,460,900,360 (nominal TL 690,982,560) was paid). On December 7, 2023, an indexed gross dividend advance of TL 1.00 (nominal TL 1.00) per share, amounting to a total indexed gross dividend of TL 216,876,550 (nominal TL 150,213,600) was paid to the partners.

In accordance with the Group's decision taken on December 24, 2024, the Company distributed an advance dividend of TL 435,619,440 gross from the profit of the period as of the interim accounting period of January 1 - September 30, 2024, and the payment was made on January 6 and 8, 2025. No reserve was set aside in the said advance dividend distribution, and the relevant distinction will be made at the General Assembly to be held in 2025.

Funds Subject to Profit Distribution:

Accumulated losses of companies including previous year's earnings, related premiums, legal reserves, share capital inflation adjustments are taken into account as deduction in calculation of current year distributable net income. In order to distribute dividends to the holders of dividend shares, privileged shareholders, to the members of the board of directors or to the employees, there has to be a provision in the articles of association. If there is no specific rate in terms of dividend distribution in the articles of association, dividends to be distributed to those cannot exceed one-fourth of dividends distributed to shareholders with the exception of privileged situations.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

20. REVENUE AND COST OF SALES

Revenue

	1 January- 31 December 2024	1 January- 31 December 2023
Domestic sales	9.791.221.921	11.300.829.778
Foreign sales	5.654.091.369	8.003.215.722
Domestic energy sales	70.940.398	71.999.377
Other sales	204.719	830.444
Sale returns (-)	(189.676)	(259.720)
Sale discounts (-)	(32.973.856)	(34.901.996)
	15.483.294.874	19.341.713.605

20. REVENUE AND COST OF SALES (cont'd)

Cost of Sales

	1 January- 31 December 2024	1 January- 31 December 2023
Cost of goods sold	(9.735.139.988)	(13.307.089.222)
Cost of merchandise sold	(66.478.688)	(149.873.601)
Cost of service provided	(421.232.810)	(394.962.166)
Amortization and depreciation expenses	(1.053.227.139)	(863.328.702)
Other sales expenses	(7.223.938)	(10.677.428)
	(11.283.302.563)	(14.725.931.119)

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

	1 January- 31 December 2024	1 January- 31 December 2023
General administrative expenses	(1.033.665.212)	(803.071.126)
Marketing expenses	(444.537.565)	(462.794.603)
Research and development expenses	(38.594.201)	(28.612.305)
	(1.516.796.978)	(1.294.478.034)

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

a) Details of administrative expenses

	1 January- 31 December 2024	1 January- 31 December 2023
Personnel expenses	(719.531.568)	(524.742.556)
Depreciation and amortization expenses	(84.422.033)	(86.709.504)
Office, electricity, water, natural gas and communication expenses	(33.939.157)	(33.594.016)
Taxes, duties and fees	(50.460.745)	(46.455.066)
Outsourced benefits	(46.860.201)	(42.856.559)
Consultancy expenses	(26.482.001)	(19.873.309)
Maintenance and repairment expenses	(11.980.589)	(9.298.861)
Consultancy and audit expenses	(3.364.618)	(3.164.374)
Insurance expenses	(22.303.774)	(8.858.219)
Rent expenses	(9.251.451)	(8.281.317)
Business follow-up, travel and transportation expenses	(10.171.009)	(3.573.912)
Other expenses	(14.898.064)	(15.663.433)
	(1.033.665.212)	(803.071.126)

b) Details of marketing and sales expenses

	1 January- 31 December 2024	1 January- 31 December 2023
Exportation expenses	(302.978.530)	(270.008.822)
Personnel expenses	(89.491.885)	(121.820.781)
Taxes, duties and fees	(3.848.712)	(30.896.664)
Representation and hospitality expenses	(12.839.294)	(10.141.091)
Depreciation and amortization expenses (Note: 12 and 13)	(774.129)	(394.556)
Maintenance and repairment expenses	(3.567.264)	(4.675.278)
Transportation expenses	(2.693.033)	(3.334.937)
Outsourced expenses	(5.918.773)	(1.974.022)
Vehicle and vehicle expenses	(5.999.595)	(4.922.600)
Other Expenses	(16.426.348)	(14.625.852)
	(444.537.565)	(462.794.603)

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

22. EXPENSES BY NATURE

	1 January- 31 December 2024	1 January- 31 December 2023
Cost of goods sold	(9.735.139.988)	(13.307.089.222)
Depreciation and amortization expenses (Note: 12, 13 14)	(1.178.577.359)	(988.259.740)
Personnel expenses	(847.617.654)	(675.175.642)
Cost of service given	(421.232.810)	(394.962.166)
Exportation expenses	(302.978.530)	(270.008.822)
Cost of trade goods sold	(66.478.688)	(149.873.601)
Taxes, duties and fees	(54.309.457)	(77.351.730)
Outsourced benefits	(52.778.974)	(44.830.581)
Office Expenses	(33.939.157)	(33.594.016)
Consultancy expenses	(26.482.001)	(19.873.309)
Maintenance and repairment expenses	(15.547.853)	(13.974.139)
Representation and hospitality expenses	(12.839.294)	(10.141.091)
Insurance expenses	(22.303.774)	(8.858.219)
Transportation Expenses	(2.693.033)	(3.334.937)
Consultancy and audit expenses	(3.364.618)	(3.164.374)
Rent Expenses	(9.251.451)	(8.281.317)
Other Expenses	(14.564.898)	(11.636.247)
	(12.800.099.541)	(16.020.409.153)

