

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

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

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD OF 1 JANUARY-30 JUNE  
2024 TOGETHER WITH THE INDEPENDENT  
AUDITOR'S REPORT**

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

**REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL INFORMATION**

**To the General Assembly of Çimsa Çimento Sanayi ve Ticaret A.Ş.,**

*Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Çimsa Çimento Sanayi ve Ticaret A.Ş. (the “Company”) and its subsidiaries (together will be referred as “the Group”) as of 30 June 2024 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month interim period then ended. Group management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with Turkish Accounting Standards 34 “Interim Financial Reporting” (“TAS 34”). Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

*Scope of Review*

We conducted our review in accordance with Independent Auditing Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## *Other Matters*

The consolidated financial statements of the Group for the year ended 31 December 2023 and the condensed consolidated financial statements for the six-month period ended 30 June 2023 have been audited by another independent auditor. The previous independent audit firm expressed unqualified conclusions and unqualified opinions regarding the Company's financial statements for the interim period ended 30 June 2023 and the year ended 31 December 2023 in its review report dated 7 August 2023 and its independent audit report dated 28 March 2024.

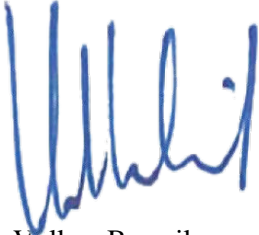
## *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information is not prepared, in all material respects, in accordance with TAS 34 "Interim Financial Reporting".

## *Additional paragraph for convenience translation to English*

*In the accompanying consolidated financial statements, the accounting principles described in Note 2 (defined as Turkish Accounting Standards/Turkish Financial Reporting Standards) differ from International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with IFRS.*

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



Volkan Becerik  
Partner

İstanbul, August 20, 2024

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

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

**TABLE OF CONTENTS**

	<b>Page</b>
Interim consolidated statement of financial position	1 - 2
Interim consolidated statement of profit or loss	3
Interim consolidated statement of other comprehensive income	4
Interim consolidated statement of changes in equity	5
Interim consolidated statement of cash flows	6
Notes to the interim consolidated financial statements	7 – 57

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30, 2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

		<b>(Reviewed)</b>	<b>(Audited)</b>
		<b>Current Period</b>	<b>Prior Period</b>
		<b>30 June</b>	<b>31 December</b>
	<b>Notes</b>	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>			
Cash and cash equivalents	5	5,703,081	7,866,640
Trade receivables	7	3,543,623	2,924,499
<i>Trade receivables from related parties</i>	29	22	-
<i>Trade receivables from third parties</i>		3,543,601	2,924,499
Other receivables		12,695	27,168
<i>Other receivables from related parties</i>	29	9	-
<i>Other receivables from third parties</i>	9	12,686	27,168
Derivative financial assets	21	33,966	32,803
Inventories	10	3,617,527	3,568,899
Prepaid expenses	11	358,277	357,526
Assets related to the current period taxes	27	15,651	117,430
Other current assets	19	121,769	180,629
Non-current assets held for sale		2	2
<b>Current Assets</b>		<b>13,406,591</b>	<b>15,075,596</b>
Other receivables	9	15,948	20,322
<i>Other receivables from third parties</i>		15,948	20,322
Financial investments	6	2,941,222	103,352
Investments accounted under equity method	3	-	3,025,495
Property, plant and equipment	12	19,500,737	19,370,595
Right of use assets	14	374,641	444,633
Intangible assets		6,033,222	6,690,845
<i>Goodwill</i>	15	2,985,042	2,985,042
<i>Other intangible assets</i>	13	3,048,180	3,705,803
Prepaid expenses	11	1,253,540	1,464,534
Deferred tax assets	27	1,611,526	1,626,313
Other non-current assets	19	55,022	59,245
<b>Non-Current Assets</b>		<b>31,785,858</b>	<b>32,805,334</b>
<b>TOTAL ASSETS</b>		<b>45,192,449</b>	<b>47,880,930</b>

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

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30, 2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

	Notes	(Reviewed) Current Period 30 June 2024	(Audited) Prior Period 31 December 2023
<b>LIABILITIES</b>			
Short-term borrowings	8	3,306,044	3,056,107
Short-term portions of long-term borrowings	8	2,001,086	1,374,774
Short-term lease liabilities	8	57,146	69,593
Trade payables	7	3,336,398	3,990,244
<i>Trade payables to related parties</i>	29	195,153	264,250
<i>Trade payables to third parties</i>		3,141,245	3,725,994
Employee benefit obligations	18	90,037	66,415
Other payables		122,416	198,410
<i>Other payables to related parties</i>	29	4,298	26,386
<i>Other payables to third parties</i>	9	118,118	172,024
Derivative financial liabilities	21	300	20,916
Deferred income	11	159,785	239,412
Current income tax liability	27	30,935	58,940
Short-term provisions	16	1,058,082	1,352,726
<i>Short-term provisions for employee benefits</i>		58,788	48,167
<i>Other short-term provisions</i>		999,294	1,304,559
Other current liabilities	19	324,469	644,967
<b>Current liabilities</b>		<b>10,486,698</b>	<b>11,072,504</b>
Long-term borrowings	8	4,707,450	5,846,028
Long-term lease liabilities	8	348,688	438,907
Long-term provisions	16	229,100	222,569
<i>Long-term provisions for employee benefits</i>	18	206,551	196,418
<i>Other long-term provisions</i>		22,549	26,151
Deferred tax liability	27	1,238,320	1,070,205
<b>Non-current liabilities</b>		<b>6,523,558</b>	<b>7,577,709</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	20	945,591	945,591
Adjustments to share capital	20	1,892,977	1,892,977
Share premiums		5,463	5,463
Effect of mergers involving undertakings or businesses under common control		(327,903)	(327,903)
Other comprehensive income /expenses to be reclassified to profit or loss		(593,199)	546,352
<i>Foreign currency translation reserve</i>		(277,945)	906,311
<i>Cash flow hedge fund</i>		(315,254)	(368,454)
<i>Share of other comprehensive income of investments in associates accounted for using equity method that will be reclassified to profit/loss</i>		-	8,495
Other comprehensive income (expenses) not to be reclassified to profit or loss		(82,704)	122,264
<i>Value increase/(decrease) funds of financial assets available for sale</i>		-	201,128
<i>Actuarial losses/gains on defined benefit plans</i>		(82,704)	(78,864)
Restricted reserves		2,896,895	2,796,799
Retained earnings		16,024,329	14,068,057
Net profit for the year		1,670,635	3,107,010
<b>Equity attributable to equity holders of the parent</b>		<b>22,432,084</b>	<b>23,156,610</b>
Non-controlling interests		5,750,109	6,074,107
<b>Total shareholders' equity</b>		<b>28,182,193</b>	<b>29,230,717</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>45,192,449</b>	<b>47,880,930</b>

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

(Convenience translation of the report and 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 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30, 2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

		(Reviewed)	(Restated)	(Not Reviewed)	(Restated)
		Current Period	Prior Period	Current Period	Prior Period
		1 January- 30 June 2024	1 January- 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
<b>OPERATING INCOME</b>	<b>Notes</b>				
Revenue	22	11,533,342	12,572,280	5,762,193	7,370,476
Cost of sales (-)	23	(9,134,605)	(10,016,258)	(4,131,718)	(5,698,234)
<b>GROSS PROFIT</b>		<b>2,398,737</b>	<b>2,556,022</b>	<b>1,630,475</b>	<b>1,672,242</b>
General and administrative expenses (-)	23	(998,801)	(853,416)	(477,739)	(413,083)
Marketing, selling and distribution expenses (-)	23	(50,539)	(37,098)	(21,259)	(11,727)
Research and development expenses (-)	23	(15,779)	(6,994)	(6,787)	919
Other operating income	24	459,514	1,159,395	94,272	987,994
Other operating expenses (-)	24	(258,578)	(517,207)	(75,126)	(437,385)
<b>OPERATING PROFIT</b>		<b>1,534,554</b>	<b>2,300,702</b>	<b>1,143,836</b>	<b>1,798,960</b>
Income from investment activities	25	634,124	391,579	361,318	373,500
Profit/(loss) from investments accounted by equity method	3	-	66,427	-	211,514
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE</b>		<b>2,168,678</b>	<b>2,758,708</b>	<b>1,505,154</b>	<b>2,383,974</b>
Financial income	26	458,966	429,636	205,066	307,509
Financial expenses (-)	26	(866,619)	(1,207,292)	(399,196)	(763,151)
Net monetary position gains/(losses)		428,691	51,853	330,963	47,438
<b>PROFIT BEFORE TAXATION</b>		<b>2,189,716</b>	<b>2,032,905</b>	<b>1,641,987</b>	<b>1,975,770</b>
<b>Tax income/(expense) from continuing operations</b>		<b>(268,490)</b>	<b>(188,832)</b>	<b>(150,401)</b>	<b>(502,005)</b>
- Current tax expense (-)	27	(67,785)	(262,744)	(63,063)	(262,744)
- Deferred tax income/(expense)	27	(200,705)	73,912	(87,338)	(239,261)
<b>PERIOD (LOSS)/PROFIT OF CONTINUING OPERATIONS</b>		<b>1,921,226</b>	<b>1,844,073</b>	<b>1,491,586</b>	<b>1,473,765</b>
<b>NET PROFIT</b>		<b>1,921,226</b>	<b>1,844,073</b>	<b>1,491,586</b>	<b>1,473,765</b>
<b>Profit/loss for the period attributable to</b>					
- Non-controlling interests		250,591	226,673	214,036	202,230
- Equity holders of the parent		1,670,635	1,617,400	1,277,550	1,271,535
<b>Earnings Per Share</b>					
Earnings per share from continuing operations (Nominal amount of 1 Kr)	28	1.77	1.71	1.35	1.34

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

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30, 2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

	(Reviewed) Current Period 1 January- 30 June 2024	(Restated) (Reviewed) Prior Period 1 January- 30 June 2023	(Not Reviewed) Current Period 1 April- 30 June 2024	(Restated) (Not Reviewed) Prior Period 1 April- 30 June 2023
<b>PERIOD PROFIT/(LOSS) FROM CONTINUING OPERATIONS</b>	<b>1,921,226</b>	<b>1,844,073</b>	<b>1,491,586</b>	<b>1,473,765</b>
<b>Other comprehensive income/expense to be reclassified to profit or loss</b>	<b>(1,631,770)</b>	<b>1,111,239</b>	<b>(378,428)</b>	<b>2,140,986</b>
<i>Cash flow hedge gain/(loss) fund</i>	70,933	317,569	34,155	149,810
<i>Share of other comprehensive income of investments in associates accounted for using equity method that will be reclassified to profit/(loss)</i>	(8,495)	873	-	12,415
<i>Foreign currency translation reserve</i>	(1,676,476)	856,311	(404,044)	2,007,672
<i>Tax (income)/ expense</i>	(17,732)	(63,514)	(8,539)	(28,911)
<b>Other comprehensive income/expense not to be reclassified to profit or loss</b>	<b>(204,968)</b>	<b>(10,066)</b>	<b>(15,127)</b>	<b>(4,856)</b>
<i>Share of other comprehensive income of investments in associates accounted for using equity method that will be reclassified to profit/(loss)</i>	(268,171)	7,475	-	(1,101)
<i>Actuarial gains/(losses) on defined benefit plans</i>	(5,120)	(20,058)	(20,170)	(11,356)
<i>Tax (income)/ expense</i>	68,323	2,517	5,043	7,601
<b>OTHER COMPREHENSIVE INCOME/EXPENSE (AFTER TAX)</b>	<b>(1,836,738)</b>	<b>1,101,173</b>	<b>(393,555)</b>	<b>2,136,130</b>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE)</b>	<b>84,488</b>	<b>2,945,246</b>	<b>1,098,031</b>	<b>3,609,895</b>
<b>Total comprehensive income/(expense) attributable to</b>				
- Non-controlling interests	(241,628)	(348,058)	(7,287)	1,243,248
- Equity holders of the parent	326,116	3,293,304	1,105,318	2,366,647

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



(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

				Other Comprehensive Income/Expense to be Reclassified to Profit or Loss			Effects of combinations of entities or businesses under common control on investments in associates accounted for using equity method	Other Comprehensive Income/Expense not to be Reclassified to Profit or Loss			Retained Earnings			Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Share capital	Adjustments to share capital	Share premiums	Foreign currency translation reserve	Cash flow hedge gains/(losses)	Share of other comprehensive income of investments in associates accounted for using equity method		Share of other comprehensive income of investments in associates accounted for using equity method	Actuarial gains/(losses) on defined benefit plan	Restricted reserves	Retained earnings	Net profit for the period				
<b>1 January 2023</b>	<b>135,084</b>	<b>1,692,498</b>	<b>5,463</b>	<b>(16,611)</b>	<b>(759,984)</b>	<b>11,641</b>	-	<b>195,147</b>	<b>(79,198)</b>	<b>2,726,643</b>	<b>10,776,776</b>	<b>5,086,026</b>	<b>19,773,485</b>	<b>6,704,600</b>	<b>26,478,085</b>	
Transfer from retained earnings	-	-	-	-	-	-	-	-	-	-	5,086,026	(5,086,026)	-	-	-	
Net profit for the period	-	-	-	-	-	-	-	-	-	-	1,617,400	-	1,617,400	226,673	<b>1,844,073</b>	
Other comprehensive income/(expense)	-	-	-	1,431,043	254,055	873	-	5,980	(16,047)	-	-	-	1,675,904	(574,731)	<b>1,101,173</b>	
<b>Total comprehensive income/(expense)</b>	-	-	-	<b>1,431,043</b>	<b>254,055</b>	<b>873</b>	-	<b>5,980</b>	<b>(16,047)</b>	-	-	<b>1,617,400</b>	<b>3,293,304</b>	<b>(348,058)</b>	<b>2,945,246</b>	
Dividends	-	-	-	-	-	-	-	-	-	-	(730,628)	-	(730,628)	(71,604)	<b>(802,232)</b>	
Transfers to legal reserves	-	-	-	-	-	-	-	-	-	70,144	(70,144)	-	-	-	-	
<b>30 June 2023</b>	<b>135,084</b>	<b>1,692,498</b>	<b>5,463</b>	<b>1,414,432</b>	<b>(505,929)</b>	<b>12,514</b>	-	<b>201,127</b>	<b>(95,245)</b>	<b>2,796,787</b>	<b>15,062,030</b>	<b>1,617,400</b>	<b>22,336,161</b>	<b>6,284,938</b>	<b>28,621,099</b>	
<b>1 January 2024</b>	<b>945,591</b>	<b>1,892,977</b>	<b>5,463</b>	<b>906,311</b>	<b>(368,454)</b>	<b>8,495</b>	<b>(327,903)</b>	<b>201,128</b>	<b>(78,864)</b>	<b>2,796,799</b>	<b>14,068,057</b>	<b>3,107,010</b>	<b>23,156,610</b>	<b>6,074,107</b>	<b>29,230,717</b>	
Transfer from retained earnings	-	-	-	-	-	-	-	-	-	-	3,107,010	(3,107,010)	-	-	-	
Net profit for the period	-	-	-	-	-	-	-	-	-	-	1,670,635	-	1,670,635	250,591	<b>1,921,226</b>	
Other comprehensive income/(expense)	-	-	-	(1,184,256)	53,200	(8,495)	-	(201,128)	(3,840)	-	-	-	(1,344,519)	(492,219)	<b>(1,836,738)</b>	
<b>Total comprehensive income/(expense)</b>	-	-	-	<b>(1,184,256)</b>	<b>53,200</b>	<b>(8,495)</b>	-	<b>(201,128)</b>	<b>(3,840)</b>	-	-	<b>1,670,635</b>	<b>326,116</b>	<b>(241,628)</b>	<b>84,488</b>	
Dividends	-	-	-	-	-	-	-	-	-	-	(1,050,642)	-	(1,050,642)	(82,370)	(1,133,012)	
Transfers to legal reserves	-	-	-	-	-	-	-	-	-	100,096	(100,096)	-	-	-	-	
<b>30 June 2024</b>	<b>945,591</b>	<b>1,892,977</b>	<b>5,463</b>	<b>(277,945)</b>	<b>(315,254)</b>	-	<b>(327,903)</b>	-	<b>(82,704)</b>	<b>2,896,895</b>	<b>16,024,329</b>	<b>1,670,635</b>	<b>22,432,084</b>	<b>5,750,109</b>	<b>28,182,193</b>	

