

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

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

**1 JANUARY - 30 SEPTEMBER 2024 CONDENSED
INTERIM 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

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

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

		(Not Audited) Current Period 30 September 2024	(Audited) Prior Period 31 December 2023
	Notes		
ASSETS			
Cash and cash equivalents	5	19,867,165	8,568,258
Trade receivables	7	4,031,231	3,185,333
<i>Trade receivables from related parties</i>	29	445	-
<i>Trade receivables from third parties</i>		4,030,786	3,185,333
Other receivables		13,437	29,591
<i>Other receivables from third parties</i>	9	13,437	29,591
Derivative financial assets	21	18,676	35,729
Inventories	10	3,645,669	3,887,206
Prepaid expenses	11	272,624	389,414
Assets related to the current period taxes	27	21,636	127,903
Other current assets	19	52,556	196,723
Non-current assets held for sale		2	2
Current Assets		27,922,996	16,420,159
Other receivables	9	16,645	22,134
<i>Other receivables from third parties</i>		16,645	22,134
Financial investments	6	2,856,052	112,570
Investments accounted under equity method	3	-	3,295,336
Property, plant and equipment	12	22,043,820	21,098,240
Right of use assets	14	337,939	484,306
Intangible assets		6,518,034	7,287,616
<i>Goodwill</i>	15	3,251,295	3,251,295
<i>Other intangible assets</i>	13	3,266,739	4,036,321
Prepaid expenses	11	1,063,068	1,595,155
Deferred tax assets	27	1,670,565	1,771,362
Other non-current assets	19	57,050	64,507
Non-Current Assets		34,563,173	35,731,226
TOTAL ASSETS		62,486,169	52,151,385

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

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2024

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

	Notes	(Not Audited) Current Period 30 September 2024	(Audited) Prior Period 31 December 2023
LIABILITIES			
Short-term borrowings	8	9,342,074	3,328,679
Short-term portions of long-term borrowings	8	7,581,805	1,497,389
Short-term lease liabilities	8	50,313	75,800
Trade payables	7	3,634,928	4,346,130
<i>Trade payables to related parties</i>	29	275,234	287,818
<i>Trade payables to third parties</i>		3,359,694	4,058,312
Employee benefit obligations	18	109,090	72,338
Other payables		202,473	216,105
<i>Other payables to related parties</i>	29	7,423	28,739
<i>Other payables to third parties</i>	9	195,050	187,366
Derivative financial liabilities	21	13,236	22,782
Deferred income	11	115,218	260,765
Current income tax liability	27	87,477	64,197
Short-term provisions	16	1,300,768	1,473,374
<i>Short-term provisions for employee benefits</i>		45,155	52,463
<i>Other short-term provisions</i>		1,255,613	1,420,911
Other current liabilities	19	738,966	702,491
Current liabilities		23,176,348	12,060,050
Long-term borrowings	8	5,686,122	6,367,430
Long-term lease liabilities	8	357,093	478,053
Long-term provisions	16	234,235	242,419
<i>Long-term provisions for employee benefits</i>	18	209,707	213,936
<i>Other long-term provisions</i>		24,528	28,483
Deferred tax liability	27	1,364,415	1,165,655
Non-current liabilities		7,641,865	8,253,557
SHAREHOLDERS' EQUITY			
Share capital	20	945,591	945,591
Adjustments to share capital	20	2,146,146	2,146,146
Share premiums		5,950	5,950
Effect of mergers involving undertakings or businesses under common control		(357,148)	(357,148)
Other comprehensive income /expenses to be reclassified to profit or loss		(1,349,312)	595,081
<i>Foreign currency translation reserve</i>		(1,046,636)	987,145
<i>Cash flow hedge fund</i>		(302,676)	(401,316)
<i>Share of other comprehensive income of investments in associates accounted for using equity method that will be reclassified to profit/loss</i>		-	9,252
Other comprehensive income (expenses) not to be reclassified to profit or loss		(87,157)	133,169
<i>Value increase/(decrease) funds of financial assets available for sale</i>		-	219,067
<i>Actuarial losses/gains on defined benefit plans</i>		(87,157)	(85,898)
Restricted reserves		3,156,239	3,046,243
Retained earnings		17,452,546	15,322,774
Net profit for the year		2,983,074	3,384,122
Equity attributable to equity holders of the parent		24,895,929	25,221,928
Non-controlling interests		6,772,027	6,615,850
Total shareholders' equity		31,667,956	31,837,778
TOTAL LIABILITIES AND EQUITY		62,486,169	52,151,385

