

**(Convenience translation of the independent auditor's review report and condensed interim consolidated financial statements originally issued in Turkish)**

**ÇİMSA ÇİMENTO SANAYİ ve TİCARET  
A.Ş. AND ITS SUBSIDIARIES**

**JANUARY 1 – SEPTEMBER 30, 2019 CONDENSED  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

## ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

	(Not Reviewed) Current Period 30 September 2019	(Audited) Prior Period 31 December 2018
<b>ASSETS</b>		
Cash and cash equivalents	239.889.393	202.067.347
Trade receivables	467.356.796	435.316.646
<i>Trade receivables from related parties</i>	616.139	18.497
<i>Trade receivables from third parties</i>	466.740.658	435.298.149
Other receivables	3.300.277	1.593.821
<i>Other receivables from related parties</i>	452.227	248.597
<i>Other receivables from third parties</i>	2.848.050	1.345.224
Derivative financial instruments	11.921.637	22.511.102
Inventories	232.435.924	190.255.123
Prepaid expenses	10.730.782	9.539.353
Assets related to the current period taxes	526.128	2.526.430
Other current assets	118.747.136	76.159.066
Non-current assets held for sale	133.376	280.706
<b>Current assets</b>	<b>1.085.041.480</b>	<b>940.249.594</b>
Trade receivables	700.600	700.600
<i>Trade receivables from third parties</i>	700.600	700.600
Other receivables	3.997.778	3.682.965
<i>Other receivables from third parties</i>	3.997.778	3.682.965
Available for sale financial investments	64.478	64.478
Investments accounted under equity method	301.930.904	270.207.613
Derivative financial instruments	28.914.005	57.332.437
Property, plant and equipment	2.078.804.253	1.982.238.668
Right of use assets	43.825.872	-
Intangible assets	168.671.336	170.034.768
<i>Goodwill</i>	151.824.511	151.824.511
<i>Other intangible assets</i>	16.846.825	18.210.257
Prepaid expenses	1.203.276	912.971
Deferred tax assets	65.924.230	40.740.895
Other non-current assets	30.606.509	17.824.367
<b>Non-current assets</b>	<b>2.724.642.841</b>	<b>2.543.739.762</b>
<b>TOTAL ASSETS</b>	<b>3.809.684.321</b>	<b>3.483.989.356</b>

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## ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES

### INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2019

(Amounts expressed in Turkish Lira ("TRY"), unless otherwise indicated.)

	(Not Reviewed) Current Period 30 September 2019	(Audited) Prior Period 31 December 2018
<b>LIABILITIES</b>		
Short-term borrowings	536.066.157	788.523.502
Current portion of long-term borrowings	354.241.774	240.587.041
Trade payables	356.425.611	296.068.427
<i>Trade payables to related parties</i>	<i>109.245.243</i>	<i>58.574.646</i>
<i>Trade payables to third parties</i>	<i>247.180.368</i>	<i>237.493.781</i>
Employee benefit obligations	12.606.456	6.066.777
Other payables	14.352.403	13.266.905
<i>Other payables to related parties</i>	<i>1.455.498</i>	<i>1.572.923</i>
<i>Other payables to third parties</i>	<i>12.896.905</i>	<i>11.693.982</i>
Derivative financial liabilities	12.067.991	41.562.030
Deferred income	14.971.354	15.389.576
Current income tax liability	9.475.298	6.111.499
Short-term provisions	18.779.699	20.256.717
<i>Short-term provisions for employee benefits</i>	<i>-</i>	<i>3.428.000</i>
<i>Other short-term provisions</i>	<i>18.779.699</i>	<i>16.828.717</i>
Other current liabilities	17.361.675	8.575.707
<b>Current liabilities</b>	<b>1.346.348.418</b>	<b>1.436.408.181</b>
Long-term borrowings	815.135.739	451.361.209
Long-term provisions	47.624.134	38.102.734
<i>Long-term provisions for employee benefits</i>	<i>41.586.011</i>	<i>33.842.645</i>
<i>Other long-term provisions</i>	<i>6.038.123</i>	<i>4.260.089</i>
Derivative financial liabilities	27.427.580	55.936.459
Deferred tax liability	67.441.791	50.701.393
<b>Non-current liabilities</b>	<b>957.629.244</b>	<b>596.101.795</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	135.084.442	135.084.442
Adjustments to share capital	41.741.516	41.741.516
Share premiums	1.099.415	1.099.415
Other comprehensive income/expense to be reclassified to profit or loss	20.905.065	(24.584.144)
<i>Foreign currency translation reserve</i>	<i>5.44.773.864</i>	<i>66.947.614</i>
<i>Cash flow hedge fund</i>	<i>(36.430.712)</i>	<i>(75.387.265)</i>
<i>Increase / (decrease) funds of available-for-sale financial assets</i>	<i>12.561.913</i>	<i>(16.144.493)</i>
Other comprehensive income/expense not to be reclassified to profit or loss	(7.137.025)	(5.777.277)
<i>Actuarial losses / gains on defined benefit plans</i>	<i>(7.137.025)</i>	<i>(5.777.277)</i>
Restricted reserves	193.104.976	193.104.976
Retained earnings	985.356.923	830.431.391
Net profit for the year	31.455.535	154.925.532
<b>Equity attributable to equity holders of the parent</b>	<b>1.401.610.847</b>	<b>1.326.025.851</b>
Non-controlling interests	104.095.812	125.453.529
<b>Total shareholders' equity</b>	<b>1.505.706.659</b>	<b>1.451.479.380</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3.809.684.721</b>	<b>3.483.989.356</b>