Fees for services received from an independent audit firm

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

	1 January- 31 December 2024	1 January- 31 December 2023
Independent audit fee for the reporting period	3.952.339	4.331.363
	3.952.339	4.331.363

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

23. INCOME AND EXPENSES FROM OPERATING ACTIVITIES

The details of other income from operating activities for the years ended 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
FX gains from trade receivables and payables	90.328.070	212.698.328
Scrap sales income	21.178.923	28.812.973
Insurance income	31.554.919	10.432.638
Compensation and fine income	45.773	6.230.615
Interest income	64.160.916	86.061
Provisions No Longer Required	6.960.620	1.221.727
Other income	20.967.995	31.028.047
	235.197.216	290.510.389

The details of other expenses from operating activities for the years ended 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
FX losses from trade receivables and payables	(45.170.456)	(140.932.532)
Donations and grants (*)	(39.930.065)	(58.914.729)
Accident and damage expenses	(22.119.503)	(15.734.771)
Compensation and fine expenses	(4.124.269)	(2.379.244)
Provision expenses	(15.156.305)	(32.339.154)
Other expenses	(13.747.016)	(25.743.946)
	(140.247.614)	(276.044.376)

(*) It consists of donations made to the Nuh Çimento Eğitim ve Sağlık Vakfı, which was established as publicly beneficial foundation by the decision of the Council of Ministers, and other public benefits.

24. INCOME AND EXPENSES FROM INVESTING ACTIVITIES

The details of income from investing activities for the years ended 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Rent income (*)	174.991.277	224.949.183
Gain on sale of fixed assets	9.217.313	107.770.148
Gain on sale of investment property	31.835.920	-
Income from financial investments	18.015.944	17.711.820
Foreign exchange gains from financial investments	13.128.022	59.128.370
Other	20.914.250	2.925.202
	268.102.725	412.484.723

(*) Includes the rent income from investment properties.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

24. INCOME AND EXPENSES FROM INVESTING ACTIVITIES (cont'd)

The details of expenses from investing activities for the years ended 31 December 2024 and 2023 are as follows:

	1 January-31 December 2024	1 January-31 December 2023
Depreciation expenses from investment property	(40.154.058)	(37.826.978)
Real estate tax for investment property	(2.859.355)	(6.843.336)
Loss on sale of fixed assets	(10.209.597)	-
Securities losses	(309.841.970)	(7.071.275)
	(363.064.979)	(51.741.589)

25. FINANCE INCOME AND EXPENSES

The details of income from finance activities for the years ended 31 December 2024 and 2023 are as follows:

	1 January-31 December 2024	1 January-31 December 2023
Foreign exchange gains	380.407.364	959.528.549
Interest income	1.842.247.437	247.341.633
Interest income from trade receivables	17.694.704	34.504.374
	2.240.349.505	1.241.374.556

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

25. FINANCE INCOME AND EXPENSES (cont'd)

The details of expenses from finance activities for the years ended 31 December 2024 and 2023 are as follows:

	1 January- 31 December 2024	1 January- 31 December 2023
Foreign exchange losses	(487.191.596)	(1.213.514.207)
Interest expenses	(275.240.879)	(223.470.369)
Interest expense of TFRS 16	(10.703.763)	(8.936.652)
Other interest and commission expenses	(14.377.817)	(34.527.679)
	(787.514.056)	(1.480.448.907)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)

Corporate Tax

The Group, its subsidiaries established in Turkey and other countries, associates and joint ventures are subject to the tax legislation and practices in the countries which they are operating.

In Turkey, the corporate tax rate is 25%. However, within the scope of the Law No. 7316 on the "Law on the Collection of Public Claims and Amendments to Some Laws" published in the Official Gazette dated 22 April 2021, this rate will be applied as 25% for the corporate earnings of the 2022 taxation period, starting from the declarations that must be submitted as of 1 July 2021 (31 December 2023: 23%).

This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation and by addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid in one instalment by the end of the fourth month.

Companies calculate a temporary tax of 25% on their quarterly financial profits and declare until the 14th day of the second month following that period and pay it until the seventeenth day. The paid temporary tax within the year is deducted from the corporate tax to be calculated over the corporate tax declaration to be given the following year. If there is a temporary tax remaining despite the offset, this amount may be refunded in cash or deducted from any other financial debt against the state.

Corporate tax losses can be carried forward for a maximum period of 5 years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years..

(Amounts are expressed in Turkish Lira (“TL”) in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont’d)

Corporate Tax (cont’d)

10% withholding applies to dividends distributed by resident real persons, those who are not liable to income and corporation tax, non-resident real persons, non-resident corporations and non-resident corporations exempted from income and corporation tax.

Dividend distribution by resident corporations to resident corporations is not subject to a withholding tax. Furthermore, in the event the profit is not distributed or included in capital, no withholding tax shall be applicable.