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

**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30, 2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

		(Reviewed)	(Restated)
		Current Period	(Reviewed)
		1 January-	Prior Period
		30 June 2024	1 January-
	<u>Notes</u>	30 June 2023	30 June 2023
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>649,115</b>	<b>589,541</b>
Profit/(loss) from continuing operations before tax		2,189,716	2,032,905
<b>Adjustments to reconcile net profit/loss for the period</b>		<b>2,366,523</b>	<b>2,840,953</b>
Adjustment related to depreciation and amortization expense	12,13,14	720,409	695,309
Adjustments for gains from the disposal of PPE classified for sale	25	(11,096)	(9)
Adjustments related to the profits of investments valued by the equity method	3	-	(66,427)
Adjustment related to allowance for doubtful receivable	7	4,876	2,132
Adjustment related to provision for inventory impairment	10	(19,060)	4,805
Adjustment related to provision for litigations	16	3,594	19,474
Adjustment related to recultivation provision	16	1,695	4,293
Provision for expected credit losses		4,011	5,217
Adjustment related to retirement pay provision	18	13,601	31,993
Adjustment related to seniority provision	18	8,041	8,476
Adjustment related unpaid vacation liability		24,542	21,485
Adjustment related to interest expense	26	649,141	701,957
Adjustment related to interest income	26	(458,966)	(429,636)
Adjustments related to dividend income received	25	(87,839)	-
Unrealized foreign exchange (gains)/losses on financial borrowings		153,730	444,548
Adjustment related to fair value decrease/(increase) of derivative financial instruments		1,163	220,053
Adjustments related to income from other investing activities	25	-	(391,570)
Income from financial investments	25	(535,189)	-
Monetary (gains)/losses		1,893,870	1,568,853
<b>Changes in working capital</b>		<b>(3,798,193)</b>	<b>(3,949,287)</b>
Short-term trade receivables		(1,287,207)	(1,368,695)
Inventories		(29,568)	(352,898)
Other receivables/current assets/prepaid expenses/assets related to the current period taxes		89,273	(2,281)
Other long-term receivables/non-current assets/prepaid expenses		8,593	(49,441)
Short-term and long-term trade payables		(1,400,586)	(2,510,102)
Other short-term payables/liabilities/payables related to employee benefits		(1,178,698)	334,130
<b>Cash flow from operations</b>		<b>758,046</b>	<b>924,571</b>
Premiums and bonuses paid		(56,769)	(34,043)
Retirement pay provision paid	18	(10,044)	(86,185)
Seniority provision paid	18	(2,102)	(3,350)
Vacation provision paid	18	(3,166)	(11,887)
Taxes paid		(36,850)	(199,565)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(675,120)</b>	<b>(1,915,092)</b>
Cash out flow related to purchases of tangible assets	12	(1,342,882)	(1,564,204)
Dividends received		87,839	-
Other cash inflows (outflows)		535,189	391,570
Cash received from sale of tangible and intangible assets		130,117	2,244
Cash outflows related to purchases of intangible assets	13	(5,963)	(744,084)
Change in advances given for the purchase of tangible fixed assets		(79,420)	(618)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(2,174,793)</b>	<b>4,585,449</b>
Proceeds from borrowings		1,791,245	9,092,390
Repayment of borrowings		(2,582,807)	(3,432,390)
Interest paid		(709,185)	(701,957)
Interest income		458,966	429,636
Dividends paid	20	(1,050,642)	(730,628)
Dividends paid to minority shares		(82,370)	(71,602)
<b>NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES (A + B + C)</b>		<b>(2,200,798)</b>	<b>3,259,898</b>
Effect of foreign currency translation differences on cash and cash equivalents		1,486,514	(851,442)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(714,284)</b>	<b>2,408,456</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	5	<b>7,866,201</b>	<b>8,610,350</b>
Effect of monetary loss/gain on cash and cash equivalents		(1,455,220)	(1,469,209)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	5	<b>5,696,697</b>	<b>9,549,597</b>

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

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

## 1. ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

### General

Çimsa Çimento Sanayi ve Ticaret A.Ş. (‘Çimsa’ or the ‘Company’) was founded with a declaration of the trade registry on 16 December 1972 which was announced at Turkish Trade Registry Gazette numbered 4729 and dated 21 December 1972. Operations of the Group consist of production and sales of cement, clinker and ready-mix concrete. The ultimate shareholder of the Group is Hacı Ömer Sabancı Holding A.Ş. (‘Sabancı Holding’).

The registered office address of the Group is Allianz Tower Küçükbakkalköy Mah. Kayışdağı Cad. No:1 Kat:23-24 34750 Ataşehir/İstanbul.

A certain amount of the shares of the Company is traded on Borsa İstanbul A.Ş. (BIST). In accordance with Article 82 of the BIST Basic Principles of Share Indexes, the shares of Çimsa are included in the BIST 100 index by the Directorate General of the Stock Exchange.

The upper limit of registered share capital of the Company is TRY 350,000 (31 December 2023: TRY 350,000).

As of June 30, 2024, and December 31, 2023 the information related to the Company’s subsidiaries and joint venture is as follows:

Company	Date of acquisition	Location of the operation	Principal Activities	Effective shareholding of the Company	
				30 June 2024	31 December 2023
Çimsa Cement Free-Zone Limited (Çimsa Cement) (*)	12.10.2005	NCTR	Cement sales and marketing	99.99%	99.99%
Çimsa Mersin Serbest Bölge Şubesi (Çimsa Mersin) (*)	12.12.2007	Mersin	Cement export	100%	100%
Sabancı Building Solutions B.V. (*) (**)	16.11.2020	Holland	Cement production and sales	50.1%	50.1%
Afyon Çimento Sanayi Türk Anonim Şirketi (*)	31.05.2012	Türkiye	Cement production and sales	51%	51%

(\*) Full consolidation method has been applied.

(\*\*) Note 2.6

The Company’s associate, Exsa Export Sanayi Mamülleri Satış ve Araştırma A.Ş. (‘Exsa’) (effective ownership: 32.875% is consolidated by the equity method. Our main partner Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding), its subsidiary Exsa Export Sanayi Mamulleri Sales and Research Inc. The Board of Directors has taken a decision to carry out the merger transaction by taking over (Exsa), and in this context, Sabancı Holding applied to the Capital Markets Board on June 21, 2023 to obtain the necessary permissions and approvals for the merger transaction. In line with the Sabancı Holding PDP (Public Disclosure Platform) statement dated October 30, 2023, the application made to the Capital Markets Board to ensure that the necessary permissions and approvals for the merger are obtained has been updated in line with the revised documents. As a result of the merger, the payment process to Exsa partners was given to Exsa shareholders other than Sabancı Holding, with Sabancı Holding shares in exchange for the Exsa shares they held, and the process was completed with the registration process dated January 15, 2024. In this context, the Capital Markets Board approved the issuance of shares by Sabancı Holding due to a capital increase, which were allocated to Exsa's shareholders other than Sabancı Holding. The approval document was received on 2 February 2024, and with the completion of share trading on 5 February 2024, the merger transactions were finalized. As a result of the capital increase by Sabancı Holding due to the merger, our company was allocated shares with a nominal value of TRY 27,690,740.94, representing 1.32% of Sabancı Holding's post-merger capital, in exchange for the existing TRY 76,927,500 Full nominal value shares in Exsa's capital. The impact of this transaction has been recorded in the consolidated income statement under the account of Income from Investment Activities.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

---

## **1. ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (Continued)**

Our Company purchased 18,887,000 shares, representing 10.1% capital share of Sabancı Building Solutions BV (SBS), as stated in our Company's material event disclosure dated October 23,2023, for the full price of 25,280,098 EUR from our main partner Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding) closing procedures for the acquisition were completed as of December 8, 2023. The transfer of the shares took place as of the said date and the transfer fee was paid.

For the purpose of presentation of the consolidated financial statements, Çimsa, its subsidiaries and its associate will be together referred as (‘the Group’).

The consolidated financial statements were authorized for issue by the Board of Directors of Çimsa on August 15,2024. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after issuance.

The average number of blue-collar employees (a union member/not a union member) of the Group for the year ended June 30, 2024 is 644 (2023: 674) and white-collar employees (not a union member) is 546 (2023: 484).

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS**

### **2.1 Basis of presentation**

#### **Preparation principles of financial statements**

The accompanying interim consolidated financial statements have been prepared in accordance with the communiqué numbered II-14,1 ‘Communiqué on the Principles of Financial Reporting In Capital Markets’ (‘the Communiqué’) announced by the Capital Markets Board (‘CMB’) (hereinafter will be referred to as ‘the CMB Reporting Standards’) on June 13, 2013 which is published on Official Gazette numbered 28676. In accordance with article 5th of the CMB Reporting Standards, companies should apply Turkish Accounting Standards/Turkish Financial Reporting Standards and interpretations regarding these standards as adopted by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (‘TFRIC’). TFRS is updated through communiqués to be in line with the changes in International Financial Reporting Standards (‘IFRS’).

The Company's functional and presentation currency is accepted as Turkish Lira (“TRY”).

The functional currency of Sabancı Building Solutions B.V. is Euro (“EUR”). Based on TAS 21, the exchange rate used for translating the financial position items is the exchange rate at the balance sheet date; for income statement balances, the average exchange rate of the related period and the consolidated financial statements are presented in TRY. The resulting foreign currency gain/loss are recorded under the ‘Foreign Currency Translation Reserve’ account in equity. Non-monetary items denominated in foreign currencies and measured at cost are translated into the functional currency at exchange rates on the date of the initial transaction.

The Group and the Group companies established in Türkiye maintain their books of account and prepare their statutory financial statements (‘Statutory Financial Statements’) in accordance with rules and principles published by POA, the Turkish Commercial Code (‘TCC’), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. Subsidiaries that are registered in foreign countries maintain their books of account and prepare their statutory statements in accordance with the prevailing accounting principles in their registered countries. These consolidated financial statements have been prepared in Turkish Lira under the historical cost convention except for available for sale financial assets, assets acquired through business combination, carbon emission rights and obligations derivative instruments and cash flow hedge reserve that are carried at fair value.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS(Continued)

### 2.1 Basis of presentation (Continued)

#### Financial reporting in high inflation economies

With the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on November 23, 2023, entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after June 30, 2024. According to the standard, financial statements prepared in the currency of a hyperinflationary economy are presented in terms of the purchasing power of that currency at the balance sheet date. Prior period financial statements are also presented in the current measurement unit at the end of the reporting period for comparative purposes. The Group has therefore presented its consolidated financial statements as of June 30, 2024 and 2023, on the purchasing power basis as of December 31, 2023.

Pursuant to the decision of the Capital Markets Board (“CMB”) dated December 28, 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on December 31, 2023.

The adjustments made in accordance with TAS 29 were made using the adjustment coefficient obtained from the Consumer Price Index (“CPI”) of Türkiye published by the Turkish Statistical Institute (“TURKSTAT”). As of June 30, 2024, the indices and adjustment coefficients used in the adjustment of the consolidated financial statements are as follows:

Date	Index	Adjustment coefficient	Three Years Compound Inflation Rate
30 June 2024	2,319.29	1.00000	324%
31 December 2023	1,859.38	1.24735	268%
30 June 2023	1,351.59	1.71597	190%

The main elements of the Group’s adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period separated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 “Impairment of Assets” and TAS 2 “Inventories” are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.

**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **Financial reporting in high inflation economies (Continued)**

- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the monetary gain/loss account in the separated income statement.
- As of January 1, 2022, it is appropriate to transfer the amounts included in the "defined benefit plans remeasurement gain/(loss) fund" and "net period profit" items, which should be reported under Equity in the opening consolidated statement of financial position, to zero by transferring them to the "Retained earnings" account within the scope of inflation accounting decided.

### **2.2 Going concern**

The Group has prepared its consolidated financial statements in accordance with going concern principle.

### **2.3 Offsetting**

Financial assets and liabilities are offset and reported in the net amount when there is a legally enforceable right or when there is an intention to settle the assets and liabilities on a net basis or realize the assets and settle the liabilities simultaneously.

### **2.4 Changes in accounting policies, estimates and errors**

Any change in accounting policies resulting from the first-time adoption of a new standard is made either retrospectively or prospectively in accordance with the transition requirements. Changes without any transition requirement, material changes in accounting policies or material errors are corrected, retrospectively by restating the prior period consolidated financial statements. If changes in accounting estimates are related to only one period, they are recognized in the period when the changes are applied; if changes in estimates are related to future periods, they are recognized both in the period where the change is applied and in future periods prospectively.

### **2.5 Summary of significant accounting policies**

#### **Subsidiaries**

As at June 30, 2024, the consolidated financial statements include the financial statements of Çimsa's subsidiaries. The consolidated financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements with adjustments and reclassifications for the purpose of fair presentation in accordance with Turkish Financial Reporting Standards and the application of uniform accounting policies and presentation. Subsidiaries are all companies over which the Group has directly or indirectly control. The Group controls a company when the Group is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The results of operations of the subsidiaries are included or excluded from the effective dates of the said transactions in accordance with the acquisition or disposal transactions.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. The consolidated financial statements are prepared using common accounting policies for similar transactions and events and are prepared for the same accounting system with the Company.

The financial statements of the companies included in the scope of consolidation have been consolidated through full consolidation method and the book value of the shares of the Group and its subsidiaries is deducted from the related equity. Transactions and balances between the Group and its subsidiaries are mutually eliminated within the scope of consolidation.

**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

---

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.5 Summary of significant accounting policies (Continued)**

**Subsidiaries (Continued)**

Subsidiaries are consolidated from the date on which control is transferred to the Group until the date on which the control is transferred out of the Group. The shares of non-controlling shareholders in the net assets and operating results of subsidiaries are presented as non-controlling interest and non-controlling profit/loss, respectively, in the consolidated balance sheet and profit or loss statement.

Changes in the Group's shareholding in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The book values of the Group's share and non-controlling interests are adjusted to reflect changes in share of the subsidiaries. The difference between the adjustment for non-controlling interests and the fair value of the consideration received or paid is accounted for directly in equity as the Group's share.

If the Group loses control of a subsidiary, profit/loss after sale transaction is calculated as i) the sum of the sales price received and the fair value of the remaining interest and ii) the difference between the previous book values of the assets (including goodwill) and liabilities of the subsidiary and the non-controlling interests. The amounts previously accounted for in other comprehensive income related to the subsidiary and collected in equity are recorded according to the accounting method to be used on the assumption that the Company has sold the relevant assets (for example, in accordance with the relevant TFRS standards, transfer to profit/loss or directly transfer to retained earnings). If the subsidiary has an investment remaining after the sale, its fair value at the date of loss of control is accepted as fair value in the initial recognition under TFRS 9 Financial Instruments or, where applicable, as the cost in the initial recognition of an investment in an associate or jointly controlled entity.

**Associates**

Investments in associates are accounted by equity method. These are entities in which the Group has significant influence, but not control, over company activities. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, and unrealized losses are also eliminated if the transaction does not indicate that the transferred asset is impaired. The Group has not taken any obligation or made any commitment regarding its Associates.

Investments accounted by equity method are presented in consolidated statement of financial position with additions or deductions of changes on share of the Group on net assets of the affiliate and with deduction of provisions for the decline in the value. The other comprehensive income statement presents shares of the financial results of the Group's affiliates. The changes of the amount, not reflected on income or loss of the affiliate, on the equity of the affiliate can requisite an adjustment on the net book value of the affiliate in proportion of the Group's share. The share of the group from these changes is directly accounted under the Group's equity. Exsa's financial statements are prepared for the same period and with respect to the same accounting policies.