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

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ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

	Notes	(Not Audited)	(Restated)	(Not Audited)	(Restated)
		Current Period	(Not Audited)	Prior Period	(Not Audited)
		1 January-	1 January-	1 July-	1 July-
		30 September 2024	30 September 2023	30 September 2024	30 September 2023
OPERATING INCOME					
Revenue	22	18,490,065	20,021,830	5,927,949	6,328,102
Cost of sales (-)	23	(14,104,550)	(16,331,854)	(4,155,138)	(5,422,146)
GROSS PROFIT		4,385,515	3,689,976	1,772,811	905,956
General and administrative expenses (-)	23	(1,527,048)	(1,262,414)	(439,154)	(332,873)
Marketing, selling and distribution expenses (-)	23	(85,757)	(67,728)	(30,710)	(27,320)
Research and development expenses (-)	23	(27,568)	(16,603)	(10,382)	(8,985)
Other operating income	24	942,922	1,472,164	442,419	209,350
Other operating expenses (-)	24	(416,555)	(642,794)	(134,912)	(79,453)
OPERATING PROFIT		3,271,509	3,172,601	1,600,072	666,675
Income from investment activities	25	456,262	539,551	(55,812)	113,043
Profit/(loss) from investments accounted by equity method	3	-	(93,745)	-	(166,097)
OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE		3,727,771	3,618,407	1,544,260	613,621
Financial income	26	832,833	503,595	332,927	35,636
Financial expenses (-)	26	(1,689,813)	(1,766,328)	(745,891)	(451,346)
Net monetary position gains/(losses)		901,917	25,306	256,378	(31,172)
PROFIT BEFORE TAXATION		3,772,708	2,380,980	1,387,674	166,739
Tax income/(expense) from continuing operations		(468,202)	(481,450)	(175,763)	(275,775)
- Current tax expense (-)	27	(156,422)	(406,839)	(82,590)	(120,659)
- Deferred tax income/(expense)	27	(311,780)	(74,611)	(93,173)	(155,116)
PERIOD (LOSS)/PROFIT OF CONTINUING OPERATIONS		3,304,506	1,899,530	1,211,911	(109,036)
NET PROFIT		3,304,506	1,899,530	1,211,911	(109,036)
Profit/loss for the period attributable to					
- Non-controlling interests		321,432	137,394	48,486	(109,500)
- Equity holders of the parent		2,983,074	1,762,136	1,163,425	464
Earnings Per Share					
Earnings per share from continuing operations (Nominal amount of 1 Kr)	28	3.15	1.86	1.23	0.0005

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

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

	(Not Audited) Current Period 1 January- 30 September 2024	(Restated) (Not Audited) Prior Period 1 January- 30 September 2023	(Not Audited) Current Period 1 July- 30 September 2024	(Restated) (Not Audited) Prior Period 1 July- 30 September 2023
PERIOD PROFIT/(LOSS) FROM CONTINUING OPERATIONS	3,304,506	1,899,530	1,211,911	(109,036)
Other comprehensive income/expense to be reclassified to profit or loss	(2,019,931)	(436,736)	(242,608)	(1,647,098)
<i>Cash flow hedge gain/(loss) fund</i>	<i>131,519</i>	<i>493,465</i>	<i>54,258</i>	<i>147,569</i>
<i>Share of other comprehensive income of investments in associates accounted for using equity method that will be reclassified to profit/(loss)</i>	<i>(9,252)</i>	<i>(5,699)</i>	<i>-</i>	<i>(6,650)</i>
<i>Foreign currency translation reserve</i>	<i>(2,109,318)</i>	<i>(837,773)</i>	<i>(283,301)</i>	<i>(1,770,467)</i>
<i>Tax (income)/ expense</i>	<i>(32,880)</i>	<i>(86,729)</i>	<i>(13,565)</i>	<i>(17,550)</i>
Other comprehensive income/expense not to be reclassified to profit or loss	(220,326)	4,948	2,926	15,912
<i>Share of other comprehensive income of investments in associates accounted for using equity method that will be reclassified to profit/(loss)</i>	<i>(292,089)</i>	<i>22,170</i>	<i>3</i>	<i>14,027</i>
<i>Actuarial gains/(losses) on defined benefit plans</i>	<i>(1,678)</i>	<i>(3,725)</i>	<i>3,898</i>	<i>18,123</i>
<i>Tax (income)/ expense</i>	<i>73,441</i>	<i>(13,497)</i>	<i>(975)</i>	<i>(16,238)</i>
OTHER COMPREHENSIVE INCOME/EXPENSE (AFTER TAX)	(2,240,257)	(431,788)	(239,682)	(1,631,186)
TOTAL COMPREHENSIVE INCOME/(EXPENSE)	1,064,249	1,467,742	972,229	(1,740,222)
Total comprehensive income/(expense) attributable to				
- Non-controlling interests	245,894	(388,017)	509,073	(8,914)
- Equity holders of the parent	818,355	1,855,759	463,156	(1,731,308)