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

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

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

	(Not Reviewed) Current Period 1 January- 30 September 2019	(Not Reviewed) Prior Period 1 January- 30 September 2018	(Not Reviewed) Current Period 1 July - 30 September 2019	(Not Reviewed) Prior Period 1 July- 30 September 2018
<b>OPERATING INCOME</b>				
Sales	1.284.712.635	1.305.193.980	472.648.518	451.850.209
Cost of sales (-)	(1.051.599.792)	(952.791.866)	(389.263.389)	(332.315.663)
<b>GROSS PROFIT</b>	<b>233.112.843</b>	<b>352.402.114</b>	<b>83.385.129</b>	<b>119.534.546</b>
General and administrative expense (-)	(102.874.191)	(71.263.085)	(40.708.681)	(23.932.621)
Marketing, selling and distribution expense (-)	(11.822.824)	(10.396.454)	(3.472.254)	(3.648.261)
Research and development expense (-)	(3.861.851)	(2.836.741)	(1.394.211)	(971.925)
Other operating income	86.357.162	79.404.866	25.308.785	68.517.321
Other operating expenses (-)	(67.866.658)	(30.817.694)	(24.463.255)	(7.676.644)
<b>OPERATING PROFIT</b>	<b>133.044.481</b>	<b>316.493.006</b>	<b>38.655.513</b>	<b>151.822.416</b>
Income from investment activities	43.265.840	19.863.831	14.986.966	2.019.896
Expense from investment activities (-)	(305.896)	(4.248)	(121.810)	(2.871)
Profit/(loss) from investments accounted by equity method	19.162.219	45.794.660	101.833	25.830.432
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE</b>	<b>195.166.644</b>	<b>382.147.249</b>	<b>53.418.836</b>	<b>179.669.873</b>
Financial income	5.048.337	3.178.129	1.343.318	2.218.949
Financial expenses (-)	(201.172.485)	(130.745.665)	(49.948.851)	(74.804.344)
<b>PROFIT BEFORE TAXATION</b>	<b>(957.504)</b>	<b>254.579.713</b>	<b>4.813.303</b>	<b>107.084.478</b>
<b>Tax income / (expense) from continuing operations</b>	<b>10.931.323</b>	<b>(34.193.879)</b>	<b>(4.487.105)</b>	<b>(9.065.347)</b>
- Current period tax expense	(9.615.634)	(9.264.272)	(3.505.879)	9.012.142
- Deferred tax income / (expense)	20.546.957	(24.929.607)	(981.226)	(18.077.489)
<b>NET PROFIT</b>	<b>9.973.819</b>	<b>220.385.834</b>	<b>326.198</b>	<b>98.019.131</b>
<b>Profit/loss for the period attributable to</b>				
- Non-controlling interests	(21.481.716)	3.715.758	(7.927.873)	(1.214.700)
- Equity holders of the parent	31.455.535	216.670.076	8.254.071	99.233.831
<b>Earnings per share</b>				
Earnings per share from continuing operations (Nominal amount of 1 Kr)	0,2329	1,6040	0,0611	0,7346

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**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