The Group considers at each balance sheet date whether there is impairment on the investments accounted by equity method.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.5 Summary of significant accounting policies (Continued)**

**Foreign currency transactions**

The Company and its subsidiaries translate the transactions in foreign currencies during the period at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies have been translated at the exchange rates prevailing at period-end and exchange gains or losses arising on the settlement and translation of foreign currency items have been included in the consolidated statement of profit or loss. Non-monetary items carried at cost that are denominated in foreign currencies are translated at the rates on the initial transaction date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined.

Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity. On the disposal of the foreign entity, the accumulated foreign exchange differences of that entity, recognized in other comprehensive income and accumulated in a separate component of equity, are reclassified from equity to profit or loss (as an adjustment for reclassification) when the gain or loss on the disposal is recognized.

Transactions in foreign currencies are translated into TRY at the exchange rates on the date of the transaction. Assets and liabilities denominated in foreign currencies as of June 30, 2024, 2023, are valued with the buying rate of the Central Bank of the Republic of Türkiye on the balance sheet date, and the resulting foreign exchange differences are reflected in the relevant income and expense accounts.

Foreign currency translation rates used as of respective period-ends are as follows:

<b>Date</b>	<b>30 June 2024 buy</b>	<b>30 June 2024 sell</b>	<b>30 June 2023 buy</b>	<b>30 June 2023 sell</b>
USD /TRY	32.8262	32.8853	25.823	25.869
EUR/TRY	35.1284	35.1917	28.154	28.204
RUB/TRY	0.38185	0.38684	0.3033	0.3073
RON/TRY	7.0179	7.1098	5.6505	5.7244
GBP/TRY	41.4365	41.6525	32.807	32.978

Foreign currency average rates used in the consolidated financial statements are as follow:

<b>Date</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
USD/TRY	31.5090	20.1508
EUR/TRY	34.0696	21.7672
RUB/TRY	0.3475	0.2595
RON/TRY	6.8104	4.3818
GBP/TRY	39.7954	24.8521



**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **2.6 Comparative Information and Restated Consolidated Financial Statements**

The financial statements of the Group have been prepared comparatively with the previous period in order to provide information about financial position and performance trends. If the presentation or classification of the financial statements is changed, in order to be comparative, financial statements of the previous periods are also reclassified and significant changes are disclosed.

The Group has made rearrangements in its previous period consolidated financial statements regarding the implementation of the principle decision titled "Accounting for Business Combinations Subject to Common Control" published by the POA. TAS 1 "Presentation of Financial Statements" standard states that if previous period financial statements are restated, the statement of financial position should be presented comparatively for three periods

The Group has prepared the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of cash flows, and consolidated statement of changes in equity for the year ended June 30, 2023, as of June 30, 2024.

The Group has prepared the consolidated statement of financial position as of June 30, 2024 in comparison with the consolidated statement of financial position as of 31 December 2023, and the consolidated statement of profit or loss, consolidated other comprehensive income, consolidated cash flow and equity changes statements for the year ended June 30, 2023 in comparison with the relevant consolidated financial statements for the year ended June 30, 2023.

#### **Accounting for Business Combinations Subject to Common Control:**

Sabancı Building Solutions BV ("SBS BV") (formerly "Çimsa Sabancı Cement BV") was established in the Netherlands on November 16, 2020, with a capital of 87,000 Full Euros, with the participation of 40% of the Group and 60% of Sabancı Holding, the main partner of the Group. Transfer agreements regarding the sale of the shares of "Çimsa Cementos Espana S.A.U, Çimsa Americas Cement Manufacturing and Sales Corporation, Çimsa Cement Sales North GmbH ve Çimsa Adriatico S.R.L, which the Group consolidated as its subsidiaries before June 30,2021, to SBS B.V. was signed on June 22, 2021 and the transfer process was completed on June 30, 2021 following the completion of other necessary legal procedures. According to the General Assembly Resolution dated October 31, 2022, following the completion of the transfer agreement as of June 30,2021, it was decided to increase the current capital of SBS B.V., which was included in the consolidation with the equity method with a 40% share, from EUR 87,000 Full by EUR 100,000 Full to EUR 187,000 Full. The partners participated in the capital increase in proportion to their shares and the name of the Company was changed to Sabancı Building Solutions BV. The closing procedures for the acquisition of 18,887 shares representing 10.1% capital share of Sabancı Building Solutions BV, stated in our Company's material event disclosure dated October 23, 2023, from our main partner Sabancı Holding for EUR 25,280 full, were completed as of December 8, 2023. The transfer of the shares in question took place as of the said date and the transfer fee was paid. The transfer in question has been evaluated within the scope of business combinations under common control according to the "Principle Decision on the implementation of TFRS No. 2018-1" ("Principle Decision") published by the POA regarding the accounting of business combinations under common control.

In accordance with the Policy Decision, November 16, 2020, which is the date of establishment of SBS BV by Çimsa, the subsidiary of Sabancı Holding, which is the ultimate parent company that holds the top-level joint control of SBS BV together with Çimsa, is the date when joint control is established. has been determined and the financial statements of SBS BV prepared in accordance with TFRS have been consolidated in the Group's comparative consolidated financial statements as of December 31,2020. The consolidated financial statements for the current and comparative periods are presented as if the transfer in question had occurred in the comparatively presented period.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.6 Comparative Information and Restated Consolidated Financial Statements (Continued)**

**Accounting for Business Combinations Subject to Common Control: (Continued)**

Pooling of interest method is used in accounting for business combinations subject to common control. According to this method, the acquiring company includes the assets and liabilities of the acquired business in its consolidated financial statements based on their book values determined in accordance with TFRS at the date of merger, and goodwill does not arise in business combinations subject to common control. If the merger in question takes place through share exchange;

- shares issued by the acquirer are recognized in the financial statements at their nominal values and any issue premium related to these shares is not reflected in the financial statements,
- the difference found by subtracting the nominal value of the shares issued by the acquirer from the book value of the net assets of the acquired business at the date of merger is reflected in the "Effect of Mergers Involving Undertakings or Businesses Subject to Common Control" item.

In case the acquired business ceases to exist as a result of a business combination under common control and is incorporated into the acquiring company, or if such a situation arises later, or if the subsidiary is subsequently dissolved, the amounts included in the "Effect of Mergers Involving Undertakings or Businesses Subject to Common Control" item will be calculated as of the date of the event. It is closed by being transferred to the "Retained Years Profits/Losses" item in equal installments within 5 accounting periods, starting from the accounting period.

Accordingly, the reconciliation of the effect of business combinations under common control amounting to TRY 327,903, resulting from the consolidation of SBS BV and accounted for in the "Effect of Mergers Involving Undertakings or Businesses Under Common Control" account under equity, is given below:

	<b>1 January 2022</b>
Nominal value of issued shares	993,321
Total assets of SBS B.V.	15,158,958
Total liabilities of SBS B.V.	(8,570,665)
Net assets of SBS B.V.	6,588,293
10.1% net assets of SBS B.V.	665,418
<b>Effect of Mergers Involving Undertakings or Businesses Under Common Control</b>	<b>327,903</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

---

## **2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

### **2.7 New and Amended Turkish Financial Reporting Standards**

#### **a) Amendments that are mandatorily effective from 2024**

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

#### **Amendments to TAS 1 *Classification of Liabilities as Current or Non-Current***

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after January 1, 2024 and earlier application is permitted.

#### **Amendments to TFRS 16 *Lease Liability in a Sale and Leaseback***

Amendments to TFRS 16 clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in TFRS 15 to be accounted for as a sale.

Amendments to TFRS 16 are effective for annual reporting periods beginning on or after January 1, 2024 and earlier application is permitted.

#### **Amendments to TAS 1 *Non-current Liabilities with Covenants***

Amendments to TAS 1 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to TAS 1 are effective for annual reporting periods beginning on or after January 1, 2024 and earlier application is permitted.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

#### **Amendments to TAS 7 and TFRS 7 *Supplier Finance Arrangements***

The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. Amendments are effective from annual reporting periods beginning on or after January 1, 2024.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

---

**2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)**

**2.7 New and Amended Turkish Financial Reporting Standards (Continued)**

a) Amendments that are mandatorily effective from 2024 (Continued)

**TSRS 1 General Requirements for Disclosure of Sustainability-related Financial Information**

TSRS 1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after January 1, 2024 for the entities that meet the criteria specified in POA's announcement dated January 5, 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

**TSRS 2 Climate-related Disclosures**

TSRS 2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The application of this standard is mandatory for annual reporting periods beginning on or after January 1, 2024 for the entities that meet the criteria specified in POA's announcement dated January 5, 2024 and numbered 2024-5 and for banks regardless of the criteria. Other entities may voluntarily report in accordance with TSRS.

b) New and revised TFRSs in issue but not yet effective

The Group has not yet adopted the following standards and amendments and interpretations to the existing standards:

IFRS 17	<i>Insurance Contracts</i>
Amendments to IFRS 17	<i>Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17)</i>
Amendments to IAS 21	<i>Lack of Exchangeability</i>

**Amendments to IAS 21 Lack of Exchangeability**

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. Amendments are effective from annual reporting periods beginning on or after January 1, 2025.

The Group evaluates the effects of these standards, amendments and improvements on the consolidated financial statements.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

## 2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

### 2.8 Significant accounting judgments, estimates and assumptions

a) Provision for doubtful receivables is an estimated amount that management believes to reflect possible future losses on existing receivables that have collection risk due to current economic conditions. During the impairment test for the receivables, the debtors, other than the key accounts and related parties, are assessed with their prior year performances, their credit risk in the current market, their performance after the balance sheet date up to the issuing date of the financial statements and also, the renegotiation conditions with these debtors are considered. As of balance sheet date, provisions for doubtful receivables are reflected in Note 7. The Group also uses the simplified approach in TFRS 9 to calculate expected credit losses of trade receivables. This method requires the recognition of expected credit losses for all trade receivables (Note 7).

b) The Group provides goodwill impairment analysis using discounted cash flows. These analyses include various information regarding the Group's transactions and the discount rates used (Note 15).

## 3. SHARES IN AFFILIATED UNDERTAKINGS

The assets and liabilities of Exsa, which is consolidated by the equity method, calculated by using the effective percentage of ownership as of June 30, 2024, and December 31, 2023 revenue, expense and net profit for the periods ending June 30, 2024 and 2023 are as follows:

Investments	Country	Main operating activity	Effective Ownership (%)	30 June 2024	31 December 2023
				Carrying Net Book Value	Carrying Net Book Value
Exsa	Türkiye	Investment property and financial instrument	-	-	3,025,495
				-	<b>3,025,495</b>

Exsa	30 June 2024	31 December 2023
Assets	-	9,817,210
Liabilities	-	(614,183)
Net assets	-	9,203,027
Group's share	-	<b>3,025,495</b>

Exsa	1 January-30 June 2024	1 January-30 June 2023	1 April-30 June 2024	1 April-30 June 2023
Revenues	-	1,904,678	-	1,328,969
Expenses	-	(1,702,619)	-	(685,581)
Net profit for the period	-	202,059	-	643,388
Group's share in net profit	-	<b>66,427</b>	-	<b>211,514</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**3. SHARES IN AFFILIATED UNDERTAKINGS(Continued)**

Information regarding the subsidiaries in which the Group has major non-controlling interests is as follows:

Subsidiary	30 June 2024			
	Non-controlling interests %	Gain/(loss) attributable to non-controlling interests	Accumulated non-controlling interests	Dividend paid to non-controlling interests
Afyon Çimento Sanayi T.A.Ş.	49	74,181	1,007,035	82,370
Subsidiary	31 December 2023			
	Non-controlling interests %	Gain/(loss) attributable to non-controlling interests	Accumulated non-controlling interests	Dividend paid to non-controlling interests
Afyon Çimento Sanayi T.A.Ş.	49	606,600	496,260	69,934

Condensed financial information of subsidiary Afyon Çimento T.A.Ş., is as follows:

*Condensed balance sheet information (Before consolidation adjustments)*

	30 June 2024	31 December 2023
Cash and cash equivalents	342,742	422,575
Other current assets	955,087	1,145,813
Non-current assets	4,218,889	4,240,925
<b>Total assets</b>	<b>5,516,718</b>	<b>5,809,313</b>
Short-term borrowings	4,129	55,601
Short-term trade payables	465,027	648,215
Other current liabilities	64,467	98,017
Long-term borrowings	18,765	26,977
Other non-current liabilities	27,893	27,003
<b>Total liabilities</b>	<b>580,281</b>	<b>855,813</b>
<b>Total equity</b>	<b>4,936,437</b>	<b>4,953,500</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**3. SHARES IN AFFILIATED UNDERTAKINGS(Continued)**

*Condensed income statement information*

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April - 30 June 2024</b>	<b>1 April - 30 June 2023</b>
Revenue	1,265,125	1,620,294	671,319	880,027
Gross profit	370,261	458,770	302,240	326,344
Operating profit/(loss)	314,404	395,020	274,427	281,252
Net financial income/(expense)	94,587	(1,750)	53,819	(6,533)
Net monetary position	(116,747)	(30,785)	(41,676)	135,574
Profit/(loss) before tax	292,258	362,486	286,570	410,293
<b>Net profit for the period</b>	<b>151,390</b>	<b>127,576</b>	<b>144,341</b>	<b>141,882</b>

*Condensed cash flow information*

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
Cash flows from operating activities	351,264	(44,621)
Cash flows from investing activities	(221,518)	(71,464)
Cash flows from financing activities (excluding dividend)	(122,995)	(276,801)
Net increase/(decrease) in cash and cash equivalents	<b>6,751</b>	<b>(392,886)</b>

Condensed financial information of subsidiary Sabancı Building Solutions B.V.is as follows:

*Condensed balance sheet information (Before consolidation adjustments)*

	<b>30 June 2024</b>	<b>31 December 2023</b>
Cash and cash equivalents	3,247,373	3,968,726
Other current assets	2,839,120	2,936,131
Non-current assets	9,334,375	10,471,648
<b>Total assets</b>	<b>15,420,868</b>	<b>17,376,505</b>
Short term borrowings	1,373,635	1,229,744
Short-term trade payables	374,471	2,612,553
Other current liabilities	2,964,346	1,507,425
Other non-current liabilities	4,100,093	4,784,714
<b>Total liabilities</b>	<b>8,812,545</b>	<b>10,134,436</b>
<b>Total equity</b>	<b>6,608,323</b>	<b>7,242,069</b>

*Condensed income statement information*

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April - 30 June 2024</b>	<b>1 April - 30 June 2023</b>
Revenue	4,724,415	4,951,425	2,292,051	2,455,029
Gross profit	806,189	835,892	494,090	535,501
Operating profit/(loss)	468,005	489,109	342,584	354,149
Net financial income/(expense)	(108,788)	(164,022)	(56,011)	(48,092)
Profit/(loss) before tax	389,568	348,465	302,111	328,287
<b>Net profit for the period</b>	<b>277,800</b>	<b>249,959</b>	<b>209,795</b>	<b>239,446</b>

**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

---

#### **4. SEGMENT REPORTING**

Since the majority of the export sales of the Group are to the different geographic regions as one-off basis, the distribution of sales to specific locations is not consistent between years. Therefore, the details of sales are disclosed as domestic and export sales.

The Group manages and organizes its operations depending on the content of the services and goods provided. The Group prepares its segment reporting in accordance with TFRS 8. The transfer prices between segments are prepared on the same basis with third parties. For the years ended June 30, 2024 and 2023, the information about the Group’s segments consists of sales and profits obtained from cement (including clinker and aggregate) and ready mix concrete; segment assets and liabilities as of June 30, 2024 and December 31, 2023.