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2024

(Unless otherwise stated, amounts are expressed in thousand Turkish Lira (“TRY”) in terms of purchasing power of the TRY on September 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 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				
1 January 2023	135,084	1,855,499	5,950	(18,093)	(827,766)	12,679	-	212,552	(86,262)	2,969,830	11,737,947	5,539,644	21,537,064	7,302,577	28,839,641	
Transfer from retained earnings	-	-	-	-	-	-	-	-	-	-	5,539,644	(5,539,644)	-	-	-	
Net profit for the period	-	-	-	-	-	-	-	-	-	-	1,762,136	-	1,762,136	137,394	1,899,530	
Other comprehensive income/(expense)	-	-	-	(312,362)	406,736	(5,699)	-	6,515	(1,567)	-	-	-	93,623	(525,411)	(431,788)	
Total comprehensive income/(expense)	-	-	-	(312,362)	406,736	(5,699)	-	6,515	(1,567)	-	-	1,762,136	1,855,759	(388,017)	1,467,742	
Dividends	-	-	-	-	-	-	-	-	-	-	(795,798)	-	(795,798)	(77,988)	(873,786)	
Capital increases	810,507	-	-	-	-	-	-	-	-	-	(810,507)	-	-	-	-	
Transfers to legal reserves	-	-	-	-	-	-	-	-	-	76,417	(76,417)	-	-	-	-	
30 September 2023	945,591	1,855,499	5,950	(330,455)	(421,030)	6,980	-	219,067	(87,829)	3,046,247	15,594,869	1,762,136	22,597,025	6,836,572	29,433,597	
1 January 2024	945,591	2,146,146	5,950	987,145	(401,316)	9,252	(357,148)	219,067	(85,898)	3,046,243	15,322,774	3,384,122	25,221,928	6,615,850	31,837,778	
Transfer from retained earnings	-	-	-	-	-	-	-	-	-	-	3,384,122	(3,384,122)	-	-	-	
Net profit for the period	-	-	-	-	-	-	-	-	-	-	2,983,074	-	2,983,074	321,432	3,304,506	
Other comprehensive income/(expense)	-	-	-	(2,033,781)	98,640	(9,252)	-	(219,067)	(1,259)	-	-	-	(2,164,719)	(75,538)	(2,240,257)	
Total comprehensive income/(expense)	-	-	-	(2,033,781)	98,640	(9,252)	-	(219,067)	(1,259)	-	-	2,983,074	818,355	245,894	1,064,249	
Dividends	-	-	-	-	-	-	-	-	-	-	(1,144,354)	-	(1,144,354)	(89,717)	(1,234,071)	
Transfers to legal reserves	-	-	-	-	-	-	-	-	-	109,996	(109,996)	-	-	-	-	
30 September 2024	945,591	2,146,146	5,950	(1,046,636)	(302,676)	-	(357,148)	-	(87,157)	3,156,239	17,452,546	2,983,074	24,895,929	6,772,027	31,667,956	

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ÇİMSA ÇİMENTO SANAYİ VE TİCARET A.Ş. AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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