	(Not Reviewed) Current Period 1 January- 30 September 2019	(Not Reviewed) Prior Period 1 January- 30 September 2018	(Not Reviewed) Current Period 1 July- 30 September 2019	(Not Reviewed) Prior Period 1 July- 30 September 2018
<b>PROFIT FOR THE PERIOD</b>	<b>9.973.819</b>	<b>220.385.834</b>	<b>326.198</b>	<b>98.019.131</b>
<b>Other comprehensive income/expense to be reclassified to profit or loss</b>	<b>42.959.523</b>	<b>(100.708.322)</b>	<b>20.235.166</b>	<b>(58.743.119)</b>
<i>Foreign currency translation reserve</i>	<i>(24.703.437)</i>	<i>38.157.981</i>	<i>(9.681.300)</i>	<i>20.598.732</i>
<i>Available for sales financial assets revaluation reserve</i>	<i>36.803.085</i>	<i>(12.876.965)</i>	<i>11.238.673</i>	<i>9.182.480</i>
<i>Cash flow hedge reserve</i>	<i>49.944.299</i>	<i>(160.705.914)</i>	<i>27.115.771</i>	<i>(108.359.794)</i>
<i>Tax (income)/expense</i>	<i>(19.084.424)</i>	<i>34.716.576</i>	<i>(8.437.978)</i>	<i>19.835.463</i>
<b>Other comprehensive income/expense not to be reclassified to profit or loss</b>	<b>1.293.937</b>	<b>(2.211.218)</b>	<b>2.889.431</b>	<b>(1.455.485)</b>
Actuarial gains/(losses) on defined benefit plans	1.658.893	(2.639.023)	3.653.260	(1.819.357)
Tax (income)/expense	(364.956)	527.805	(763.829)	363.872
<b>OTHER COMPREHENSIVE INCOME (AFTER TAX)</b>	<b>44.253.460</b>	<b>(102.819.540)</b>	<b>23.124.597</b>	<b>(60.198.604)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>54.227.279</b>	<b>117.566.294</b>	<b>23.450.795</b>	<b>37.820.527</b>
<b>Total comprehensive income attributable to</b>				
-Non-controlling interests	(21.357.717)	5.570.111	(8.450.218)	64.613
-Equity holders of the parent	75.584.996	111.996.183	31.901.013	37.755.914

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**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

	Other comprehensive income/expenses to be reclassified to profit or loss					Other comprehensive income/expenses not to be reclassified to profit or loss	Retained Earnings				Total equity		
	Share Capital	Adjustments to share capital	Share premiums	Foreign currency translation reserve	Cash flow hedge reserve	Available for sales financial assets revaluation reserve	Actuarial gains/(losses) on defined benefit plans	Restricted reserves	Retained Earnings	Net profit for the period		Equity attributable to equity holders of the parent	Non-controlling interests
<b>1 January 2018</b>	<b>135.084.442</b>	<b>41.741.516</b>	<b>1.099.415</b>	<b>29.853.540</b>	<b>(9.896.684)</b>	<b>12.381.134</b>	<b>(6.500.138)</b>	<b>187.026.176</b>	<b>675.700.470</b>	<b>228.351.942</b>	<b>1.294.841.813</b>	<b>127.507.998</b>	<b>1.422.349.811</b>
Transfer from retained earnings	-	-	-	-	-	-	-	6.078.800	222.273.142	(228.351.942)	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	216.670.076	<b>216.670.076</b>	3.715.758	<b>220.385.834</b>
Other comprehensive income/(expense)	-	-	-	36.313.193	(128.564.731)	(10.301.572)	(2.120.783)	-	-	-	<b>(104.673.893)</b>	1.854.353	<b>(102.819.540)</b>
<b>Total comprehensive income/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.313.193</b>	<b>(128.564.731)</b>	<b>(10.301.572)</b>	<b>(2.120.783)</b>	<b>-</b>	<b>-</b>	<b>216.670.076</b>	<b>111.996.183</b>	<b>5.570.111</b>	<b>117.566.294</b>
Dividends to be paid (*)	-	-	-	-	-	-	-	-	(67.542.221)	-	<b>(67.542.221)</b>	-	<b>(67.542.221)</b>
<b>30 September 2018</b>	<b>135.084.442</b>	<b>41.741.516</b>	<b>1.099.415</b>	<b>66.166.733</b>	<b>(138.461.415)</b>	<b>2.079.562</b>	<b>(8.620.921)</b>	<b>193.104.976</b>	<b>830.431.391</b>	<b>216.670.076</b>	<b>1.339.295.775</b>	<b>133.078.109</b>	<b>1.472.373.884</b>
<b>1 January 2019</b>	<b>135.084.442</b>	<b>41.741.516</b>	<b>1.099.415</b>	<b>66.947.614</b>	<b>(75.387.265)</b>	<b>(16.144.493)</b>	<b>(5.777.277)</b>	<b>193.104.976</b>	<b>830.431.391</b>	<b>154.925.532</b>	<b>1.326.025.851</b>	<b>125.453.529</b>	<b>1.451.479.380</b>
Transfer from retained earnings	-	-	-	-	-	-	-	-	154.925.532	(154.925.532)	-	-	-
Net profit for the period	-	-	-	-	-	-	-	-	-	31.455.535	<b>31.455.535</b>	(21.481.716)	<b>9.973.819</b>
Other comprehensive income/(expense)	-	-	-	(22.173.750)	38.956.553	28.706.406	(1.359.748)	-	-	-	<b>44.129.461</b>	123.999	<b>44.253.460</b>
<b>Total comprehensive income/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22.173.750)</b>	<b>38.956.553</b>	<b>28.706.406</b>	<b>(1.359.748)</b>	<b>-</b>	<b>-</b>	<b>31.455.535</b>	<b>75.584.996</b>	<b>(21.357.717)</b>	<b>54.227.279</b>
<b>30 September 2019</b>	<b>135.084.442</b>	<b>41.741.516</b>	<b>1.099.415</b>	<b>44.773.864</b>	<b>(36.430.712)</b>	<b>12.561.913</b>	<b>(7.137.025)</b>	<b>193.104.976</b>	<b>985.356.923</b>	<b>31.455.535</b>	<b>1.401.610.847</b>	<b>104.095.812</b>	<b>1.505.706.659</b>