**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**4. SEGMENT REPORTING (Continued)**

<b>1 January – 30 June 2024</b>	<b>Cement</b>	<b>Ready-Mix Concrete</b>	<b>Total</b>
Sales	9,613,426	1,919,916	11,533,342
Cost of sales (-)	(7,519,471)	(1,615,134)	(9,134,605)
<b>Gross profit/(loss)</b>	<b>2,093,955</b>	<b>304,782</b>	<b>2,398,737</b>
General and administrative, marketing, selling distribution expenses	(913,765)	(135,575)	(1,049,340)
Other operating income/(expenses) (-), net	196,460	4,476	200,936
Research and development expenses (-)	(15,779)	-	(15,779)
<b>Operating profit/(loss)</b>	<b>1,360,871</b>	<b>173,683</b>	<b>1,534,554</b>
Income(expenses) from investment activities, net	634,124	-	634,124
<b>Operating profit/(loss) before financial income/expenses</b>	<b>1,994,995</b>	<b>173,683</b>	<b>2,168,678</b>
Financial income/(expenses), net	(407,653)	-	(407,653)
Net monetary position gains/(losses)	428,691	-	428,691
<b>Profit/(loss) from continuing operations before tax</b>	<b>2,016,033</b>	<b>173,683</b>	<b>2,189,716</b>
Continuing operations tax (expense)/income	(268,490)	-	(268,490)
Current period tax expense (-)	(67,785)	-	(67,785)
Deferred tax income/(expense)	(200,705)	-	(200,705)
<b>Profit/(loss) for the period from continuing operations</b>	<b>1,747,543</b>	<b>173,683</b>	<b>1,921,226</b>
<b>1 January – 30 June 2023</b>	<b>Cement</b>	<b>Ready-Mix Concrete</b>	<b>Total</b>
Sales	11,210,625	1,361,655	12,572,280
Cost of sales (-)	(8,820,130)	(1,196,128)	(10,016,258)
<b>Gross profit/(loss)</b>	<b>2,390,495</b>	<b>165,527</b>	<b>2,556,022</b>
General and administrative, marketing, selling distribution expenses	(797,608)	(92,906)	(890,514)
Other operating income/(expenses) (-), net	639,981	2,207	642,188
Research and development expenses (-)	(6,994)	-	(6,994)
<b>Operating profit/(loss)</b>	<b>2,225,874</b>	<b>74,828</b>	<b>2,300,702</b>
Income(expenses) from investment activities, net	391,579	-	391,579
Profit/loss from investments accounted by equity method	66,427	-	66,427
<b>Operating profit/(loss) before financial income/expenses</b>	<b>2,683,880</b>	<b>74,828</b>	<b>2,758,708</b>
Financial income/(expenses), net	(777,656)	-	(777,656)
Net monetary position gains/(losses)	51,853	-	51,853
<b>Profit/(loss) from continuing operations before tax</b>	<b>1,958,077</b>	<b>74,828</b>	<b>2,032,905</b>
Continuing operations tax (expense)/income	(188,832)	-	(188,832)
Current period tax expense (-)	(262,744)	-	(262,744)
Deferred tax income/(expense)	73,912	-	73,912
<b>Profit/(loss) for the period from continuing operations</b>	<b>1,769,245</b>	<b>74,828</b>	<b>1,844,073</b>

**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**4. SEGMENT REPORTING (Continued)**

<b>1 April – 30 June 2024</b>	<b>Cement</b>	<b>Ready-Mix Concrete</b>	<b>Total</b>
Sales	4,886,790	875,403	5,762,193
Cost of sales (-)	(3,398,867)	(732,851)	(4,131,718)
<b>Gross profit/(loss)</b>	<b>1,487,923</b>	<b>142,552</b>	<b>1,630,475</b>
General and administrative, marketing, selling distribution expenses	(429,872)	(69,126)	(498,998)
Other operating income/(expenses) (-), net	15,476	3,670	19,146
Research and development expenses (-)	(6,787)	-	(6,787)
<b>Operating profit/(loss)</b>	<b>1,066,740</b>	<b>77,096</b>	<b>1,143,836</b>
Income(expenses) from investment activities, net	361,318	-	361,318
<b>Operating profit/(loss) before financial income/expenses</b>	<b>1,428,058</b>	<b>77,096</b>	<b>1,505,154</b>
Financial income/(expenses), net	(194,130)	-	(194,130)
Net monetary position gains/(losses)	330,963	-	330,963
<b>Profit/(loss) from continuing operations before tax</b>	<b>1,564,891</b>	<b>77,096</b>	<b>1,641,987</b>
Continuing operations tax (expense)/income	(150,401)	-	(150,401)
Current period tax expense (-)	(63,063)	-	(63,063)
Deferred tax income/(expense)	(87,338)	-	(87,338)
<b>Profit/(loss) for the period from continuing operations</b>	<b>1,414,490</b>	<b>77,096</b>	<b>1,491,586</b>
<b>1 April – 30 June 2023</b>	<b>Cement</b>	<b>Ready-Mix Concrete</b>	<b>Total</b>
Sales	6,647,481	722,995	7,370,476
Cost of sales (-)	(5,060,470)	(637,764)	(5,698,234)
<b>Gross profit/(loss)</b>	<b>1,587,011</b>	<b>85,231</b>	<b>1,672,242</b>
General and administrative, marketing, selling distribution expenses	(377,613)	(47,197)	(424,810)
Other operating income/(expenses) (-), net	548,113	2,496	550,609
Research and development expenses (-)	919	-	919
<b>Operating profit/(loss)</b>	<b>1,758,430</b>	<b>40,530</b>	<b>1,798,960</b>
Income(expenses) from investment activities, net	373,500	-	373,500
Profit/loss from investments accounted by equity method	211,514	-	211,514
<b>Operating profit/(loss) before financial income/expenses</b>	<b>2,343,444</b>	<b>40,530</b>	<b>2,383,974</b>
Financial income/(expenses), net	(455,642)	-	(455,642)
Net monetary position gains/(losses)	47,438	-	47,438
<b>Profit/(loss) from continuing operations before tax</b>	<b>1,935,240</b>	<b>40,530</b>	<b>1,975,770</b>
Continuing operations tax (expense)/income	(502,005)	-	(502,005)
Current period tax expense (-)	(262,744)	-	(262,744)
Deferred tax income/(expense)	(239,261)	-	(239,261)
<b>Profit/(loss) for the period from continuing operations</b>	<b>1,433,235</b>	<b>40,530</b>	<b>1,473,765</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**4. SEGMENT REPORTING (Continued)**

<b>30 June 2024</b>	<b>Cement</b>	<b>Ready - mix concrete</b>	<b>Undistributed</b>	<b>Total</b>
Segment assets	37,857,883	1,423,343	-	39,281,226
Financial investments	-	-	2,941,222	2,941,222
Undistributed assets	-	-	2,970,001	2,970,001
<b>Total assets</b>	<b>37,857,883</b>	<b>1,423,343</b>	<b>5,911,223</b>	<b>45,192,449</b>
Segment liabilities	16,644,573	365,683	-	17,010,256
Undistributed liabilities	-	-	28,182,193	28,182,193
<b>Total liabilities</b>	<b>16,644,573</b>	<b>365,683</b>	<b>28,182,193</b>	<b>45,192,449</b>
<b>31 December 2023</b>	<b>Cement</b>	<b>Ready - mix concrete</b>	<b>Undistributed</b>	<b>Total</b>
Segment assets	40,166,293	1,382,574	-	41,548,867
Financial investments	-	-	103,352	103,352
Investments accounted under equity method	-	-	3,025,495	3,025,495
Undistributed assets	-	-	3,203,216	3,203,216
<b>Total assets</b>	<b>40,166,293</b>	<b>1,382,574</b>	<b>6,332,063</b>	<b>47,880,930</b>
Segment liabilities	18,196,748	453,465	-	18,650,213
Undistributed liabilities	-	-	29,230,717	29,230,717
<b>Total liabilities</b>	<b>18,196,748</b>	<b>453,465</b>	<b>29,230,717</b>	<b>47,880,930</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**5. CASH AND CASH EQUIVALENTS**

The detail of cash and cash equivalents as of June 30, 2024 and December 31, 2023 is as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Cash	101	73
Cash at banks	5,702,980	7,866,567
<i>Demand deposits</i>	317,943	1,165,805
<i>Time deposits</i>	5,385,037	6,700,762
	<b>5,703,081</b>	<b>7,866,640</b>
Blocked deposits (-)	(6,384)	(439)
Cash and cash equivalents in consolidated cash flow statements	<b>5,696,697</b>	<b>7,866,201</b>

The detail of bank deposits is stated below:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Turkish Lira	1,953,372	5,505,024
US Dollar	2,002,578	162,814
Euro	1,741,203	2,148,696
British Pound	171	869
Other	5,656	49,164
	<b>5,702,980</b>	<b>7,866,567</b>

Time deposits as of June 30, 2024, and December 31, 2023 are denominated in TRY, EUR, USD and GBP with the maturity of less than six months. As of June 30, 2024, effective weighted average interest rate on time deposits is 48.80% for TRY, 4.88% for USD, 3.82% for EUR (December 31, 2023 TRY: 41.15%, USD: 1.27%, EUR: 0.84%). The blocked deposit amount is TRY 6,384 as of June 30, 2024 (The blocked deposit amount is TRY 439 as of December 31, 2023).

Credit risks of banks with group deposits are evaluated by taking into account independent data. The market values of cash and cash equivalents approximate to their carrying values, including the interest income accrued at the balance sheet date.

**6. FINANCIAL INVESTMENTS**

	<b>30 June 2024</b>	<b>31 December 2023</b>
<b>Financial assets</b>		
Hacı Ömer Sabancı Holding A.Ş.	2,672,157	-
Other financial assets	269,065	103,352
	<b>2,941,222</b>	<b>103,352</b>

The shares of Hacı Ömer Sabancı Holding Anonim Şirketi, which are among the Group’s assets measured at fair value through other comprehensive income and are traded on the stock exchange, have been valued at fair value as of the balance sheet date using the best bid price on BIST. The fair value difference of TRY 535,189 for the accounting period ended June 30, 2024, has been recognized under Income and expense from investment activities account.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**7. TRADE RECEIVABLES AND PAYABLES**

**a. Trade Receivables**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Short-term trade receivables		
Trade receivables	3,199,314	2,555,101
Notes receivable	368,118	391,454
Trade receivables from related parties (Note 29)	22	-
Allowance for doubtful receivables (-)	(11,399)	(13,635)
Less: Provision for expected credit losses	(12,432)	(8,421)
	<b>3,543,623</b>	<b>2,924,499</b>

Collection terms of trade receivables’, notes receivables’ and checks’ vary based on the type of the product and agreements made with the customers and the average term is 39 days (December 31, 2023 - 42 days). Effective interest rates used when determining the amortized cost are 30.38% for TRY, 5.25% for USD and 6.5% for EUR (December 31, 2023 - TRY: 35.56%, USD: 5.60%, EUR: 6.9%).

The movement of the provision for doubtful receivables for the periods ended June 30, 2024 and 2023 is as follows:

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
Movements of allowance for doubtful receivables		
Opening balance	13,635	59,895
Provisions during the period	5,904	3,116
Reversal of the provision (-) (Note 24)	(1,028)	(984)
Monetary gain/(loss)	(7,112)	(42,520)
Closing Balance	<b>11,399</b>	<b>19,507</b>

**b. Trade Payables**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Short-term trade payables		
Trade payables	3,141,245	3,725,994
Trade payables to related parties (Note 29)	195,153	264,250
	<b>3,336,398</b>	<b>3,990,244</b>

The average payment period of trade payables is 56 days (December 31, 2023: 49 days). Effective interest rates used when determining the amortized cost are 30.38% for TRY, 5.25% for USD and 6.5% for EUR. (December 31, 2023 - TRY: 35.56%, USD:5.60%, EUR 6.9%).

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

## 8. FINANCIAL BORROWINGS

The detail of Group’s financial borrowings as of the balance sheet date is stated below:

Financial Borrowings	30 June 2024	31 December 2023
Short-term borrowings	3,260,895	2,915,021
Short-term portion of long-term borrowings	2,001,086	1,374,774
Short-term financial lease liabilities	57,146	69,593
Short-term issued bonds	45,149	141,086
	<b>5,364,276</b>	<b>4,500,474</b>
Long-term borrowings	4,235,249	5,343,689
Long-term financial lease liabilities	348,688	438,907
Long term issued bonds	472,201	502,339
	<b>5,056,138</b>	<b>6,284,935</b>
Financial borrowings except TFRS 16	10,014,580	10,276,909
Total financial borrowings	<b>10,420,414</b>	<b>10,785,409</b>

The details of the borrowings as of June 30, 2024 are as follows:

Secured/ Unsecured	Interest Type	Currency Type	Weighted Average Interest Rate (%)	Original Balance	Short-Term	Long- Term	30 June 2024
Unsecured	Fixed	TRY	39.30	1,250,000	724,715	556,901	1,281,616
Unsecured	Fixed	EUR	6.50	20,000	-	718,656	718,656
Secured	Fixed	EUR	6.50	19,400	143,451	572,340	715,791
Secured	Variable	EUR	Euribor+3.4	58,200	644,307	1,460,716	2,105,023
Secured	Fixed	TRY	26.93	2,800,000	2,800,000	-	2,800,000
Unsecured	Fixed	Other	6.53	9,043	33,394	52,439	85,833
Unsecured	Fixed	USD	5.25	20,000	660,078	-	660,078
Secured	Variable	USD	Sofr + 3.30	21,750	156,859	576,203	733,062
Secured	Fixed	USD	5.99	21,750	144,326	590,105	734,431
Secured	Fixed	EUR	6.00	5,000	-	180,090	180,090
					<b>5,307,130</b>	<b>4,707,450</b>	<b>10,014,580</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**8. FINANCIAL BORROWINGS (Continued)**

The details of the borrowings as of December 31, 2023 are as follows:

Secured/ Unsecured	Interest Type	Currency Type	Weighted Average Interest Rate (%)	Original Balance	Short-Term	Long- Term	31 December 2023
Unsecured	Fixed	TRY	36.07	1,765,000	1,627,335	469,536	2,096,871
Unsecured	Variable	TRY	TRY Ref +	250,000	211,655	150,044	361,699
Unsecured	Variable	TRY	TRY Ref +	140,000	195,985	-	195,985
Secured	Fixed	TRY	25.4	640,000	798,304	-	798,304
Unsecured	Fixed	EUR	6.9	30,000	406,311	818,667	1,224,978
Secured	Variable	EUR	Euribor+2.4	1,702	69,267	-	69,267
Secured	Variable	EUR	Euribor + 3.45	86,075	564,774	2,938,849	3,503,623
Secured	Variable	USD	Sofr +3.30	23,648	163,002	706,902	869,904
Secured	Fixed	USD	5.99	23,648	163,002	706,902	869,904
Secured	Variable	EUR	Euribor+2.45	5,004	203,695	-	203,695
Unsecured	Fixed	Other	5.88	8,099	27,551	55,128	82,679
					<b>4,430,881</b>	<b>5,846,028</b>	<b>10,276,909</b>

The details of the payback plan of credits as of June 30, 2024 and December 31, 2023 are as follows:

	30 June 2024	31 December 2023
Will be paid in 1 year	5,307,130	4,430,881
Will be paid in 1 - 2 years	1,992,178	2,294,355
Will be paid in 2 - 3 years	700,010	994,654
Will be paid in 3 - 4 years	1,204,671	1,336,130
Will be paid in 4 - 5 years	548,991	602,423
Will be paid in more than 5 years	261,600	618,466
	<b>10,014,580</b>	<b>10,276,909</b>

The Group has issued bonds with a nominal value of TRY 500,000, a maturity of 385 days, a fixed interest rate, and a term of 1 year, with a value date of December 2, 2022, and a maturity date of December 22, 2023. These bonds have been redeemed.