		(Restated)
		(Not Audited)
		(Not Audited)
		Prior Period
		1 January-
		30 September
		2023
	Notes	2024
		5,548,927
		3,153,119
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) from continuing operations before tax		3,772,708
Adjustments to reconcile net profit/loss for the period		5,994,228
Adjustment related to depreciation and amortization expense	12,13,14	1,152,910
Adjustments for gains from the disposal of PPE classified for sale	25	(15,142)
Adjustments related to the profits of investments valued by the equity method	3	-
Adjustment related to allowance for doubtful receivable	7	302
Adjustment related to provision for inventory impairment	10	(21,399)
Adjustment related to provision for litigations		6,040
Adjustment related to recultivation provision	16	3,975
Provision for expected credit losses		8,743
Adjustment related to retirement pay provision	18	44,986
Adjustment related to seniority provision	18	9,875
Adjustment related to unpaid vacation liability		15,233
Adjustment related to interest expense	26	1,377,458
Adjustment related to interest income	26	(832,833)
Adjustments related to dividend income received	25	(96,244)
Unrealized foreign exchange (gains)/losses on financial borrowings		234,625
Adjustment related to fair value decrease/(increase) of derivative financial instruments		(17,053)
Adjustments related to income from other investing activities	25	-
Income from financial investments	25	(344,876)
Monetary (gains)/losses		4,467,628
Changes in working capital		(4,053,729)
Short-term trade receivables		(1,884,811)
Inventories		262,936
Other receivables/current assets/prepaid expenses/assets related to the current period taxes		267,953
Other long-term receivables/non-current assets/prepaid expenses		12,944
Short-term and long-term trade payables		(1,822,125)
Other short-term payables/liabilities/payables related to employee benefits		(890,626)
Cash flow from operations		5,713,207
Premiums and bonuses paid		(56,769)
Retirement pay provision paid	18	(29,499)
Seniority provision paid	18	(2,929)
Vacation provision paid	18	(6,138)
Taxes paid		(68,945)
B. CASH FLOWS FROM INVESTING ACTIVITIES		(1,318,676)
Cash out flow related to purchases of tangible assets	12	(2,030,700)
Dividends received		96,244
Other cash inflows (outflows)		344,876
Cash received from sale of tangible and intangible assets		171,121
Cash outflows related to purchases of intangible assets	13	(11,270)
Change in advances given for the purchase of tangible fixed assets		111,053
C. CASH FLOWS FROM FINANCING ACTIVITIES		9,145,011
Proceeds from borrowings		13,776,257
Repayment of borrowings		(3,146,716)
Interest paid		(1,083,292)
Interest income		832,833
Dividends paid	20	(1,144,354)
Dividends paid to minority shares		(89,717)
NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS BEFORE THE EFFECT OF FOREIGN CURRENCY TRANSLATION DIFFERENCES (A + B + C)		13,375,262
Effect of foreign currency translation differences on cash and cash equivalents		531,764
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		13,907,026
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5	8,567,781
Effect of monetary loss/gain on cash and cash equivalents		(2,656,213)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5	19,818,594
		6,985,598

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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 September 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 September 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%
Cimsa Building Solutions B.V. (*) (**)	16.11.2020	Holland	Cement production and sales	68.31%	50.1%
Afyon Çimento Sanayi Türk Anonim Şirketi (*)	31.05.2012	Türkiye	Cement production and sales	51%	51%

(*) Full consolidation method has been applied. The name of Sabancı Building Solutions B.V. has changed to Cimsa Building Solutions B.V., effective from September 6, 2024.

(**) 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, the 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.

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

The Company purchased 18,887,000 shares, representing 10.1% capital share of Cimsa Building Solutions BV (CBS), as stated in the Company's material event disclosure dated October 23, 2023, for the full price of 25,280,098 EUR from the 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.

The General Assembly of our subsidiary Cimsa Building Solutions B.V. established in the Netherlands ("CBS BV") (formerly Sabancı Building Solutions B.V.) has decided to increase its capital to be used in current and ongoing investments, primarily the purchase of Mannok Holding DAC shares, as announced on August 28, 2024. In the meeting of the Company's Board of Directors held on September 26, 2024, it was unanimously accepted to participate in the entire capital increase to be made in CBS BV.