Turkish tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, tax liabilities, as reflected in these consolidated financial statements, have been calculated on a separate-entity basis. As of 31 December 2024, current income tax payables have been offset against the prepaid taxes in entity basis and have been classified separately in the consolidated financial statements. Offset taxes and corporate tax provision are shown as follows:

Current tax liability	31 December 2024	31 December 2023
Current corporate tax provision	593.100.657	758.596.289
Less: prepaid taxes and funds	(519.991.171)	(557.637.492)
	73.109.486	200.958.797

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Corporate Tax (cont'd)

As of 31 December 2024 and 2023, the distribution of consolidated tax expense is as follows:

	31 December 2024	31 December 2023
Corporate tax (-)	(665.227.724)	(868.319.060)
Deferred tax income / (expense)	(335.940.338)	268.139.008
	(1.001.168.062)	(600.180.052)

Deferred Tax:

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between its financial statements as reported for TFRS purposes and its statutory tax financial statements. These differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes and they are given below.

The tax rate used in calculating deferred tax assets and liabilities was 23.37% based on expected temporary timing differences (2023: 25%).

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred Tax (cont'd):

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 accompanying consolidated financial statements, have been calculated on a separate-entity basis. Details of deferred tax assets, liabilities, income and expenses and temporary differences that form the basis of deferred tax calculations are stated below:

	31 December 2024	31 December 2023
Temporary diffrences from property, plant and equipment and intangible assets	(85.375.292)	(28.049.563)
Provision for employment termination benefits	42.253.440	43.860.757
Seniority incentive bonus	14.396.469	14.523.210
Unused vacation liability	9.326.248	6.101.779
Provision for land restoration provision	13.441.515	13.156.829
Provision for doubtful receivables (including TFRS 9 impact)	14.625.565	17.497.774
Provision for legal claims	6.510.622	9.218.119
Temporary diffrences from inventories	28.831.762	192.902.587
Expected credit losses from demand and time deposits - TFRS 9	(14.533.968)	665.031
Deductible prior years' losses	82.932.195	1.848.419
Borrowings from right-of-use assets and lease transactions	(6.983.312)	3.349.037
Financial asset value increases	(101.966)	165.070.332
Other	(611.860)	(1.586.762)
	104.711.418	438.557.549
Deferred tax asset	132.757.334	2.735.266.932
Deferred tax liability	(28.045.916)	(2.296.709.383)
Deferred tax liability, net	104.711.418	438.557.549

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that it does not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised. Tax losses and expiration dates submitted as of December 31, 2024 and 2023 are as follows:

Originating Year	**Expiration Date**	**31 December 2024**	**31 December 2023**
2021	2026	5.201.197	5.201.197
2022	2027	921.273	921.273
2023	2028	8.731.595	8.731.595
2024	2029	449.872.707	--
		464.726.772	**14.854.065**

The Group has created a deferred tax asset of TL 82.932.195 on TL 331.728.780 of deductible previous year losses. (31 December 2023: TL 1.848.419 deferred tax asset has been created.)

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

26. INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES) (cont'd)

Deferred tax (cont'd):

Movement of deferred tax (assets) / liabilities as of 31 December 2024 is as follows:

Movement of deferred tax liabilities:	1 January-31 December 2024	1 January-31 December 2023
Opening balance as of 1 January	438.557.549	247.035.761
Charged to statement of income	(335.940.338)	268.139.008
Currency protected deposit tax effect recognized in the income statement	2.094.207	(76.617.220)
Closing balance	104.711.418	438.557.549

The reconciliation of period tax expense to period profit is as follows:

Income tax reconcilation:	1 January-31 December 2024	1 January-December 2023
Income before tax from operating activities	2.835.670.503	3.319.235.129
Effective tax rate	%25	%25
Expected taxation expenses	(708.917.626)	(829.808.782)
Tax effect of:		
- Non-deductible expenses	(414.918.999)	(29.501.835)
- Discount and donations	11.607.669	28.675.508
- Reduced tax effect within the scope of the incentive	3.895.050	144.152.848
- Tax gain from indexing statutory accounts for inflation	(32.755.324)	-
- The tax incentive effect of currency-protected deposits	139.921.168	86.302.209
Tax expense in the statement of profit or loss	(1.001.168.062)	(600.180.052)

27. EARNINGS PER SHARE

Earnings per share are calculated by dividing net profit by the weighted average number of shares that have been outstanding during the year.

Companies can increase their capital by distributing shares from retained earnings to existing shareholders in proportion to their shares ("Free Shares"). When calculating earnings per share, these free share issues are counted as issued shares. Therefore, the weighted average number of shares used in calculating earnings per share is obtained by applying the free shares issue retroactively..

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

27. EARNINGS PER SHARE (cont'd)

Earnings per share are determined by dividing net income of the shareholders by the weighted average number of shares that have been outstanding during the related year.