(\*) The decision to distribute dividend of TRY 67.542.221 from 2017 year profit was unanimously approved by the Ordinary General Assembly held on 27 March 2018 and the amount of TRY 38.935.065 payment was completed on 29 March 2018 and the remaining amount was paid on 2 April 2018.

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**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

(Amounts expressed in Turkish Lira (“TRY”), unless otherwise indicated.)

	(Not Reviewed) Current Period 1 January- 30 September 2019 <b>197.786.928</b>	(Not Reviewed) Prior Period 1 January- 30 September 2018 <b>209.975.667</b>
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9.973.819	220.385.834
<b>Adjustments to reconcile net profit/loss for the period</b>	<b>251.945.124</b>	<b>129.248.397</b>
Adjustment related to depreciation and amortization expense	109.074.694	79.679.720
Adjustment related to tax expense/(income)	(10.931.323)	34.193.879
Adjustment related to gain on sale of fixed assets	(40.903.335)	(16.050.217)
Adjustment related to undistributed retained profits of subsidiaries	(19.162.219)	(45.794.660)
Adjustment related to allowance for doubtful receivable	(3.112.802)	(476.369)
Adjustment related to inventory impairment	300.716	(116.818)
Adjustment related to provisions for litigations	1.950.982	803.181
Adjustment related to minefield	1.778.034	593.183
Adjustment related to seniority provisions	10.696.191	3.400.617
Adjustment related to seniority incentives	686.099	286.031
Adjustment related unpaid vacation liability	1.137.963	1.091.667
Adjustment related to interest expense	130.307.222	110.160.837
Adjustment related to interest income	(8.262.573)	(4.214.975)
Adjustment related to outstanding foreign currency translation differences	69.411.690	(31.292.566)
Adjustment related to fair value decrease/(increase) of derivative financial instruments	8.973.785	(3.015.113)
<b>Changes in working capital</b>	<b>(52.066.025)</b>	<b>(118.937.183)</b>
Short term trade receivables	(29.062.072)	(73.989.841)
Inventories	(42.481.517)	(119.898.479)
Other receivables/current assets/prepaid expenses	(43.485.683)	12.030.730
Long-term trade receivables	-	1.753.011
Other long-term trade receivables/non-current/prepaid expenses	(13.386.860)	(2.535.707)
Short-term trade payables	60.357.184	66.479.712
Other long term payables/liabilities	15.992.923	(2.776.609)
<b>Cash flows from operations</b>	<b>209.852.918</b>	<b>230.697.048</b>
Interest received	3.214.236	1.036.846
Payments related to seniority	(3.428.000)	(4.500.000)
Payments related to provisions for employee benefits	(4.639.362)	(5.289.901)
Seniority provision paid	(365.930)	-
Payments related to vacation	(595.099)	(1.145.311)
Tax payments	(6.251.835)	(10.823.015)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(123.662.457)</b>	<b>(154.430.386)</b>
Cash out flow related to purchases of tangible assets	(165.753.345)	(166.708.522)
Proceeds related to sales of tangible and intangible assets	42.200.777	14.114.806
Cash out flow related to purchases of intangible assets	(109.889)	(2.465.395)
Changes in cash advance of fixed assets	-	628.725
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>17.025.490</b>	<b>(72.522.102)</b>
Proceeds from borrowings	980.697.573	1.068.235.364
Repayment of borrowings	(850.992.586)	(1.037.658.607)
Dividend paid	-	(67.542.221)
Interest paid	(117.727.834)	(38.734.767)
Interest income	5.048.337	3.178.129
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>91.149.961</b>	<b>(16.976.821)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>201.636.639</b>	<b>204.303.367</b>
Currency translation differences (net)	(55.135.523)	12.891.501
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>237.651.077</b>	<b>200.218.047</b>