CBS BV's other partner, H.Ö. Sabancı Holding A.Ş., did not participate in the related capital increase.

- CBS BV's current capital of 187,000,000 Full Euros was increased by 107,486,502 Full Euros with a premium to 294,486,502 Full Euros and,

- The Company completed the capital increase transaction by paying to CBS BV a total of 150,000,000 Full Euros, consisting of 107,486,502 Full Euros capital and 42,513,498 Full Euros stock premium.

After the capital increase, the Company's current share ratio in CBS BV's capital increased from 50.1% to 68.31%.

To the 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 October 24, 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 September 30, 2024, is 671 (2023: 674) and white-collar employees (not a union member) is 511 (2023: 484).

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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 (‘UFRS’’).

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

The functional currency of Cimsa 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.

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 September 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 September 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”).

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

Financial reporting in high inflation economies (Continued)

As of September 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 September 2024	2,526.16	1.00000	343%
31 December 2023	1,859.38	1.35860	268%
30 September 2023	1,691.04	1.49385	254%

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

- The 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.
- 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 the going concern principle.

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2. BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Financial reporting in high inflation economies (Continued)

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 of September 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.

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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 the 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.

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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 September 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:

Date	30 September	30 September	30 September	30 September
	2024	2024	2023	2023
	buy	sell	buy	sell
USD /TRY	34.090	34.183	29.4382	29.4913
EUR/TRY	38.018	38.240	32.5739	32.6326
RUB/TRY	0.3656	0.3704	0.32611	0.33038
RON/TRY	7.5971	7.6965	6.5113	6.5965
GBP/TRY	45.541	45.884	37.4417	37.6369

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

Date	30 September	30 September
	2024	2023
USD/TRY	32.1662	22.1948
EUR/TRY	35.0086	23.9702
RUB/TRY	0.355	0.2667
RON/TRY	6.9974	4.8221
GBP/TRY	41.1342	27.5363

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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 to provide information about financial position and performance trends. If the presentation or classification of the financial statements is changed, 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 principal 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 September 30, 2023, as of September 30, 2024.

The Group has prepared the consolidated statement of financial position as of September 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 September 30, 2023, in comparison with the relevant consolidated financial statements for the year ended September 30, 2023.

Accounting for Business Combinations Subject to Common Control:

Cimsa Building Solutions BV ("CBS BV") (formerly "Cimsa 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 "Cimsa Cementos Espana S.A.U, Cimsa Americas Cement Manufacturing and Sales Corporation, Cimsa Cement Sales North GmbH ve Cimsa Adriatico S.R.L, which the Group consolidated as its subsidiaries before June 30, 2021, to CBS 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. In accordance with the General Assembly Resolution dated October 31, 2022, it was decided to increase the current capital of CBS B.V. which is Full Euros 87,000, which was included in the consolidation with the equity method with a 40% share after the transfer agreement was completed as of June 30, 2021, by Full Euros 100,000 and increase it to Full Euros 187,000. The partners participated in the capital increase in proportion to their shares and the name of the Company was changed to Cimsa Building Solutions BV. The closing procedures for the acquisition of 18,887 shares representing 10.1% capital share of Cimsa Building Solutions BV, stated in the Company's material event disclosure dated October 23, 2023, from the 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 CBS BV by Çimsa, the subsidiary of Sabancı Holding, which is the ultimate parent company that holds the top-level joint control of CBS BV together with Çimsa, is the date when joint control is established. has been determined and the financial statements of CBS 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.

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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)

The 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:

	1 January 2022
Nominal value of issued shares	1,081,914
Total assets of SBS B.V.	16,510,972
Total liabilities of SBS B.V.	(9,335,075)
Net assets of SBS B.V.	7,175,897
10.1% net assets of SBS B.V.	724,766
Effect of Mergers Involving Undertakings or Businesses Under Common Control	357,148

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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 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.

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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:

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

Amendments to TAS 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.