The Group has issued bonds with a nominal value of TRY 500,000, a maturity of 730 days, a fixed interest rate, and a term of 2 years, with a value date of March 7,2023, and a maturity date of March 6,2025.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**9. OTHER RECEIVABLES AND OTHER PAYABLES**

**a. Other Receivables**

	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
<b>Short-Term Other Receivables from Third Parties</b>		
Other miscellaneous receivables	11,274	25,459
Due from personnel	1,412	1,709
	<b>12,686</b>	<b>27,168</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
<b>Other Receivables from Related Parties</b>		
Other miscellaneous receivables	9	-
	<b>9</b>	<b>-</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
<b>Long-Term Other Receivables</b>		
Deposits and guarantees given	15,948	20,322
	<b>15,948</b>	<b>20,322</b>

**b. Other Payables**

	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
<b>Short-Term Other Payables</b>		
Taxes and funds payable	90,788	141,646
Deposits and guarantees received	27,330	30,378
Other payables due to related parties (Note 29)	4,298	26,386
	<b>122,416</b>	<b>198,410</b>



(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

## 10. INVENTORIES

	30 June 2024	31 December 2023
Inventories		
Raw materials	1,118,912	1,319,859
Work-in progress	1,026,383	927,819
Finished goods	574,576	617,788
Goods in transit	909,236	734,073
Inventory impairment provision (-)	(11,580)	(30,640)
	<b>3,617,527</b>	<b>3,568,899</b>

### Inventory impairment provision movement

	1 January- 30 June 2024	1 January- 30 June 2023
Inventory impairment provision movement		
Opening balance	30,640	32,599
Reversal of the provision (-) (Note23)	(19,060)	-
Provisions during the period (Note 23)	-	4,805
Closing balance	<b>11,580</b>	<b>37,404</b>

The Group allocates an allowance for the impairment on the inventories of finished goods, work in progress and raw materials in the cases when their net realizable values are lower than their costs or when they are classified as slow moving inventories. The provision has been recognized under cost of sales.

## 11. PREPAID EXPENSES AND DEFERRED INCOME

### a. Prepaid Expenses

	30 June 2024	31 December 2023
Short-Term Prepaid Expenses		
Prepaid expenses	248,894	301,375
Advances given to suppliers	109,383	56,151
	<b>358,277</b>	<b>357,526</b>

	30 June 2024	31 December 2023
Long-Term Prepaid Expenses		
Advances given for the purchase of fixed assets (*)	1,253,540	1,464,534
	<b>1,253,540</b>	<b>1,464,534</b>

### b. Deferred Income

	30 June 2024	31 December 2023
Short-Term Deferred Income		
Advances received	152,902	88,237
Deferred income	6,883	151,175
	<b>159,785</b>	<b>239,412</b>

(\*) Mainly consists of the advance payment for the investment in the grey cement grinding plant at our factory in America.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**12. PROPERTY, PLANT AND EQUIPMENT**

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
<b><u>Cost value</u></b>									
<b>Opening balance as of 1 January 2024</b>	<b>802,769</b>	<b>2,046,183</b>	<b>8,038,213</b>	<b>25,109,811</b>	<b>864,738</b>	<b>491,569</b>	<b>71,947</b>	<b>183,652</b>	<b>37,608,882</b>
Foreign currency translation reserve	-	(28,217)	(118,616)	(594,248)	(28,090)	(14,709)	(2,472)	(7,363)	(793,715)
Additions	372	4,168	52,499	407,863	13,162	181,598	3,167	680,053	1,342,882
Disposals	-	-	(221)	(61,941)	(9,528)	(2,667)	-	-	(74,357)
Transfers from construction in progress	-	4,241	-	199,009	-	-	-	(203,250)	-
<b>Closing balance as of 30 June 2024</b>	<b>803,141</b>	<b>2,026,375</b>	<b>7,971,875</b>	<b>25,060,494</b>	<b>840,282</b>	<b>655,791</b>	<b>72,642</b>	<b>653,092</b>	<b>38,083,692</b>
<b><u>Accumulated depreciation</u></b>									
<b>Opening balance as of 1 January 2024</b>	-	<b>(993,149)</b>	<b>(2,902,147)</b>	<b>(13,447,853)</b>	<b>(603,243)</b>	<b>(225,525)</b>	<b>(66,370)</b>	-	<b>(18,238,287)</b>
Foreign currency translation reserve	-	15,299	20,820	162,138	9,658	2,687	1,150	-	211,752
Charge for the period	-	(29,155)	(85,531)	(446,696)	(17,747)	(33,271)	(4,273)	-	(616,673)
Disposals	-	-	1	57,755	-	2,497	-	-	60,253
<b>Closing balance as of 30 June 2024</b>	-	<b>(1,007,005)</b>	<b>(2,966,857)</b>	<b>(13,674,656)</b>	<b>(611,332)</b>	<b>(253,612)</b>	<b>(69,493)</b>	-	<b>(18,582,955)</b>
<b>Net book value as of 30 June 2024</b>	<b>803,141</b>	<b>1,019,370</b>	<b>5,005,018</b>	<b>11,385,838</b>	<b>228,950</b>	<b>402,179</b>	<b>3,149</b>	<b>653,092</b>	<b>19,500,737</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**12. PROPERTY, PLANT AND EQUIPMENT (Continued)**

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
<b>Cost value</b>									
<b>Opening balance as of 1 January 2023</b>	<b>767,004</b>	<b>1,978,364</b>	<b>7,554,021</b>	<b>22,054,528</b>	<b>646,005</b>	<b>450,364</b>	<b>71,947</b>	<b>430,757</b>	<b>33,952,990</b>
Foreign currency translation reserve	-	(26,825)	(52,427)	(185,225)	(8,759)	(6,107)	(976)	(5,841)	(286,160)
Additions	38,117	1,707	364	63,671	5,935	12,381	-	1,442,029	1,564,204
Disposals	-	-	-	(8,972)	(7,496)	(6,166)	-	-	(22,634)
Transfers from construction in progress	-	27,487	526	86,382	-	5,649	-	(133,957)	(13,913)
<b>Closing balance as of 30 June 2023</b>	<b>805,121</b>	<b>1,980,733</b>	<b>7,502,484</b>	<b>22,010,384</b>	<b>635,685</b>	<b>456,121</b>	<b>70,971</b>	<b>1,732,988</b>	<b>35,194,487</b>
<b>Accumulated depreciation</b>									
<b>Opening balance as of 1 January 2023</b>	<b>-</b>	<b>(929,942)</b>	<b>(2,736,081)</b>	<b>(12,662,536)</b>	<b>(592,146)</b>	<b>(208,657)</b>	<b>(58,458)</b>	<b>-</b>	<b>(17,187,820)</b>
Foreign currency translation reserve	-	67,124	314,189	590,824	61,824	64,142	-	-	1,098,103
Charge for the period	-	(29,054)	(78,128)	(418,269)	(15,722)	(20,383)	(3,892)	-	(565,448)
Disposals	-	-	-	8,874	5,643	5,882	-	-	20,399
<b>Closing balance as of 30 June 2023</b>	<b>-</b>	<b>(891,872)</b>	<b>(2,500,020)</b>	<b>(12,481,107)</b>	<b>(540,401)</b>	<b>(159,016)</b>	<b>(62,350)</b>	<b>-</b>	<b>(16,634,766)</b>
<b>Net book value as of 30 June 2023</b>	<b>805,121</b>	<b>1,088,861</b>	<b>5,002,464</b>	<b>9,529,277</b>	<b>95,284</b>	<b>297,105</b>	<b>8,621</b>	<b>1,732,988</b>	<b>18,559,721</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**12. PROPERTY, PLANT AND EQUIPMENT (Continued)**

The distribution of depreciation charge for the property, plant and equipment is as follows:

	<b>1 January – 30 June 2024</b>	<b>1 January – 30 June 2023</b>
Cost of sales	(498,488)	(456,503)
General and administrative expenses	(108,665)	(92,234)
Marketing, selling, and distribution expenses	(9,085)	(16,279)
Research and development expenses	(435)	(432)
	<b>(616,673)</b>	<b>(565,448)</b>

**13. INTANGIBLE ASSETS**

	<b>Mining Rights</b>	<b>Other Intangible Assets</b>	<b>Customer contract and relations</b>	<b>Rights</b>	<b>Total</b>
<b>Cost value</b>					
<b>Opening balance as of 1 January 2024</b>	722,375	313,954	1,044,588	2,477,224	4,558,141
Foreign currency translation reserve	(17,196)	(7,746)	(357,913)	(147,107)	(529,962)
Additions	-	5,963	-	-	5,963
Disposals	-	-	-	(104,917)	(104,917)
<b>Closing balance as of 30 June 2024</b>	<b>705,179</b>	<b>312,171</b>	<b>686,675</b>	<b>2,225,200</b>	<b>3,929,225</b>
<b>Accumulated depreciation (-)</b>					
<b>Opening balance as of 1 January 2024</b>	(437,232)	(201,332)	(213,774)	-	(852,338)
Foreign currency translation reserve	2,759	2,195	28,106	-	33,060
Charge for the period	(3,534)	(22,130)	(36,103)	-	(61,767)
<b>Closing balance as of 30 June 2024</b>	<b>(438,007)</b>	<b>(221,267)</b>	<b>(221,771)</b>	<b>-</b>	<b>(881,045)</b>
<b>Net book value as of 30 June 2024</b>	<b>267,172</b>	<b>90,904</b>	<b>464,904</b>	<b>2,225,200</b>	<b>3,048,180</b>
	<b>Mining Rights</b>	<b>Other Intangible Assets</b>	<b>Customer contract and relations</b>	<b>Rights</b>	<b>Total</b>
<b>Cost value</b>					
<b>Opening balance as of 1 January 2023</b>	596,796	246,975	1,285,590	1,955,709	4,085,070
Foreign currency translation reserve	(66,180)	(27,387)	(142,561)	(116,871)	(352,999)
Additions	133,350	6,489	-	604,245	744,084
Transfers from constructions in progress	-	13,913	-	-	13,913
<b>Closing balance as of 30 June 2023</b>	<b>663,966</b>	<b>239,990</b>	<b>1,143,029</b>	<b>2,443,083</b>	<b>4,490,068</b>
<b>Accumulated depreciation (-)</b>					
<b>Opening balance as of 1 January 2023</b>	(425,189)	(158,776)	(94,742)	-	(678,707)
Foreign currency translation reserve	71,288	60,236	260,215	-	391,739
Charge for the period	(4,013)	(15,209)	(38,825)	-	(58,048)
<b>Closing balance as of 30 June 2023</b>	<b>(357,914)</b>	<b>(113,749)</b>	<b>126,648</b>	<b>-</b>	<b>(345,016)</b>
<b>Net book value as of 30 June 2023</b>	<b>306,052</b>	<b>126,241</b>	<b>1,269,677</b>	<b>2,443,083</b>	<b>4,145,052</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**13. INTANGIBLE ASSETS (Continued)**

The mining rights are amortized in proportion to the reserves consumed in the current year to the total reserves. The remaining amortization period depends on the duration of the depletion of the remaining reserves.

The distribution of amortization charge for intangible assets is as follows:

	<b>1 January – 30 June 2024</b>	<b>1 January – 30 June 2023</b>
Cost of sales	(53,921)	(49,548)
General and administrative expenses	(5,262)	(7,239)
Marketing, selling and distribution expenses	(2,509)	(1,231)
Research and development expenses	(75)	(30)
	<b>(61,767)</b>	<b>(58,048)</b>

**14. RIGHT-OF-USE ASSETS**

Details regarding the right-of-use assets recognized on asset basis are as follows were as follows:

<b>Right-of-Use Assets</b>	<b>1 January 2024</b>	<b>Additions</b>	<b>Depreciation Expense for the Period</b>	<b>Foreign Currency Translation Reserve</b>	<b>30 June 2024</b>
Buildings	236,950	-	(18,020)	(17,424)	201,506
Vehicles	207,683	4,706	(23,949)	(15,305)	173,135
	<b>444,633</b>	<b>4,706</b>	<b>(41,969)</b>	<b>(32,729)</b>	<b>374,641</b>

The depreciation expense of TRY 11,294 for the period ending on June 30, 2024 of the right of use assets has been included in the cost of the goods sold and the part of TRY 30,675 has been included in the general and administrative expenses.

<b>Right-of-Use Assets</b>	<b>1 January 2023</b>	<b>Additions</b>	<b>Depreciation Expense for the Period</b>	<b>Foreign Currency Translation Reserve</b>	<b>30 June 2023</b>
Buildings	240,736	-	(24,575)	(8,384)	207,777
Vehicles	171,901	43,033	(40,408)	(13,785)	160,741
Other	12,681	-	(6,830)	(2,329)	3,522
	<b>425,318</b>	<b>43,033</b>	<b>(71,813)</b>	<b>(24,498)</b>	<b>372,040</b>

The depreciation expense of TRY 19,324 for the period ending on June 30, 2023 of the right of use assets has been included in the cost of the goods sold and the part of TRY 52,489 has been included in the general and administrative expenses.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

## 15. GOODWILL

The goodwill amount presented in the Group’s financial statements as of June 30, 2024 is related to Eskişehir Cement Factory (‘Standart Çimento’) acquired in 2005, Çimsa Cement located in TRNC, Bilecik Ready Mixed Concrete Facilities acquired in 2008, Afyon Çimento Sanayi Türk Anonim Şirketi acquired in 2012 and Bunol Factory (‘Sabanci Building Solutions B.V.’) acquired in 2022. The movement of goodwill for the periods ending June 30, 2024 and December 31, 2023 is stated below.

	<u>30 June 2024</u>	<u>31 December 2023</u>
Eskişehir	2,498,772	2,498,772
Afyon Çimento Sanayi T.A.Ş.	127,504	127,504
Bilecik Hazır Beton	64,086	64,086
Çimsa Cement Free Zone Ltd.	6,279	6,279
Bunol	288,401	288,401
	<u><b>2,985,042</b></u>	<u><b>2,985,042</b></u>

Goodwill amounts associated with cash generating units are subjected to an impairment determination study once a year or more frequently in December when the circumstances indicate impairment. The recoverable value of the cash-generating units has been determined on the basis of value in use or fair value less cost to sell. The recoverable value was determined according to the fair value calculations made according to the discounted cash flow analysis. These calculations include cash flow projections on a TRY basis and are based on ten-year plans between January 1, 2024 and December 31, 2033. For the cash flow estimation, 21.4% weighted average cost of capital and cost and sales price increases in line with macroeconomic and market assumptions were taken into account. As a result of these impairment tests, the recoverable value of the goodwill was determined on the registered value as a result of the examination as of December 31, 2023, and no impairment was found.

In the valuation technique applied, the test for impairment of goodwill is based on the following assumptions:

These generally accepted valuation techniques are based on the changing EBITDA/net sales ratio on the basis of cash generating unit with a growth rate of 5% - 8% on the basis of each cash-generating unit and it is extremely sensitive to changes in the Weighted Average Cost of Capital values accepted as 21.4%.

While the EBITDA/Net Sales ratio is in line with the budgets prepared by the Group management on a cash-generating unit basis for 2023 and beyond, the Weighted Average Cost of Capital ratio depends on some macroeconomic and cement sector-specific variables.

When calculating the estimated recoverable amount, when the discount rate is increased by 1 point from the values used in the assumptions by keeping the other variables constant, or in the same way, when the growth rate is reduced by 1 point from the values used in the assumptions by keeping the other variables constant, the recoverable amount of the cash generating unit does not fall below the book value.

The fair value calculations of the cash-generating unit in question include after-tax cash flow projections, and these projections determined in Turkish Lira are based on ten-year plans approved by Çimsa management. The Group foresees that an analysis for a period longer than five years is more appropriate in evaluating operational results and forward-looking forecasts in the sector it operates in, and therefore bases the impairment test on ten-year projections.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**a. Short-Term Provisions**

	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Short-term provisions		
Provision for litigations	49,007	56,939
Short-term employee benefits	58,788	48,167
Other provisions (*)	950,287	1,247,620
	<b>1,058,082</b>	<b>1,352,726</b>

(\*) Mainly consists of the carbon obligations of SBS B.V.