	1 January- 31 December 2024	1 January- 31 December 2023
Profit for the period	1.834.507.046	2.780.615.425
Weighted average number of ordinary shares	150.213.600	150.213.600
(TL 1 nominal value per share earnings per share)	12,21	18,51

28. FINANCIAL INSTRUMENTS

Financial Investments

	Short-term		Long-term	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Financial assets at fair value through profit or loss				
a) Eurobonds	66.555.522	78.968.220	-	-
b) Non-listed company shares	-	-	829.705	136.205
c) Kur korumalı mevduat hesabı ("KKMH")	-	-	-	-
Financial assets at fair value through other comprehensive income				
d) Listed company shares	-	-	-	4.227.489.950
Financial assets at amortized cost				
e) Term deposits with a maturity of more than 3 months	-	-	-	-
	66.555.522	78.968.220	829.705	4.227.626.155

a) Eurobonds:

	31 December 2024			
	Nominal Value	Carrying Value	Change	Profit / (Loss)
Eurobonds	63.577.416	66.555.522	2.978.106	2.978.106
	63.577.416	66.555.522	2.978.106	2.978.106

	31 December 2023			
	Nominal Value	Carrying Value	Change	Profit / (Loss)
Eurobonds	77.211.061	78.968.220	1.757.159	1.757.159
	77.211.061	78.968.220	1.757.159	1.757.159

As of 31 December 2024, the Company's financial investments, whose fair value changes are reflected in profit or loss, consist of funds issued by the Private Sector and traded in the international market.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

28. FINANCIAL INSTRUMENTS (cont'd)

Financial Investments (cont'd)

The fair value hierarchy of Eurobonds is as follows::

	Fair Value Level As of the reporting date		
31 December 2024	**Level 1**	**Level 2**	**Level 3**
Eurobond	66.555.522	-	-

	Fair Value Level As of the reporting date		
31 December 2023	**Level 1**	**Level 2**	**Level 3**
Eurobond	78.968.220	-	-

b) Non-listed company shares:

Associates	Participation Rate (%)	31 December 2024	Participation Rate (%)	31 December 2023
KSO Enerji A.Ş.	28	693.500	-	-
Cementos Esfera S.A.	10	-	10	2.433.760
Çimpaş Çimento ve İnşaat Mlz. Paz. A.Ş. (*)	12,07	90.900	12,07	90.900
Kosbaş Kocaeli Serbest Bölgesi (*)	<1	37.500	<1	37.500
Antalya Güç Birliği (*)	<1	7.805	<1	7.805
		829.705		2.569.965
Impairment provision - Cementos Esfera S.A.		-		(2.433.760)
		829.705		136.205

(*) As of 31 December 2024 and 31 December 2023, Çimpaş Çimento ve İnşaat Mlz. Paz. A.Ş., Cementos Esfera SA, Antalya Güç Birliği and Kosbaş Kocaeli Serbest Bölgesi, which are the Company's assets at fair value through other comprehensive income, do not significantly affect the consolidated financial statements and it is not possible to calculate the fair values of these investments in a reasonable manner, these financial non-current assets are carried at their cost in the consolidated statement of financial position.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

28. FINANCIAL INSTRUMENTS (cont'd)

Financial Investments (cont'd)

c) Listed company shares:

	31 December 2024	31 December 2023
Oyak Çimento Fabrikaları A.Ş.	-	4.227.489.950
	-	4.227.489.950

d) Time deposits with a maturity of more than 3 months:

As of 31 December 2024, the Group has no time deposits with maturities longer than 3 months. (31 December 2023: None).

Financial Liabilities

	31 December 2024	31 December 2023
Short-term bank borrowings	374.536.510	935.055.253
Current portion of long term borrowings	457.253.702	371.239.760
Current portion of long term lease liabilities	16.590.555	14.024.233
Total short term borrowings	848.380.767	1.320.319.246
Long term bank borrowings	992.393.973	2.226.059.295
Long term lease liabilities	61.545.164	76.357.839
Total borrowings	1.902.319.904	3.622.736.380

As of 31 December 2024 and 2023, details of the short and long-term borrowings which are Group used are stated below:

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

28. FINANCIAL INSTRUMENTS (cont'd)

		31 December 2024	
Currency	Interest Rate (%)	Current	Non-Current
Euro	4,50-8,00	400.092.167	350.454.157
TL	8,5	3.156.864	-
USD	8,4-8,8	428.541.182	641.939.816
		831.790.213	992.393.973

		31 December 2022	
Currency	Interest Rate (%)	Current	Non-Current
Euro	4,50-8,50	-	940.595.932
TL	8,5	7.012.683	4.444.803
USD	6,40-8,87	1.299.282.330	1.281.018.560
		1.306.295.013	2.226.059.295

<u>Financial Liabilities</u>

Maturity of borrowings are stated below:

	31 December 2024	31 December 2023
To be paid within 1 year	831.790.212	1.306.295.013
To be paid between 1-2 years	671.154.065	919.450.515
To be paid between 2-3 years	173.021.171	853.248.658
To be paid between 3-4 years	148.218.737	226.680.061
To be paid between 4-5 years	-	226.680.061
	1.824.184.185	3.532.354.308

The reconciliation of liabilities arising from financing activities and leasing transactions is as follows:

The cash and non-cash changes related to the Group's liabilities arising from financing activities are given in the table below. Liabilities arising from financing activities are cash flows that are or will be classified as cash flows arising from financing activities in the Group's consolidated cash flow statement..

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

28. Financial Liabilities (cont'd)

			Non cash changes			
	1 January 2024	Financing cash flows (net)	Interest Accrual	FX Movements	Monetary gain loss	31 December 2024
Borrowings	3.532.354.308	(1.006.873.382)	21.753.060	362.716.083	(1.085.765.884)	1.824.184.185
	3.532.354.308	(1.006.873.382)	21.753.060	362.716.083	(1.085.765.884)	1.824.184.185

			Non cash changes			
	1 January 2023	Financing cash flows (net)	Interest Accrual	FX Movements	Monetary gain loss	31 December 2023
Borrowings	2.801.853.477	765.050.439	81.097.863	677.351.527	(932.145.158)	3.532.354.308
	2.801.853.477	765.050.439	81.097.863	677.351.527	(932.145.158)	3.532.354.308

The Group uses foreign exchange derivatives to hedge its future significant transactions and cash flows from financial risk. The Group is a party to various foreign currency forwards transactions and options depending on the management of exchange rate fluctuations. The derivative instruments purchased are mainly denominated in foreign currencies in which the Group operates.

29. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns 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 borrowings disclosed in Note 28, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.
The Group determines the amount of share capital in proportion to the risk level. The equity structure of the Group is arranged in accordance with the economic outlook and the risk attributes of assets.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

a) Capital risk management (cont'd)

The Group monitors capital management by using the debt/equity ratio. This ratio is calculated by dividing the debt, net, by the total share capital. The net debt is calculated by deducting the value of cash and cash equivalents from the total debt. The total share capital is the sum of all equity items stated in the statement of consolidated financial position.

During 2024, the Group's strategy, which was unchanged from 2023 was to maintain the gearing ratio which is calculated by financial liabilities minus cash and cash equivalents and short-term financial liabilities. The gearing ratios at 31 December 2024 and 2023 were as follows:

	31 December 2024	31 December 2023
Financial Liabilities (Note: 29)	1.902.319.904	3.622.736.380
Less: Cash and Cash Equivalents and Short Term Financial Investments (Note: 34)	(7.708.804.418)	(4.252.151.742)
Net Debt	(5.806.484.514)	(629.415.362)
Total Equity	19.471.930.945	19.246.001.501
Total Capital	13.665.446.431	18.616.586.139
Gearing Ratio	-42%	-3%

b) Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.
Risk management is carried out under policies approved by the board of directors. The Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

b.1) Credit risk management

In order to minimise credit risk, 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 monitors the credibility of the parties with whom they perform transactions and also takes into account the credit rating of the related instruments when making the investment preference. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously updated, and the aggregate value of transactions with related parties concluded is spread amongst approved counterparties.

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

b) Financial Risk Factors (cont'd)

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

Before accepting any new customer, credit limits by customer are determined and defined after the assessment of the potential customer's credit quality.

Credit approvals and other monitoring procedures are also in place to ensure that follow-up action is taken to recover overdue debts. The Group's trade receivables cover a large number of customers within the majority and the construction sector. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased. Additionally, the Group management evaluates the trade payables and financial assets on a customer and asset basis at the end of the period and ensures that the required provisions for the non-collectible amounts are reflected in the consolidated financial statements.

Overview of the Group's exposure to credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of 31 December 2023, the maximum risks that the Group may be exposed to as a result of the failure of the counterparties to fulfill their obligations arise from the following factors:

- the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

In order to minimize the credit risk, the Group has performed credit ratings considering the default risks of the counterparties and categorized the related parties. The Group's current credit risk rating methodology includes the following categories:

Category	Description	Basis for recognizing expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit–impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit–impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

b) Financial Risk Factors (cont'd)

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

	Receivables					
	Trade Receivable		**Other Receivable**			
31 December 2024 Credit risks exposed due to financial instrument types	**Related party**	**Third Party**	**Related Party**	**Third party**	**Cash at Banks**	**Financial Invenstments**
Maximum credit risk exposure as of the statement of financial position date (A+B+C+D) (*)	**-**	**1.916.606.192**	**-**	**51.873.076**	**7.642.113.738**	**67.385.227**
- The part of the maximum risk that is secured by collateral etc. (**)	-	933.924.088	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	-	1.259.635.820	-	51.224.247	7.642.113.738	67.385.227
B. Net book value of assets that are past due but not impaired	-	551.099.360	-	-	-	-
- Past due (gross book value)	-	551.099.360	-	-	-	-
- The part of the net worth that is secured by collateral, etc.	-	125.171.945	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross book value)	-	105.871.012	-	648.829	-	-
-Impairment (-)	-	(105.871.012)	-	(648.829)	-	-
- The part of the net value that is secured by collateral, etc.	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-
- The part of the net worth that is secured by collateral, etc.	-	-	-	-	-	-
D. Off-balance sheet elements that 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 guarantee letters, guarantee notes, and mortgages obtained from the customers..

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

b) Financial Risk Factors (cont'd)

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

	Receivables					
	Trade Receivable		Other Receivable			
31 December 2023 **Credit risks exposed due to financial instrument types**	**Related party**	**Third Party**	**Related Party**	**Third party**	**Cash at Banks**	**Financial Invenstments**
Maximum credit risk exposure as of the statement of financial position date (A+B+C+D) (*)	**6.151.890**	**2.377.432.290**	**-**	**29.263.959**	**4.167.763.260**	**4.306.594.375**
- The part of the maximum risk that is secured by collateral etc. (**)	-	938.109.361	-	-	-	-
A. Net book value of financial assets that are neither past due nor impaired	6.151.890	1.546.136.590	-	27.099.897	4.167.763.260	4.306.594.375
B. Net book value of assets that are past due but not impaired	-	683.000.581	-	-	-	-
- Past due (gross book value)	-	683.000.581	-	-	-	-
- The part of the net worth that is secured by collateral, etc.	-	182.779.915	-	-	-	-
C. Net book value of impaired assets	-	-	-	-	-	-
- Past due (gross book value)	-	148.295.119	-	2.164.062	-	-
-Impairment (-)	-	(148.295.119)	-	(2.164.062)	-	-
- The part of the net value that is secured by collateral, etc.	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-
-Impairment (-)	-	-	-	-	-	-
- The part of the net worth that is secured by collateral, etc.	-	-	-	-	-	-
D. Off-balance sheet elements that 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 guarantee letters, guarantee notes, and mortgages obtained from the customers.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

b) Financial Risk Factors (cont'd)