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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 September 30, 2024, and December 31, 2023, revenue, expense and net profit for the periods ending September 30, 2024, and 2023 are as follows:

Investments	Country	Main operating activity	Effective Ownership (%)	30 September 2024	31 December 2023
				Carrying Net Book Value	Carrying Net Book Value
Exsa	Türkiye	Investment property and financial instrument	-	-	3,295,336
				-	3,295,336

Exsa	30 September 2024	30 September 2023
Assets	-	10,692,798
Liabilities	-	(668,961)
Net assets	-	10,023,837
Group's share	-	3,295,336

Exsa	1 January-30 September 2024	1 January-30 September 2023	1 July-30 September 2024	1 July-30 September 2023
Revenues	-	2,567,626	-	493,052
Expenses	-	(2,852,781)	-	(998,289)
Net profit for the period	-	(285,155)	-	(505,237)
Group's share in net profit	-	(93,745)	-	(166,097)

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3. SHARES IN AFFILIATED UNDERTAKINGS(Continued)

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

Subsidiary	30 September 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	94,732	1,096,851	89,717
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	660,694	540,521	76,171

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

Condensed balance sheet information (Before consolidation adjustments)

	30 September 2024	31 December 2023
Cash and cash equivalents	817,438	460,264
Other current assets	982,009	1,248,007
Non-current assets	4,367,680	4,619,170
Total assets	6,167,127	6,327,441
Short-term borrowings	930	60,560
Short-term trade payables	567,004	706,029
Other current liabilities	146,220	106,759
Long-term borrowings	20,893	29,383
Other non-current liabilities	27,974	29,411
Total liabilities	763,021	932,142
Total equity	5,404,106	5,395,299

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3. SHARES IN AFFILIATED UNDERTAKINGS(Continued)

Condensed income statement information

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Revenue	2,258,709	2,706,696	880,735	941,872
Gross profit	550,785	746,856	147,497	247,164
Operating profit/(loss)	460,373	639,160	117,924	208,903
Net financial income/(expense)	180,619	17,586	77,595	19,492
Net monetary position	(217,979)	(193,760)	(90,819)	(160,228)
Profit/(loss) before tax	423,807	462,989	105,479	68,169
Net profit for the period	193,331	131,485	28,437	(7,471)

Condensed cash flow information

	1 January- 30 September 2024	1 January- 30 September 2023
Cash flows from operating activities	682,997	37,873
Cash flows from investing activities	(116,932)	(82,652)
Cash flows from financing activities (excluding dividend)	(54,136)	(249,961)
Net increase/(decrease) in cash and cash equivalents	511,929	(294,740)

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

Condensed balance sheet information (Before consolidation adjustments)

	30 September 2024	31 December 2023
Cash and cash equivalents	16,200,142	4,322,693
Other current assets	2,626,922	3,198,002
Non-current assets	10,138,009	11,405,608
Total assets	28,965,073	18,926,303
Short term borrowings	7,240,316	1,339,424
Short-term trade payables	263,515	2,845,565
Other current liabilities	3,787,063	1,641,871
Other non-current liabilities	4,719,879	5,211,458
Total liabilities	16,010,773	11,038,318
Total equity	12,954,300	7,887,984

Condensed income statement information

	1 January- 30 September 2024	1 January- 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Revenue	6,984,254	7,197,127	1,838,421	1,804,035
Gross profit	1,242,678	1,166,548	364,577	256,095
Operating profit/(loss)	712,350	682,784	202,599	150,046
Net financial income/(expense)	(191,771)	(228,165)	(73,279)	(49,512)
Profit/(loss) before tax	566,091	455,431	141,774	75,883
Net profit for the period	445,988	338,607	143,408	66,352

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4. SEGMENT REPORTING

Since most of the export sales of the Group are to the different geographic regions on a 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 as third parties. For the years ended September 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 September 30, 2024, and December 31, 2023.

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4. SEGMENT REPORTING (Continued)