The movement of “Provision for the litigations” as of June 30, 2024 and June 30, 2023 is stated below:

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
Provision for the litigation movements		
Opening balance	56,939	70,695
Additional provision (Note 24)	5,309	19,474
Provision no longer required (-) (Note 24)	(1,715)	-
Monetary gain/(loss)	(11,526)	(12,945)
Closing balance	<b>49,007</b>	<b>77,224</b>

As of June 30, 2024, the Group has provided a provision amounting to TRY 49,007 for the risky cases against the Company with the opinion obtained from the Company’s legal counsels (December 31, 2023: TRY 56,939).

**b. Long-Term Provisions**

	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Long-term provisions		
Long-term employee benefits	206,551	196,418
Other long-term provisions	22,549	26,151
	<b>229,100</b>	<b>222,569</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Other long-term provisions		
Recultivation provision	22,549	26,151
	<b>22,549</b>	<b>26,151</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

The operations of the Group such as mining, cement production are subject to the Environment Law, and to the Land Protection and Utilization Law. All liabilities such as taxes, duties and emission fees resulting from this legislation have been fulfilled by the Group. This legislation addresses the costs that could arise from recovering the damage and pollution in the land while vacating the mines. Accordingly, the management calculated the estimated cost of plans that are deemed to meet the requirements of legislation related to the mining areas in which the Group operates. The Group has accounted and disclosed the reclamation provision amounting to TRY 22,549 under “Other Long-Term Provisions” as of June 30, 2024. (December 31, 2023: TRY 26,151).

Movement of reclamation provision as of June 30, 2024 and June 30, 2023 is as follows:

Reclamation provision movement	1 January- 30 June 2024	1 January- 30 June 2023
Opening balance	26,151	30,919
Additional provision (Note 24)	1,695	4,293
Monetary gain/(loss)	(5,297)	(5,440)
Closing balance	<b>22,549</b>	<b>29,772</b>

**17. COMMITMENTS**

The collaterals, pledges and mortgages (CPM) received by the Group as of June 30, 2024 and, December 31, 2023 are as follows:

	Currency	30 June 2024		31 December 2023	
		Original Amount	TRY Amount	Original Amount	TRY Amount
Guarantee letter received	TRY	2,528,781	2,528,781	2,298,887	2,867,516
Guarantee letter received	USD	21,403	702,579	18,883	644,809
Guarantee letter received	EUR	8,713	306,079	7,518	272,239
Guarantee letter received	Other	2,068	75,321	26	1,134
Mortgages received	TRY	73,096	73,096	74,925	93,458
Checks and notes received	TRY	60,830	60,830	54,134	67,524
Checks and notes received	USD	47	1,553	47	1,615
Pledge	TRY	730,554	730,554	220,879	275,513
Total CPMs received			<b>4,478,793</b>		<b>4,223,808</b>



(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**17. COMMITMENTS**

As of June 30, 2024 and, December 31, 2023 the details of the collaterals, pledges and mortgages (CPM) given are as follows:

	Currency	30 June 2024		31 December 2023	
		Original Amount	TRY Amount	Original Amount	TRY Amount
A. Total CPM given for the Company’s own legal entity (*)	TRY	6,838,413	6,838,413	1,396,786	1,742,281
	USD	2,200	72,218	900	30,733
	EUR	12,565	441,377	100	3,621
B. Total CPM given in favor of subsidiaries consolidated online-by-line basis (**)	EUR	36,000	1,264,622	36,000	1,303,603
	USD	20,000	656,524	20,000	682,967
C. Total CPM given in favor of other 3rd parties for ordinal trading operations	-	-	-	-	-
D. Other CPM given					
i. Total CPM given in favor of parent entity	-	-	-	-	-
ii. Total CPM given in favor of other Group companies not of scope of clause B and C	-	-	-	-	-
iii. Total CPM given in favor of other 3rd parties out of scope of clause C	-	-	-	-	-
			<b>9,273,154</b>		<b>3,763,205</b>

(\*) It mainly consists of guarantees given for Exim loans.

(\*\*) Consists of the guarantees given by our Company for the loans utilized by the associates of our subsidiary SBS B.V.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**18. EMPLOYEE BENEFITS**

**a. Employee Benefit Obligations**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Social security payables	64,093	53,673
Wage accrual and income tax withholding payable to personnel	25,944	12,742
	<b>90,037</b>	<b>66,415</b>

**b. Long-Term Employee Benefits**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Retirement pay provision	152,150	154,277
Provision for unpaid vacation liability	43,103	34,801
Seniority provision	11,298	7,340
	<b>206,551</b>	<b>196,418</b>

In accordance with the existing social legislation in Türkiye, the Group is required to make lump-sum termination indemnities to each employee who has completed over one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

Such payments are calculated on the basis of one month’s pay limited to a maximum of TRY 35,058.58 full as of June 30, 2024 (December 31, 2023: TRY 29,300.04 full). The maximum severance pay is revised semi-annually, and the maximum amount of TRY 41,828.42 full effective from January 1, 2024 has been taken into account in calculating the provision for employment termination benefits of the Group.

In the consolidated financial statements dated June 30, 2024 and December 31, 2023, the actuarial assumptions used in calculating the severance pay liability are as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
Net discount rate (%)	3%	3%

As at June 30, 2024 and June 30, 2023, the movement of “Provision for Employment Termination Benefits” is as follows:

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>
Opening balance	154,277	290,175
Service cost	5,360	19,471
Interest cost	8,241	12,522
Actuarial loss/(gain)	5,120	20,058
Payments	(10,044)	(86,185)
Monetary gain/(loss)	(11,097)	(48,054)
Foreign currency translation reserve	293	2,368
Closing balance	<b>152,150</b>	<b>210,355</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**18. EMPLOYEE BENEFITS (Continued)**

**b. Long-Term Employee Benefits (Continued)**

The movement of provision for unpaid vacation liability in the period is stated below:

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>
Opening balance	34,801	29,002
Additional provision	27,708	33,372
Provision paid during the period	(3,166)	(11,887)
Monetary gain/(loss)	(16,240)	(10,650)
Closing balance	<b>43,103</b>	<b>39,837</b>

The movement of ‘seniority provision’ in the period is stated below:

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>
Opening balance	7,340	6,356
Additional provision	8,041	8,476
Provision paid during the period	(2,102)	(3,350)
Monetary gain/(loss)	(1,981)	(3,776)
Closing balance	<b>11,298</b>	<b>7,706</b>

**19. OTHER ASSETS AND LIABILITIES**

**a. Other Assets**

	<b>30 June 2024</b>	<b>30 June 2023</b>
Other current assets	104,468	175,647
Deferred VAT <sup>(1)</sup>	17,301	4,982
Other current assets	<b>121,769</b>	<b>180,629</b>
	<b>30 June 2024</b>	<b>30 June 2023</b>
Other Current assets	52,894	56,780
Export VAT <sup>(2)</sup>	2,128	2,465
Other non-current assets	<b>55,022</b>	<b>59,245</b>

(1) According to the estimates of the Group, the portion to be deducted from the VAT payables to be paid within one year is reclassified to other current assets.

(2) According to VAT Law no 11/c, the VAT amount regarding to the goods which are rendered to export dealers by manufacturers is not collected, and are recorded to export VAT and deferred VAT accounts. Uncollected VAT is declared on related VAT declaration; accrued VAT is deferred and recorded to deferred VAT accounts. After verification of the realization of export, tax administration makes cancellation for the deferred VAT.

**b. Other Liabilities**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Other short-term liabilities (*)	324,469	644,967
	<b>324,469</b>	<b>644,967</b>

(\*) Liabilities related to the purchase of petcoke are followed among other short-term liabilities.

**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**20. EQUITY, RESERVES AND OTHER EQUITY ITEMS**

As of June 30, 2024, and December 31, 2023, the composition of shareholders is as follows:

	30 June 2024		31 December 2023	
	(%)	Amount	(%)	Amount
<u>Shareholders (*)</u>				
Hacı Ömer Sabancı Holding A.Ş.	54.54	515,719	54.54	515,719
Akçansa Çimento San. ve Tic. A.Ş.	8.98	84,914	8.98	84,914
Other shareholders	36.48	344,958	36.48	344,958
Nominal share capital	100	945,591	100	945,591
Inflation adjustment		1,892,977		1,892,977
Rearranged share capital		<b>2,838,568</b>		<b>2,838,568</b>

(\*) Public quotation of the Group is 45.04% as of June 30, 2024 (December 31, 2023: 45.05%).

As of June 30, 2024, the Company's capital is composed of 945,591 units (December 31, 2023: 945,591). The nominal value of the shares is TRY 1 per share (December 31, 2023: TRY 1 per share).

In line with the Board of Directors decision dated January 27, 2021, the validity period of the Company's registered capital ceiling is extended to cover the years 2021-2025; Amendments planned to be made in Articles 6 and 9 of the Company's Articles of Association in order to increase the registered capital ceiling of TRY 200,000 and determine it as TRY 350,000 and to allow the meetings of the Board of Directors to be held electronically. It was accepted at the Board meeting. The said General Assembly resolution was registered on April 21, 2021, and published in the Trade Registry Gazette of the same date and numbered 10314.

In accordance with the decision of the Board of Directors held on July 28, 2023, the issued capital of the Company with a nominal value of TRY 135,084,442 Full will be increased to TRY 945,591,094 Full by increasing the nominal value of free of charge TRY 810,506,652 full by 600%, it is entirely covered by internal resources; Although the current registered capital ceiling of our Company is TRY 350,000,000 Full, since the issued capital to be reached after the capital increase is higher than the registered capital ceiling, utilizing the provision of the sixth paragraph of Article 6 of the Capital Markets Board's Communique on the Registered Capital System numbered II-18.1, the registered capital ceiling is exceeded only once,

The entire amount of the capital increase, which is set at TRY 810,506,652 and will be covered from internal sources, will be financed from the real estate sales gain funds in the Other Capital Reserves account in accordance with the Tax Procedure Law. In return for this in the financial statements prepared in accordance with TAS / TFRS according to the Capital Markets Legislation, it will be financed from the Retained Earnings account,

It has been decided that 81,050,665,200 bearer shares, each with a nominal value of 1 (One) cent, to be issued as a result of the free capital increase in question, will be distributed free of charge to the existing shareholders of our Company in proportion to the shares they hold. All transactions regarding the capital increase have been completed and the increase has been concluded.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

## **20. EQUITY, RESERVES AND OTHER EQUITY ITEMS (Continued)**

### **Legal reserves**

The legal reserves consist of first and second legal reserves in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profits at the rate of 5%, until the total reserve reaches a maximum of 20% of the Group’s share capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Group’s share capital. The legal reserves are not available for distribution unless they exceed 50% of the issued capital, other than that legal reserves cannot be used.

### **Profit Distribution**

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from February 1, 2014:

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividends in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividends can be distributed by fixed or variable instalments and advance dividend can be paid in accordance with profit on interim financial statements of the Company.

Companies should include at least the following in their profit distribution policies:

- a) Whether dividends will be distributed, and if distributed, the dividend distribution rate for shareholders and for others participating in the distribution.
- b) Payment type of dividend distribution.
- c) Time of dividend distribution; on condition that the distribution procedures to be started at the latest of the end of the annual period in which the general assembly meeting was held in which the distribution was agreed upon.
- d) Whether dividend advances will be distributed, and if distributed, the related principles.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

In accordance with Article 26 of the Articles of Association and in accordance with the CMB Communiqués, the Net Distributable Profit for the Period amounting to TRY 2,490,892,519.00 remaining after deducting Legal Liabilities and Non-Controlling Interests from the said consolidated net profit for the year 2023 calculated in accordance with the CMB Legislation shall be distributed as follows,

First Dividend	TRY 47,280
Second Dividend	TRY 952,720
<b>Total Gross Dividend</b>	<b>TRY 1,000,000</b>
General Legal Reserves (2nd Order)	TRY 95,272
Extraordinary Reserve	TRY 1,395,620

**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

---

## **20. EQUITY, RESERVES AND OTHER EQUITY ITEMS (Continued)**

### **Profit Distribution (Continued)**

As a result of making the dividend distribution according to the above principles, from the Net Distributable Period Profit in our legal records prepared in accordance with the provisions of the Tax Procedure Law; After the Legal Liabilities are set aside, the gross dividend of TRY 1.000.000.000,000,00 Full to be distributed shall be covered from the net profit of the period, and the remaining amount shall be transferred to extraordinary reserves. Thus, it was decided at the Ordinary General Assembly meeting of 2023 held on April 25,2024 to distribute TRY 1.000.000.000,000,00 Full (TRY 1,050,642 after inflation) (Gross) Dividend in cash to the shareholders representing TRY 945,591,094.00 Full capital from the Profit of 2023, depending on their legal status, as of April 29, 2024.

### **Foreign currency translation reserves**

According to TAS 21 'Effects of Changes in Foreign Exchange Rates', during the consolidation, the assets and liabilities of Group's subsidiaries and joint ventures in foreign countries are translated to Turkish Lira with respect to the exchange rates on the balance sheet date. Income and expense items are translated via the average exchange rates. The differences emerged as a result of using the closing and average exchange rates are accounted for as foreign currency translation reserves in the comprehensive statement of income.

### **Non-controlling interests**

All non-controlling shares are eliminated from the equity accounts, including paid-in capital, of the consolidated subsidiaries and presented as a non-controlling interest in shareholders' equity in the consolidated balance sheet.

### **Available for sales financial assets revaluation reserve**

The subsidiary Exsa Export Sanayi Mamülleri Satış ve Araştırma A.Ş. ("Exsa") has been consolidated using the equity method with a share of 32.875%. Our main shareholder, Hacı Ömer Sabancı Holding A.Ş. (Sabancı Holding), has made a Board of Directors decision to merge by taking over its subsidiary Exsa. In this context, Sabancı Holding applied to the Capital Markets Board on June 21, 2023, to obtain the necessary permits and approvals for the merger. According to Sabancı Holding's announcement on the Public Disclosure Platform dated October 30, 2023, the application to the Capital Markets Board for the merger has been updated in line with revised documents to obtain the necessary permits and approvals. As a result of the merger, Exsa shareholders were compensated by giving them Sabancı Holding shares in exchange for their Exsa shares, and the process was completed with the registration on January 15, 2024. In this context, the issuance document approved by the Capital Markets Board for the shares issued by Sabancı Holding due to the capital increase and allocated to Exsa's other shareholders was received on February 2, 2024, and the share exchange transactions were completed on February 5, 2024, finalizing the merger. In exchange for TRY 76,927,500 full nominal value shares held in Exsa's capital, Sabancı Holding, as a result of the capital increase due to the merger, allocated TRY 27,690,740.94 full nominal value shares representing 1.32% of Sabancı Holding's post-merger capital to our Company. The impact of this transaction has been recognized under Income from Investment Activities Account.

The historical values and the effects of inflation adjustments of the following accounts under equity for Çimsa Çimento San. ve Tic. A.Ş. as of June 30, 2024, according to TFRS and TPL financial statements are as follows:

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**20. EQUITY, RESERVES AND OTHER EQUITY ITEMS (Continued)**

**Available for sales financial assets revaluation reserve (Continued)**

<b>30 June 2024 (TFRS)</b>	<b>Historical Value</b>	<b>Inflation Adjustment Effect</b>	<b>Indexed Value</b>
Adjustments to share capital	41,742	1,851,235	1,892,977
Share premiums	575	4,888	5,463
Restricted Reserves	327,702	2,569,193	2,896,895

<b>30 June 2024 (TPL)</b>	<b>Historical Value</b>	<b>Inflation Adjustment Effect</b>	<b>Indexed Value</b>
Adjustments to share capital	54,800	5,687,834	5,742,634
Share premiums	4,271	90,530	94,801
Restricted Reserves	275,989	4,966,771	5,242,760

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**21. DERIVATIVE FINANCIAL INSTRUMENTS**

	30 June 2024			31 December 2023		
	Fair Value			Fair Value		
	Contract Amount	Assets	Liabilities	Contract Amount	Assets	Liabilities
<b>Short term derivative financial instruments</b>						
<b>Marketable securities</b>						
Forward foreign exchange transactions	6,000	-	300	12,000	-	20,916
<b>Total short-term derivative instruments</b>		<b>-</b>	<b>300</b>		<b>-</b>	<b>20,916</b>
<b>Long term derivative financial instruments</b>						
<b>Hedging against impaired risk</b>						
Interest rate swap	21,750	32,710	-	22,800	32,803	-
Interest rate swap	19,400	1,256	-	-	-	-
<b>Total long-term derivative instruments</b>		<b>33,966</b>	<b>-</b>		<b>32,803</b>	<b>-</b>
<b>Total derivative financial instruments</b>		<b>33,966</b>	<b>300</b>		<b>32,803</b>	<b>20,916</b>

The Group has entered into 24 contracts with a total value of USD 250 each and a total value of USD 6,000 for the year 2024 in order to hedge its foreign currency risk. The contract maturities are less than 1 year and all of them will be redeemed by the end of the year. TRY 1,474 of expense and TRY 6,349 of income were recognized for the period 2024 (January-June) and 2023 (January-June), respectively. Realized gains/losses and fair value increases/decreases of these contracts are recognized in other comprehensive income/expense.