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

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group, aiming to decrease credit risk by transacting only with parties who has credit assurance and where possible, obtaining sufficient guarantee. Credit risks which the Group is exposed, and credibility of customers are being watched continuingly. Credit risk is being controlled by the risk management committee through limits which are determined and annually controlled by the management.

Trade receivables comprise lots of customers spreaded to construction sector and geographic segments. Credit assessments are continuingly performed for trade receivables balances from customers and receivables are insured where necessary.

Aging of overdue receivables is as follows:

	31 December 2024	31 December 2023
Overdue 1-90 days	534.085.492	661.914.580
Overdue 3-6 months	1.058.056	1.311.293
Overdue 6-9 months	574	712
Overdue more than 1 year	15.955.238	19.773.996
Total overdue receivables	551.099.360	683.000.581
Part of guaranteed with collateral	(125.171.945)	(182.779.915)
	425.927.415	500.220.666

b.2) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The 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. As of reporting date, the Group has no unused borrowings to decrease liquidity risk level.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities and its derivative financial instruments. The tables below have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

b.2) Liquidity risk management (cont'd)

31 December 2024

Due dates on agreement	Carrying Value	Cash outflows according to agreements (I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial instruments					
Bank loans	1.824.184.185	2.032.853.512	68.218.960	787.747.770	1.176.886.782
Lease liabilities	78.135.719	173.072.453	8.718.700	13.620.517	150.733.235
Trade payables	1.611.250.451	1.611.250.451	1.611.250.451	-	-
Other payables	516.969.914	516.969.914	516.969.914	-	-
Payables due to personnel	95.960.113	95.960.113	95.960.113	-	-
Total liabilities	**4.126.500.382**	**4.430.106.443**	**2.301.118.138**	**801.368.287**	**1.327.620.018**

31 December 2023

Due dates on agreement	Carrying Value	Cash outflows according to agreements (I+II+III)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)
Non-derivative financial instruments					
Bank loans	3.532.354.308	4.059.961.132	63.996.279	1.471.112.030	2.524.852.823
Lease liabilities	90.382.072	200.198.413	10.085.198	15.755.286	174.357.929
Trade payables	1.172.026.798	1.172.026.798	1.172.026.798	-	-
Other payables	84.584.395	84.584.395	84.584.395	-	-
Payables due to personnel	82.126.940	82.126.940	82.126.940	-	-
Total liabilities	**4.961.474.513**	**5.598.897.678**	**1.412.819.610**	**1.486.867.316**	**2.699.210.752**

b.3) Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Market risk exposures are supplemented by sensitivity analysis.

There is no change in Group's exposure to the market risks and the methods that the Group's measurement and management of these market risks.

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

b.3) Market risk management (cont'd)

b.3.1) Foreign currency risk management

Transactions denominated in foreign currencies result in foreign currency risk.

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

	31 December 2024			
	TL Equvalent (Fuctional currency)	US Dollars	Euro	GBP
1. Trade receivables	50.954.672	967.207	458.167	-
2a. Monetary Financial Assets	2.012.083.986	51.607.208	5.200.681	7.079
2b. Non-Monetary Financial Assets	-	-	-	-
4. CURRENT ASSETS	**2.063.038.658**	**52.574.415**	**5.658.848**	**7.079**
6a. Monetary Financial Assets	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	**2.063.038.658**	**52.574.415**	**5.658.848**	**7.079**
10. Trade Payables	(369.423.812)	(9.116.891)	(1.300.548)	-
11. Financial Liabilities	(827.762.029)	(12.144.518)	(10.869.382)	-
12a. Monetary Other Liabilities	(599.765)	(17.000)	-	-
13. CURRENT LIABILITIES	(1.197.785.606)	(21.278.409)	(12.169.930)	-
15. Financial Liabilities	(991.581.654)	(18.192.067)	(9.520.856)	-
16b. Monetary Other Liabilities	(13.426.695)	(298.232)	(79.077)	-
17. NON-CURRENT LIABILITIES	**(1.005.008.349)**	**(18.490.299)**	**(9.599.933)**	**-**
18. TOTAL LIABILITIES	**(2.202.793.955)**	**(39.768.707)**	**(21.769.863)**	**-**
20. Net foreign currency asset / (liability) position (9+18)	(139.755.297)	12.805.708	(16.111.015)	7.079
21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	(139.755.297)	12.805.708	(16.111.015)	7.079
23. Import	2.105.029.892	47.113.704	16.661.052	-
24. Export	4.813.528.697	147.831.318	1.222.401	-

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

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

b.3) Market risk management (cont'd)