1 January – 30 September 2024	Cement	Ready-Mix Concrete	Total
Sales	14,986,307	3,503,758	18,490,065
Cost of sales (-)	(11,208,023)	(2,896,527)	(14,104,550)
Gross profit/(loss)	3,778,284	607,231	4,385,515
General and administrative, marketing, selling distribution expenses	(1,381,267)	(231,538)	(1,612,805)
Other operating income/(expenses) (-), net	521,526	4,841	526,367
Research and development expenses (-)	(27,568)	-	(27,568)
Operating profit/(loss)	2,890,975	380,534	3,271,509
Income(expenses) from investment activities, net	456,262	-	456,262
Operating profit/(loss) before financial income/expenses	3,347,237	380,534	3,727,771
Financial income/(expenses), net	(856,980)	-	(856,980)
Net monetary position gains/(losses)	901,917	-	901,917
Profit/(loss) from continuing operations before tax	3,392,174	380,534	3,772,708
Continuing operations tax (expense)/income	(468,202)	-	(468,202)
Current period tax expense (-)	(156,422)	-	(156,422)
Deferred tax income/(expense)	(311,780)	-	(311,780)
Profit/(loss) for the period from continuing operations	2,923,972	380,534	3,304,506
1 January – 30 September 2023	Cement	Ready-Mix Concrete	Total
Sales	17,935,527	2,086,303	20,021,830
Cost of sales (-)	(14,550,063)	(1,781,791)	(16,331,854)
Gross profit/(loss)	3,385,464	304,512	3,689,976
General and administrative, marketing, selling distribution expenses	(1,191,949)	(138,193)	(1,330,142)
Other operating income/(expenses) (-), net	825,275	4,095	829,370
Research and development expenses (-)	(16,603)	-	(16,603)
Operating profit/(loss)	3,002,187	170,414	3,172,601
Income(expenses) from investment activities, net	539,551	-	539,551
Profit/loss from investments accounted by equity method	(93,745)	-	(93,745)
Operating profit/(loss) before financial income/expenses	3,447,993	170,414	3,618,407
Financial income/(expenses), net	(1,262,733)	-	(1,262,733)
Net monetary position gains/(losses)	25,306	-	25,306
Profit/(loss) from continuing operations before tax	2,210,566	170,414	2,380,980
Continuing operations tax (expense)/income	(481,450)	-	(481,450)
Current period tax expense (-)	(406,839)	-	(406,839)
Deferred tax income/(expense)	(74,611)	-	(74,611)
Profit/(loss) for the period from continuing operations	1,729,116	170,414	1,899,530

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4. SEGMENT REPORTING (Continued)

1 July – 30 September 2024	Cement	Ready-Mix Concrete	Total
Sales	4,515,363	1,412,586	5,927,949
Cost of sales (-)	(3,017,815)	(1,137,323)	(4,155,138)
Gross profit/(loss)	1,497,548	275,263	1,772,811
General and administrative, marketing, selling distribution expenses	(385,993)	(83,871)	(469,864)
Other operating income/(expenses) (-), net	307,542	(35)	307,507
Research and development expenses (-)	(10,382)	-	(10,382)
Operating profit/(loss)	1,408,715	191,357	1,600,072
Income(expenses) from investment activities, net	(55,812)	-	(55,812)
Operating profit/(loss) before financial income/expenses	1,352,903	191,357	1,544,260
Financial income/(expenses), net	(412,964)	-	(412,964)
Net monetary position gains/(losses)	256,378	-	256,378
Profit/(loss) from continuing operations before tax	1,196,317	191,357	1,387,674
Continuing operations tax (expense)/income	(175,763)	-	(175,763)
Current period tax expense (-)	(82,590)	-	(82,590)
Deferred tax income/(expense)	(93,173)	-	(93,173)
Profit/(loss) for the period from continuing operations	1,020,554	191,357	1,211,911
1 July – 30 September 2023	Cement	Ready-Mix Concrete	Total
Sales	5,724,914	603,188	6,328,102
Cost of sales (-)	(4,943,178)	(478,968)	(5,422,146)
Gross profit/(loss)	781,736	124,220	905,956
General and administrative, marketing, selling distribution expenses	(323,194)	(36,999)	(360,193)
Other operating income/(expenses) (-), net	128,208	1,689	129,897
Research and development expenses (-)	(8,985)	-	(8,985)
Operating profit/(loss)	577,765	88,910	666,675
Income(expenses) from investment activities, net	113,043	-	113,043
Profit/loss from investments accounted by equity method	(166,097)	-	(166,097)
Operating profit/(loss) before financial income/expenses	524,711	88,910	613,621
Financial income/(expenses), net	(415,710)	-	(415,710)
Net monetary position gains/(losses)	(31,172)	-	(31,172)
Profit/(loss) from continuing operations before tax	77,829	88,910	166,739
Continuing operations tax (expense)/income	(275,775)	-	(275,775)
Current period tax expense (-)	(120,659)	-	(120,659)
Deferred tax income/(expense)	(155,116)	-	(155,116)
Profit/(loss) for the period from continuing operations	(197,946)	88,910	(109,036)