The Group has signed a contract worth USD 24,400 on April 20,2022 to hedge interest rate risk. The maturity date of the contract is February 10, 2027 and income amounting to TRY 9,721 in 2024 June (January-June) and income amounting to TRY 1,851 in 2023 January-June is recognized in other comprehensive income/expense statement. The fair value increase/decrease of the contract is recognized under equity.

The Group has signed a contract worth EUR 19,400 on December 6, 2023 to hedge interest rate risk. The maturity date of the contract is July 9,2029 and TRY 599 has been recognized in other comprehensive income/expense statement as of June 2024. The fair value increase/decrease of the contract is recognized under equity.



(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**22. REVENUE**

Revenue	1 January - 30 June 2024	1 January - 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Domestic sales	5,321,817	5,431,173	2,656,428	3,072,703
Export sales	7,256,199	8,098,210	3,716,277	4,814,218
Sales discounts (-)	(65,120)	(116,836)	(34,083)	(31,714)
Other deductions (-)	(979,554)	(840,267)	(576,429)	(484,731)
	<b>11,533,342</b>	<b>12,572,280</b>	<b>5,762,193</b>	<b>7,370,476</b>
Cost of Sales (-)	<b>(9,134,605)</b>	<b>(10,016,258)</b>	<b>(4,131,718)</b>	<b>(5,698,234)</b>
Gross profit	<b>2,398,737</b>	<b>2,556,022</b>	<b>1,630,475</b>	<b>1,672,242</b>

**23. OPERATING EXPENSES BY NATURE**

The detail of costs of sales for the periods between 1 January - June 30, 2024 and 2023 is as follows:

**Cost of sales (-)**

	1 January - 30 June 2024	1 January - 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Direct material and supplies	(1,662,207)	(1,702,628)	(814,694)	(906,727)
Labor expenses	(558,973)	(461,272)	(265,831)	(234,243)
Energy costs	(2,383,528)	(3,581,490)	(1,261,389)	(1,802,625)
Depreciation and amortization	(563,703)	(525,375)	(238,666)	(206,921)
Other production expenses	(2,538,953)	(2,123,221)	(1,068,174)	(1,049,845)
Total production cost	<b>(7,707,364)</b>	<b>(8,393,986)</b>	<b>(3,648,754)</b>	<b>(4,200,361)</b>
Change in provision for inventory impairment	19,060	(4,805)	12,677	2,752
Change in work-in process	98,564	175,061	167,575	(54,587)
Change in finished goods	(43,212)	100,149	107,493	168,211
Cost of trade goods sold and other	(1,501,653)	(1,892,677)	(770,709)	(1,614,249)
	<b>(9,134,605)</b>	<b>(10,016,258)</b>	<b>(4,131,718)</b>	<b>(5,698,234)</b>

The detail of general and administration expenses for the periods between January 1, - June 30, 2024 and 2023 is as follows:

General and administrative expenses	1 January - 30 June 2024	1 January - 30 June 2023	1 April- 30 June 2024	1 April- 30 June 2023
Personnel expenses	(489,823)	(375,727)	(231,269)	(185,373)
Depreciation and amortization expenses	(144,602)	(151,962)	(59,282)	(64,969)
Consultancy expense	(103,127)	(91,792)	(62,412)	(52,330)
Rent expenses	(55,003)	(56,287)	(23,700)	(28,645)
Insurance expenses	(35,730)	(33,842)	(17,088)	(16,720)
Travel expenses	(30,279)	(13,854)	(19,733)	(8,983)
IT Expenses	(24,481)	(24,614)	(12,178)	(12,563)
Representation expenses	(22,949)	(9,325)	(11,995)	(7,311)
Tax, duty and charges	(18,401)	(20,531)	(10,146)	(11,018)
Maintenance and repair expenses	(17,725)	(1,861)	(16,341)	(952)
Communication and publicity expenses	(10,462)	(6,229)	(5,871)	(4,003)
Other miscellaneous expenses	(46,219)	(67,392)	(7,724)	(20,216)
	<b>(998,801)</b>	<b>(853,416)</b>	<b>(477,739)</b>	<b>(413,083)</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**23. OPERATING EXPENSES BY NATURE (Continued)**

The detail of marketing, selling and distribution expense for the periods between January 1, - June 30, 2024 and 2023 is as follows:

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April- 30 June 2023</b>
Marketing, selling and distribution				
Personnel expenses	(32,160)	(13,901)	(14,030)	(2,822)
Depreciation and amortization expenses	(11,594)	(17,510)	(3,913)	(7,367)
Travel expenses	(2,020)	(2,692)	(969)	(557)
Consultancy expenses	(1,015)	(26)	(1,006)	(15)
Rent expenses	(985)	(824)	(466)	(342)
Insurance expenses	(374)	(270)	(153)	(108)
Representation expenses	(233)	(119)	(128)	(40)
Other miscellaneous expenses	(2,158)	(1,756)	(594)	(476)
	<b>(50,539)</b>	<b>(37,098)</b>	<b>(21,259)</b>	<b>(11,727)</b>

The detail of research and development expense for the periods between January 1, - June 30, 2024 and 2023 is as follows:

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April- 30 June 2023</b>
Research and development expenses				
Personnel expenses	(13,850)	(4,155)	(5,747)	2,596
Depreciation and amortization	(510)	(462)	(189)	(201)
Travel expenses	(355)	(1,162)	(197)	(909)
Outsourced benefits and services	(220)	(157)	(60)	(94)
Other miscellaneous expenses	(844)	(1,058)	(594)	(473)
	<b>(15,779)</b>	<b>(6,994)</b>	<b>(6,787)</b>	<b>919</b>

**24. OTHER OPERATING INCOME AND EXPENSES**

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April- 30 June 2023</b>
Other operating income				
Foreign exchange gain from operating	327,821	965,003	56,838	868,781
Sales of scrap and miscellaneous material	13,211	15,808	3,393	9,989
Reversal of the provision (Note 7/16)	2,743	984	1,379	296
Other income and profits	115,739	177,600	32,662	108,928
	<b>459,514</b>	<b>1,159,395</b>	<b>94,272</b>	<b>987,994</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**24. OTHER OPERATING INCOME AND EXPENSES (Continued)**

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April- 30 June 2023</b>
Other operating expense				
Foreign exchange loss from operating	(203,804)	(395,955)	(36,074)	(354,956)
Provision expenses (Note 7/16)	(12,908)	(26,883)	(5,101)	(7,747)
Litigation, levy, and court paid expenses	(3,837)	(3,708)	(70)	(3,579)
Donations and grants	(1,685)	(4,442)	(1,506)	(3,953)
Other expenses	(36,344)	(86,219)	(32,375)	(67,150)
	<b>(258,578)</b>	<b>(517,207)</b>	<b>(75,126)</b>	<b>(437,385)</b>

**25. INCOME AND EXPENSE FROM INVESTMENT ACTIVITIES**

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April- 30 June 2023</b>
Income from investment activities				
Income from financial investments	535,189	-	263,197	-
Dividend income	87,839	-	87,840	-
Fixed assets sales income	11,096	9	10,281	-
Income from other investing activities	-	391,570	-	373,500
	<b>634,124</b>	<b>391,579</b>	<b>361,318</b>	<b>373,500</b>

**26. FINANCIAL INCOME/EXPENSE**

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April- 30 June 2023</b>
Financial income				
Interest income	458,966	429,636	205,066	307,509
Total financial income	<b>458,966</b>	<b>429,636</b>	<b>205,066</b>	<b>307,509</b>

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April- 30 June 2023</b>
Financial expenses				
Interest expenses of bank borrowings	(649,141)	(701,957)	(299,018)	(407,927)
Foreign exchange loss on bank borrowings	(153,730)	(444,548)	(70,814)	(349,060)
Other financial expenses	(63,748)	(60,787)	(29,364)	(6,164)
Total financial expense	<b>(866,619)</b>	<b>(1,207,292)</b>	<b>(399,196)</b>	<b>(763,151)</b>

**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

---

## **27. INCOME TAXES**

With the "Law on the Creation of Additional Motor Vehicle Tax and Amendments to Certain Laws and Decree Law No. 375 (Law No. 7456) for the Compensation of Economic Losses Caused by the Earthquakes that Occurred on February 6, 2023", published in the official newspaper dated July 15, 2023, corporate tax rate has been increased from 20% to 25% and the new rate has entered into force as of the 3rd provisional tax period of 2023 (applied as 23% in 2022 and 25% in 2021). With this, With the same Law, the corporate tax reduction, which was previously applied as 1 point for the earnings of exporting institutions exclusively from exports, was increased to 5 points. For institutions that have an industrial registry certificate and are actually engaged in production activities, the corporate tax rate is applied at a 1 point discount for the profits they obtain exclusively from production activities.

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.

Companies calculate provisional tax based on their quarterly financial profits with the current corporate tax rate and declare and pay it until the evening of the 17th day of the second month following the relevant period. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If there is any provisional tax amount left after the deduction, this amount can be refunded in cash or offset against other tax debts.

Tax deductions are made on dividend payments made to resident companies in Türkiye, those not responsible for and exempt from corporate and income tax, as well as to real persons and non-resident legal entities in Türkiye. The deduction rate, which was previously determined as 15% by the Council of Ministers Decision, was reduced to 10% by the Presidential Decision dated December 21, 2021 and numbered 4936. Dividend payments made from fully taxpayer institutions in Türkiye to fully taxpayer institutions resident in Türkiye are not subject to deduction.

The law on amending the Tax Procedure Law and the Corporate Tax Law was published on January 20, 2022, Law No. It has become law with number 7352, and it has been decided that financial statements will not be subject to inflation correction, regardless of whether the conditions for inflation adjustment within the scope of Article 298 are met for the 2021 and 2022 accounting periods, including the provisional accounting periods, and the 2023 accounting period provisional tax periods. In line with Law No. 7352, inflation adjustment has been applied to the financial statements dated December 31, 2023, and the profit/loss difference resulting from the inflation adjustment has been shown in the previous years' profit/loss account and has not been subject to tax. Profit/loss differences arising from the inflation adjustment made as of the 2024 accounting period are subject to tax.

Within the scope of the Law No. 6637 on the Amendment of Certain Laws and Statutory Decrees published in the Official Gazette dated April 7, 2015, as of July 1, 2015, the cash capital increases in capital companies and the portion of the paid-in capital in newly established companies are announced by the CBRT. Taking into account the weighted annual average interest rate applied to commercial loans, 50% of the amount calculated until the end of the relevant accounting period can be deducted from the corporate tax base. With the decision numbered 2015/7910 published in the Official Gazette dated December 31, 2021, to 50%;

a) For public companies whose shares are traded on the stock exchange, whose paid or issued capital ratio is 50% or less, registered in the trade registry of the nominal amount of shares tracked as tradable shares in the Central Registry Agency, as of the last day of the year in which the discount is benefited. 25 points, 50 points for those above 50%,

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**27. INCOME TAXES (Continued)**

b) In case the capital increased in cash is used for investments in production and industrial facilities with investment incentive certificates and machinery and equipment of these facilities and/or investments in land and land allocated for the construction of these facilities, an additional 25 points shall be limited to the fixed investment amount included in the investment incentive certificate. The discount in question is applied.

c) With Article 49 of Law No. 7417, effective as of July 5, 2022, this discount cannot be benefited separately for the accounting period in which the decision on capital increase or the articles of association at the initial establishment stage are registered and the four accounting periods following this period, and this amendment provision will be effective as of 5 July. It has been stipulated that it will be applied for 5 accounting periods, including the 2022 accounting period, for companies that increased their capital before 2022 or were established for the first time.

In addition, Pursuant to the Decree on State Aids in Investments dated June 15, 2012 and numbered 2012/3305, the incomes obtained from the investments granted with the incentive certificate are subject to corporate tax at reduced rates, starting from the accounting period in which the investment started to be operated partially or completely, until the amount of contribution to a certain investment is reached. In addition, reduced corporate tax may be applied to the income of the investor from other activities during the investment period, as a deduction from the investment contribution amount, not to exceed the amount of investment expenditure realized and not to exceed 80% of the total amount of contribution to the investment. Within the scope of investment incentive certificates issued for the manufacturing industry (US-97 Code: 15- 37), the investment contribution rates to be applied in tax relief support within the scope of regional and strategic incentive applications for investment expenditures to be made between January 1, 2017 and December 31, 2022, will be applied to the investment valid in each region. By adding 15 points to the contribution rate, corporate tax or income tax reduction is applied at 100% in all regions, and the rate of the investment contribution amount to be applied to the earnings of the investor from other activities during the investment period is 100%.

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In such a case, the tax is also recognized in shareholders’ equity.

As of June 30, 2024, and 2023, income tax provisions have been accrued in accordance with the prevailing tax legislation.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements. Currently enacted tax rates are used to determine deferred income tax at the balance sheet date.