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

	31 December 2023			
	TL Equvalent (Fuctional currency)	**US Dollars**	**Euro**	**GBP**
1. Trade receivables	428.957.058	10.084.998	6.789	-
2a. Monetary Financial Assets	3.467.238.955	78.574.786	2.708.279	4.503
2b. Non-Monetary Financial Assets	-	-	-	-
4. CURRENT ASSETS	**3.896.196.014**	**88.659.784**	**2.715.068**	**4.503**
6a. Monetary Financial Assets	-	-	-	-
8. NON-CURRENT ASSETS	-	-	-	-
9. TOTAL ASSETS	**3.896.196.014**	**88.659.784**	**2.715.068**	**4.503**
10. Trade Payables	(238.684.435)	(3.631.837)	(1.792.953)	-
11. Financial Liabilities	(1.299.282.305)	(30.569.542)	-	-
12a. Monetary Other Liabilities	(22.162.946)	(521.450)	-	-
13. CURRENT LIABILITIES	(1.560.129.686)	(34.722.830)	(1.792.953)	-
15. Financial Liabilities	(2.221.614.488)	(30.139.832)	(20.000.000)	-
16b. Monetary Other Liabilities	-	-	-	-
17. NON-CURRENT LIABILITIES	**(2.221.614.488)**	**(30.139.832)**	**(20.000.000)**	**-**
18. TOTAL LIABILITIES	**(3.781.744.174)**	**(64.862.662)**	**(21.792.953)**	**-**
20. Net foreign currency asset / (liability) position (9+18)	114.451.840	23.797.122	(19.077.885)	4.503
21. Net foreign currency asset / (liability) position of monetary items (1+2a+5+6a-10-11-12a-14-15-16a)	114.451.840	23.797.122	(19.077.885)	4.503
23. Import	2.619.665.357	68.722.097	6.965.547	8.020
24. Export	6.703.429.184	194.013.825	1.055.657	-

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

b.3) Market risk management (cont'd)

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

Foreign currency sensitivity analysis

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and EURO.

The following table details the Group's sensitivity to a 20% increase and decrease in US Dollar and EURO against TL. 20% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. A positive value below indicates an increase in profit/loss and other equity items.

Due to the short and long-term loans being held in foreign currency, the payments to be made in foreign currency cause foreign currency risk in cases where the exchange rates rise against Turkish Lira. In addition, foreign exchange rate risk arising from exchange rate changes is exposed to the translation of foreign currency denominated assets or liabilities to Turkish Lira due to the Group's business activities with foreign companies. Exchange rate risk is monitored and limited by analyzing the foreign exchange position. The Group follows a policy to diversify the foreign exchange basket as much as possible in order to manage the risk of exchange arising from future transactions and losses and assets and liabilities.

	31 December 2024		**31 December 2023**	
	Profit / Loss		Profit / Loss	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
In case 20% appreciation of USD against TL				
1 - USD net asset / liability	90.357.841	(90.357.841)	202.287.491	(202.287.491)
2- Amount hedged USD risk (-)	-	-	-	-
3- USD net effect (1 +2)	90.357.841	(90.357.841)	202.287.491	(202.287.491)
In case 20% appreciation of Euro against TL				
4 - Euro net asset / liability	(118.371.492)	118.371.492	(179.445.814)	179.445.814
5- Amount hedged Euro risk (-)	-	-	-	-
6- Euro net effect (4 +5)	(118.371.492)	118.371.492	(179.445.814)	179.445.814
In case 20% appreciation of other currencies against TL				
7 - Other currencies net asset / liability	62.592	(62.592)	48.691	(48.691)
8- Amount hedged other currencies risk (-)	-	-	-	-
9- Other currencies net effect (7 +8)	62.592	(62.592)	48.691	(48.691)
TOTAL (3 + 6 +9)	(27.951.059)	27.951.059	22.890.368	(22.890.368)

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

b.3) Market risk management (cont'd)

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

Foreign exchange forward contracts

It is the policy of the Group to enter into foreign exchange forward contracts to manage the foreign currency risk associated with anticipated sales and purchase transactions out to 12 months.

The Group's policy has been reviewed and, due to the increased volatility in US Dollars, it was decided to hedge up for foreign currency forward risk arising on translation of the foreign operation. The Group utilises a rollover hedging strategy, using contracts with terms of up to 12 months.

b.3.2) Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. For the optimal hedging strategy, it is aimed to review the position of the balance sheet and to control the interest expenditures at different interest rates.

Interest rate sensitivity analysis
The details of the interest-bearing financial instruments of the Group are as follows:

	Interest Rate Position Table	
	31 December 2024	**31 December 2023**
Financial Instruments with fixed interest rate		
Time Deposits (TL)	5.922.611.053	993.810.868
Time Deposits (Foreign Currency)	1.679.874.940	3.097.393.143
Total Time Deposits (Note: 33)	7.602.485.993	4.091.204.010
Financial Liabilities (TL)		
Financial Liabilities (Foreign Currency)	3.156.864	11.457.486
Lease Liabilities (TL)	1.821.027.322	3.520.896.822
Lease Liabilities (Foreign Currency)	78.135.719	90.382.072
Total Financial Liabilities (Note: 29)	1.902.319.905	3.622.736.380

(Amounts are expressed in Turkish Lira ("TL") in purchasing power terms as of December 31, 2024, reflecting the effects of inflation, unless otherwise stated.)

30. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING)

31 December 2024	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	İtfa edilmiş maliyetlerinden gösterilen finansal varlıklar	Carrying value
Financial assets						
Cash and cash equivalents	7.642.248.896	-	-	-	7.642.248.896	7.642.248.896
Trade receivables (including receivables from related parties	1.916.606.192	-	-	-	1.916.606.192	1.916.606.192
Financial investments	66.555.522	829.705	-	-	67.385.227	67.385.227
Other receivables	51.873.076	-	-	-	51.873.076	51.873.076
Financial liabilities	-	-	-	-	-	-
Financial payables	-	-	-	1.902.319.904	1.902.319.904	1.902.319.904
Trade payables	-	-	-	1.611.250.451	1.611.250.451	1.611.250.451
Other payables	-	-	-	516.969.914	516.969.914	516.969.914
Payables related to employee benefits	-	-	-	95.960.113	95.960.113	95.960.113

31 December 2023	Financial assets at amortized cost	FVTPL	FVTOCI	Financial liabilities at amortized cost	İtfa edilmiş maliyetlerinden gösterilen finansal varlıklar	Carrying value
Financial assets						
Cash and cash equivalents	4.173.183.522	-	-	-	4.173.183.522	4.173.183.522
Trade receivables (including receivables from related parties	2.377.432.290	-	-	-	2.377.432.290	2.377.432.290
Financial investments	4.306.458.170	136.205	-	-	4.306.594.375	4.306.594.375
Financial liabilities						
Financial payables	-	-	-	3.622.736.380	3.622.736.380	3.622.736.380
Trade payables	-	-	-	1.172.026.798	1.172.026.798	1.172.026.798
Other payables	-	-	-	84.584.395	84.584.395	84.584.395
Payables related to employee benefits	-	-	-	82.126.940	82.126.940	82.126.940

The Group management considers the carrying amount of financial assets approximate their fair values.

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30. FINANCIAL INSTRUMENTS (FAIR VALUE DISCLOSURES AND EXPLANATIONS ON HEDGE ACCOUNTING) (cont'd)

Fair Value of Financial Instruments

The fair values of financial assets and financial liabilities are determined as follows;

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

31. Monetary Gain/Loss

Non-monetary items	
Financial statement items	**(552.278.246)**
Inventory	436.006.105
Prepaid Expenses	31.484.911
Tangible Fixed Assets	481.355.902
Other Intangible Fixed Assets	2.134.572.611
Investment Properties	107.757.145
Investment Properties	658.921.506
Goodwill	20.838.890
Deferred Tax Assets	63.824.026
Deferred Tax Liabilities	(60.075.587)
Capital Adjustment Differences	(1.283.118.066)
Defined Benefit Plan Remeasurement Losses	42.053.084
Gains from Investments in Equity Instruments	348.929.058
Restricted Reserves Allocated from Profits	(1.191.179.680)
Retained Earnings	(2.427.526.481)
Right-of-Use Assets	83.878.331
Profit and Loss Statement Items	**(748.069.381)**
Revenue	(2.266.910.690)
Cost of Sales (-)	1.273.607.462
Marketing Expenses (-)	57.057.275
General Administrative Expenses (-)	48.823.798
Research and Development Expenses (-)	4.672.400
Income from Investment Activities	(273.736.204)
Expenses from Investment Activities (-)	89.004.916
Other Income from Main Activities	(67.509.408)
Other Expenses from Main Activities (-)	21.332.068
Financial Expenses (-)	294.944.914
Current Tax Expense	245.524.938
Financial Income	(174.880.850)
Monetary Gain / (Loss)	**(1.300.347.627)**

32. DISCLOSURE OF OTHER MATTERS THAT MAY AFFECT CONSOLIDATED FINANCIAL STATEMENTS SIGNIFICANTLY OR IS NECESSARY FOR CONSOLIDATED FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND COMPREHENSIBLE

None.

33. EVENTS AFTER THE REPORTING PERIOD

With the decision of the Board of Directors dated February 12, 2025, it was decided to merge all assets and liabilities by taking over as a whole of Nuh Gayrimenkul İnşaat A.Ş., a subsidiary of the Company, in which the Company owns 100% of the shares.

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34. CASH FLOW STATEMENT DISCLOSURE

	31 December 2024	31 December 2023
Cash on hand	135.158	29.707
Cash at banks	7.642.113.738	4.167.763.260
Demand deposits	39.627.746	76.559.250
Time deposits	7.602.485.993	4.091.204.010
Other Cash and Cash Equivalents	-	5.390.555
Cash and Cash Equivalents as shown in cash flows	7.642.248.896	4.173.183.522
Cash and Cash Equivalents	7.642.248.896	4.173.183.522

Explanations regarding the nature and level of risks in cash and cash equivalents are explained in note 29.

The details of the Group's term deposits with a maturity of less than 3 months as of December 31, 2024 and 2023 are as follows;

Currency	Interest rate (%)	31 December 2024
TL	47,63-51,00	5.922.611.053
US Dollars	1,97-4,00	1.532.903.340
Avro	3,00	146.971.600
		7.602.485.993

Currency	Interest rate (%)	31 December 2023
TL	14,00 - 18,50	993.810.868
US Dollars	0,50 - 4,50	3.050.363.346
Avro	1,75 - 3,40	47.029.797
		4.091.204.010

As of December 31, 2024, the maturities of term deposits vary between 3 and 90 days (December 31, 2023 - 3 to 90 days). Interest rates of term deposits are fixed.