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

As of June 30, 2024, and December 31, 2023, corporate tax payables are summarized as follows:

Distribution of tax expenses are as follows:

	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Assets related to the current period taxes	15,651	117,430
	<b>15,651</b>	<b>117,430</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**27. INCOME TAXES (Continued)**

	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
Corporate tax payable		
Current period corporate tax provision	(67,785)	(421,221)
Prepaid taxes and funds	36,850	362,281
	<b>(30,935)</b>	<b>(58,940)</b>

Tax (expense)/income	<b>1 January -</b>	<b>1 January -</b>	<b>1 April-</b>	<b>1 April-</b>
	<b>30 June 2024</b>	<b>30 June 2023</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Current tax (expense)/income	(67,785)	(262,744)	(63,063)	(262,744)
Deferred tax (expense)/income	(200,705)	73,912	(87,338)	(239,261)
	<b>(268,490)</b>	<b>(188,832)</b>	<b>(150,401)</b>	<b>(502,005)</b>

The details of the deferred tax assets and liabilities June 30, 2024, and December 31, 2023, are as follows:

	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
<b>Deferred tax assets</b>		
Property, plant and equipment and intangible assets	1,486,349	1,467,800
Tax losses carried forward	15,499	19,464
Provision for litigations	13,851	12,960
Cash capital increase tax incentive assets	-	10,586
Provision for unused vacation	11,544	6,480
Provision for employee benefits	44,817	6,047
Recultivation provision	6,763	5,736
Inventory impairment provision	2,895	1,881
Provision for other doubtful receivables	849	1,059
Other	28,959	94,300
	<b>1,611,526</b>	<b>1,626,313</b>
<b>Deferred tax liabilities</b>		
Property, plant and equipment and intangible assets	(909,519)	(797,561)
Fair values of derivative products	(92,593)	(105,083)
Goodwill	(24,738)	(30,856)
Inventories	(22,692)	(28,305)
Internal rate of return adjustment of borrowings	(8,962)	(4,463)
Other	(179,816)	(103,937)
	<b>(1,238,320)</b>	<b>(1,070,205)</b>
<b>Deferred tax assets/(liabilities), net</b>	<b>373,206</b>	<b>556,108</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**27. INCOME TAXES (Continued)**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Deferred tax assets/(liabilities) presentation at balance sheet		
Deferred tax assets	1,611,526	1,626,313
Deferred tax liabilities	(1,238,320)	(1,070,205)
	<b>373,206</b>	<b>556,108</b>

The movement of the net deferred tax liabilities is as follows:

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
Deferred tax assets/(liabilities) movement		
Opening balance	(556,108)	264,184
Deferred tax (income)/expense	200,705	(73,912)
Accounted under other comprehensive income	(50,589)	55,618
Other	32,786	(57,444)
Closing balance	<b>(373,206)</b>	<b>188,446</b>
Tax reconciliation:	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>
Profit before taxation	2,189,716	2,032,905
Effective statutory income tax rate	25%	20%
Tax expense at the effective statutory income tax rate	(547,429)	(406,581)
Reconciliation of tax provision calculated with deductible:		
- Effect of assets from tax incentives	102,021	161,907
- Non-deductible expenses	(6,869)	(19,462)
- Other income exempt from tax	49,796	134,059
- Inflation effect	133,991	113,545
- Effect of the profit from investments accounted by equity method	-	13,285
- Earthquake tax	-	(185,585)
Tax expense in the income statement	<b>(268,490)</b>	<b>(188,832)</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

## 28. EARNINGS PER SHARE

Earnings per share (EPS) is calculated by dividing the net profit for the period attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

### Earnings/(loss) per share from continuing operations

	<b>1 January- 30 June 2024</b>	<b>1 January- 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April- 30 June 2023</b>
Number of shares (*)	945,591	945,591	945,591	945,591
Profit attributable to equity holders of the parent–TRY	1,670,635	1,617,400	1,277,550	1,271,535
Dividend per share with nominal value of 1 Kr - TRY	1.77	1.71	1.35	1.34

(\*) The paid-in capital of our Company has been increased from TRY 135,084 to TRY 945,591 by increasing from internal resources and registered on September 27, 2023. In the table above, 945,591 is taken into consideration as the number of shares for the period 2023/June.

## 29. RELATED PARTY DISCLOSURES

Entities are defined as related if one of the entities has control over the other entity or has a significant influence over the other entity’s financial and administrative decisions. The Group is controlled by H.Ö. Sabancı Holding A.Ş. For the consolidated financial statements, shareholder companies and financial assets of H.Ö. Sabancı Holding A.Ş. and their associates and subsidiaries and also other companies of Sabancı Group are presented separately, and these companies and top management of the Group are referred to as related parties. The Group has various transactions with related parties. The related party balances as of June 30, 2024, and December 31, 2023, and the related party transactions for the periods ended June 30, 2024, and June 30, 2023 are mainly as follows:

### **Short-term other receivables from related parties**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Akçansa Çimento Sanayi ve Ticaret A.Ş. <sup>(2)</sup>	22	-
	<b>22</b>	<b>-</b>

### **Other receivables from related parties**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Hacı Ömer Sabancı Holding A.Ş.	9	-
	<b>9</b>	<b>-</b>

(2) Joint venture of the parent company; H.Ö. Sabancı Holding A.Ş.



(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**29. RELATED PARTY DISCLOSURES (Continued)**

**Short-term trade payables to related parties**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. <sup>(2)</sup>	101,691	151,826
Enerjisa Müşteri Çözümleri A.Ş. <sup>(2)*</sup>	66,773	75,261
Akçansa Çimento Sanayi ve Ticaret A.Ş. <sup>(2)</sup>	6,833	22,810
Akbank T.A.Ş. <sup>(1)</sup>	18,635	-
Other	1,221	14,353
	<b>195,153</b>	<b>264,250</b>

(\* ) Within the framework of the contract signed with Enerjisa Müşteri Çözümleri A.Ş. (Enerjisa), the Solar Power Plant (SPP) project built in the Afyon factory was commissioned and activated on September 13, 2023. The investment amount is TRY 66,773 Full. Within the framework of the contract, maintenance and operation services of the facility will be provided by Enerjisa Customer Solutions for 9 years from the date of commissioning, and a monthly service fee will be paid to Enerjisa Müşteri Çözümleri accordingly. In order to benefit from regional incentives related to investment, an Investment Incentive Certificate was obtained, and the incentive elements began to benefit.

**Short-term other payables to related parties**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Sabancı Dx <sup>(1)</sup>	2,363	17,946
Teknosa İç ve Dış Ticaret A.Ş. <sup>(1)</sup>	1,186	5,627
Aksigorta A.Ş. <sup>(2)</sup>	387	138
Other	362	2,675
	<b>4,298</b>	<b>26,386</b>

**Bank balances deposited in related parties**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Akbank T.A.Ş. <sup>(1)</sup>	1,207,262	1,380,059
	<b>1,207,262</b>	<b>1,380,059</b>

**Borrowings from related parties**

	<b>30 June 2024</b>	<b>31 December 2023</b>
Bank loans from Akbank T.A.Ş. <sup>(1)</sup>	517,350	1,596,387
	<b>517,350</b>	<b>1,596,387</b>

(1) Subsidiary of the parent company; H.Ö. Sabancı Holding A.Ş.

(2) Joint venture of the parent company; H.Ö. Sabancı Holding A.Ş.

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**29. RELATED PARTY DISCLOSURES (Continued)**

**Sales to related parties**

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April - 30 June 2023</b>
Teknosa İç ve Dış Tic. A.Ş. <sup>(1)</sup>	115	-	-	-
Akçansa Çimento Sanayi ve Ticaret A.Ş. <sup>(2)</sup>	58	-	58	-
Sabancı Dx. <sup>(1)</sup>	57	314	57	154
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. <sup>(2)</sup>	-	18,400	-	16,666
Other	7	15,068	4	8,106
	<b>237</b>	<b>33,782</b>	<b>119</b>	<b>24,926</b>

**Purchases and services received from related parties**

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April - 30 June 2023</b>
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. <sup>(2)</sup>	539,011	993,904	283,542	499,455
Akçansa Çimento Sanayi ve Ticaret A.Ş. <sup>(2)</sup>	155,661	256,323	46,896	165,572
Aksigorta A.Ş. <sup>(1)</sup>	103,143	67,342	-	59,433
Sabancı Dx <sup>(1)</sup>	16,509	14,395	8,086	9,517
Teknosa İç ve Dış Tic. A.Ş. <sup>(1)</sup>	2,213	3,144	1,605	2,504
Other	4,771	17,364	1,226	13,389
	<b>821,308</b>	<b>1,352,472</b>	<b>341,355</b>	<b>749,870</b>

**Interest income from related parties**

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April - 30 June 2023</b>
Akbank T.A.Ş. <sup>(1)</sup>	212,621	72,199	89,639	3,576
	<b>212,621</b>	<b>72,199</b>	<b>89,639</b>	<b>3,576</b>

**Interest expenses from related parties**

	<b>1 January - 30 June 2024</b>	<b>1 January - 30 June 2023</b>	<b>1 April- 30 June 2024</b>	<b>1 April - 30 June 2023</b>
Akbank T.A.Ş. <sup>(1)</sup>	(23,432)	(55,927)	-	(26,839)
	<b>(23,432)</b>	<b>(55,927)</b>	<b>-</b>	<b>(26,839)</b>

(1) Subsidiary of the parent company; H.Ö. Sabancı Holding A.Ş.

(2) Joint venture of the parent company; H.Ö. Sabancı Holding A.Ş.

**Compensation benefits to the top management**

The total amount of salaries and similar benefits provided to the chairman and members of the Board of Directors and senior executives such as general manager, assistant general managers in the current period is TRY 77,694 (June 30, 2023 - TRY 50,280) and the premiums paid is TRY 2,441 (June 30, 2023 - TRY 1,677).

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)

**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**30. FOREIGN CURRENCY RISK**

The Group's foreign currency positions in original currency as of June 30, 2024 and December 31, 2023 are as follows:

As the national currencies of the Group's foreign subsidiaries are not considered as exchange rate risk, they are not included in the foreign currency position.

	30 June 2024					31 December 2023				
	Equivalent in TRY	USD	EUR	GBP	Other	Equivalent in TRY	USD	EUR	GBP	Other
	(Functional Currency)	(Original Currency)	(Original Currency)	(Original Currency)	(Original Currency)	(Functional Currency)	(Original Currency)	(Original Currency)	(Original Currency)	(Original Currency)
Trade receivables	2,107,081	41,922	20,801	5	-	1,139,388	2,941	16,935	-	33,689
Monetary financial assets	952,419	24,997	3,708	39	-	2,361,295	58,690	3,842	104	4,441
Non-monetary financial assets	-	-	-	-	-	102,825	-	2,531	-	-
Other	175,808	3,112	2,096	-	-	1,508,131	38,807	1,463	-	2,323
<b>Current Assets</b>	<b>3,235,308</b>	<b>70,031</b>	<b>26,605</b>	<b>44</b>	<b>-</b>	<b>5,111,639</b>	<b>100,438</b>	<b>24,771</b>	<b>104</b>	<b>40,453</b>
<b>TOTAL ASSETS</b>	<b>3,235,308</b>	<b>70,031</b>	<b>26,605</b>	<b>44</b>	<b>-</b>	<b>5,111,639</b>	<b>100,438</b>	<b>24,771</b>	<b>104</b>	<b>40,453</b>
Trade payables	(1,206,526)	(33,152)	(3,291)	(65)	-	(569,770)	(4,510)	(8,789)	(94)	(4,187)
Financial liabilities	(1,379,665)	(20,111)	(20,482)	-	-	(3,069,203)	(47,295)	(30,761)	-	(8,133)
Other non-monetary liabilities	(44,722)	(289)	(1,000)	(3)	-	(126,273)	(1,807)	(1,235)	(3)	(920)
<b>Current Liabilities</b>	<b>(2,630,913)</b>	<b>(53,552)</b>	<b>(24,773)</b>	<b>(68)</b>	<b>-</b>	<b>(3,765,246)</b>	<b>(53,612)</b>	<b>(40,785)</b>	<b>(97)</b>	<b>(13,240)</b>
<b>TOTAL LIABILITIES</b>	<b>(2,630,913)</b>	<b>(53,552)</b>	<b>(24,773)</b>	<b>(68)</b>	<b>-</b>	<b>(3,765,246)</b>	<b>(53,612)</b>	<b>(40,785)</b>	<b>(97)</b>	<b>(13,240)</b>
<b>Net foreign currency asset/(liability) position</b>	<b>604,395</b>	<b>16,479</b>	<b>1,832</b>	<b>(24)</b>	<b>-</b>	<b>1,346,393</b>	<b>46,826</b>	<b>(16,014)</b>	<b>7</b>	<b>27,213</b>
<b>Off balance sheet derivative financial instruments asset/(liability) position</b>	<b>196,957</b>	<b>6,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>440,636</b>	<b>12,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency asset/(liability) position</b>	<b>801,352</b>	<b>22,479</b>	<b>1,832</b>	<b>(24)</b>	<b>-</b>	<b>1,787,029</b>	<b>58,826</b>	<b>(16,014)</b>	<b>7</b>	<b>27,213</b>
Export	7,256,199	52,772	164,156	17	-	10,775,471	171,461	177,959	37	-
Import	729,249	17,160	5,534	-	-	2,203,368	57,137	15,993	4	-

**(Convenience translation of the report and consolidated financial statements originally issued in Turkish)**  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**30. FOREIGN CURRENCY RISK (Continued)**

The Group is mainly exposed to currency risk denominated in USD, EUR, and GBP.

The table below shows the Group’s sensitivity to a 10% increase in USD, Euro, and GBP exchange rates. The 10% rate is the rate used in the reporting of the currency risk within the Group to the top management and represents the probable change that the management expects in foreign exchange rates. The sensitivity analysis only covers the monetary items denominated in foreign currency and presents the impact of the 10% change in foreign exchange rates of these monetary items at year-end. This analysis covers, as well as external loans, the loans denominated in a currency other than the functional currency of the parties taking the loan. Positive value represents the increase in other equity items in profit/loss.

	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
<b>30 June 2024</b>				
1- USD net assets/liabilities	405,993	(405,993)	405,993	(405,993)
2- Hedged portion of USD risk (-)	19,731	(19,731)	19,731	(19,731)
3- USD net effect (1+2)	425,724	(425,724)	425,724	(425,724)
4- Net EUR assets/liabilities	180,640	(180,640)	180,640	(180,640)
5- Hedged portion of EUR risk (-)	-	-	-	-
6- EUR net effect (4+6)	180,640	(180,640)	180,640	(180,640)
7- Net GBP assets/liabilities	464	(464)	464	(464)
8- Hedged portion of GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	464	(464)	464	(464)
<b>TOTAL (3+6+9)</b>	<b>606,828</b>	<b>(606,828)</b>	<b>606,828</b>	<b>(606,828)</b>
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
<b>31 December 2023</b>				
1- USD net assets/liabilities	772,680	(772,680)	772,680	(772,680)
2- Hedged portion of USD risk (-)	44,144	(44,144)	44,144	(44,144)
3- USD net effect (1+2)	816,824	(816,824)	816,824	(816,824)
4- Net EUR assets/liabilities	266,658	(266,658)	266,658	(266,658)
5- Hedged portion of EUR risk (-)	-	-	-	-
6- EUR net effect (4+6)	266,658	(266,658)	266,658	(266,658)
7- Net GBP assets/liabilities	939	(939)	939	(939)
8- Hedged portion of GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	939	(939)	939	(939)
10-Net other foreign currency asset/liability	6,697	(6,697)	6,697	(6,697)
11- Hedged portion of other foreign	-	-	-	-
12-Other Foreign currency net effect (10+11)	6,697	(6,697)	6,697	(6,697)
<b>TOTAL (3+6+9+12)</b>	<b>1,091,118</b>	<b>(1,091,118)</b>	<b>1,091,118</b>	<b>(1,091,118)</b>

(Convenience translation of the report and consolidated financial statements originally issued in Turkish)  
**ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira ("TRY") in terms of purchasing power of the TRY on June 30,2024. Currencies other than TRY are stated as thousand unless otherwise stated.)

**31. FINANCIAL INSTRUMENTS FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES**

**Fair value of financial instruments**

	Fair value level as of reporting date			
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Fair value difference reflects other comprehensive income/loss derivative financial assets and liabilities	(300)	(20,916)	Level 2	Level 2
<b>Total</b>	<b>(300)</b>	<b>(20,916)</b>		
Fair value difference reflects over income/ loss financial	33,966	32,803	Level 2	Level 2
<b>Total</b>	<b>33,966</b>	<b>32,803</b>		

*Fair value measurement hierarchy table*

The fair value of the financial assets and liabilities is determined as follows:

- First level: Financial assets and liabilities are measured at quoted market prices on the active market for identical assets and liabilities.
- Second level: Financial assets and liabilities are valued using inputs that are used to determine directly or indirectly the marketable price of the related asset or liability other than the quoted price at the first level.
- Third level: Financial assets and liabilities are valued at inputs that are not based on an observable asset in the market for the fair value of the asset or liability.

**32. SUBSEQUENT EVENTS**

"Law No. 7524 on Amendments to Tax Laws, Certain Laws and Decree Law No. 375" was published in the Official Gazette dated August 2, 2024 and numbered 32620. With this Law, regulations and amendments have been made on domestic minimum corporate tax application, global minimum tax application and many other tax-related issues. The Group is in the process of assessing the impact of the amendments on the financial statements.

On June 24, 2024, our Company signed a loan agreement with the European Bank for Reconstruction and Development (EBRD) amounting to EUR 25 million with a total maturity of 5 years, 2 years of which are non-repayable. The said loan will be used for the solar power plant, waste heat to electricity generation investment and other energy and efficiency investments to be made at the Eskişehir plant within the scope of our Company's goal of achieving net-zero greenhouse gas emissions by 2050. The loan amount was recognized in the Company's accounts after the reporting period.

.....