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4. SEGMENT REPORTING (Continued)

30 September 2024	Cement	Ready - mix concrete	Undistributed	Total
Segment assets	54,937,031	1,867,082	-	56,804,113
Financial investments	-	-	2,856,052	2,856,052
Undistributed assets	-	-	2,826,004	2,826,004
Total assets	54,937,031	1,867,082	5,682,056	62,486,169
Segment liabilities	30,226,337	591,877	-	30,818,214
Undistributed liabilities	-	-	31,667,955	31,667,955
Total liabilities	30,226,337	591,877	31,667,955	62,486,169
31 December 2023	Cement	Ready - mix concrete	Undistributed	Total
Segment assets	43,872,018	1,382,574	-	45,254,592
Financial investments	-	-	112,570	112,570
Investments accounted under equity method	-	-	3,295,336	3,295,336
Undistributed assets	-	-	3,488,887	3,488,887
Total assets	43,872,018	1,382,574	6,896,793	52,151,385
Segment liabilities	19,860,143	453,464	-	20,313,607
Undistributed liabilities	-	-	31,837,778	31,837,778
Total liabilities	19,860,143	453,464	31,837,778	52,151,385

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5. CASH AND CASH EQUIVALENTS

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

	30 September 2024	31 December 2023
Cash	72	79
Cash at banks	19,867,093	8,568,179
<i>Demand deposits (*)</i>	13,499,191	1,269,783
<i>Time deposits</i>	6,367,902	7,298,396
	19,867,165	8,568,258
Blocked deposits (-)	(48,571)	(477)
Cash and cash equivalents in consolidated cash flow statements	19,818,594	8,567,781

(*) It mainly consists of cash used for the purchase of shares of Mannok Holding DAC. The share transfer occurred on October 2, 2024.

The details of bank deposits are stated below:

	30 September 2024	31 December 2023
Turkish Lira	2,711,849	5,996,012
Euro	14,780,481	177,335
US Dollar	2,346,719	2,340,336
British Pound	100	947
Other	27,944	53,549
	19,867,093	8,568,179

Time deposits as of September 30, 2024, and December 31, 2023, are denominated in TRY, EUR, USD and GBP with the maturity of less than six months. As of September 30, 2024, effective weighted average interest rate on time deposits is 47,89% for TRY, 4.86% for USD, 3.27% for EUR (December 31, 2023, TRY: 41.15%, USD: 1.27%, EUR: 0.84%). The blocked deposit amount is TRY 48,571 as of September 30, 2024 (The blocked deposit amount is TRY 477 as of December 31, 2023).

Credit risks of banks with group deposits are evaluated by considering 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

	30 September 2024	31 December 2023
Financial assets		
Hacı Ömer Sabancı Holding A.Ş.	2,695,694	-
Other financial assets	160,358	112,570
	2,856,052	112,570

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 344,876 for the accounting period ended September 30, 2024, has been recognized under Income and expense from investment activities account as an income.

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7. TRADE RECEIVABLES AND PAYABLES

a. Trade Receivables

	30 September 2024	31 December 2023
Short-term trade receivables		
Trade receivables	3,815,507	2,782,989
Notes receivable	244,790	426,368
Trade receivables from related parties (Note 29)	445	-
Allowance for doubtful receivables (-)	(11,595)	(14,851)
Less: Provision for expected credit losses	(17,916)	(9,173)
	4,031,231	3,185,333

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 30.23% for TRY, 5.25% for USD and 4.7% 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 September 30, 2024, and 2023 is as follows:

	1 January- 30 September 2024	1 January- 30 September 2023
Movements of allowance for doubtful receivables		
Opening balance	14,851	65,237
Provisions during the period	882	3,120
Reversal of the provision (-) (Note 24)	(580)	(853)
Monetary gain/(loss)	(3,558)	(50,401)
Closing Balance	11,595	17,103

b. Trade Payables

	30 September 2024	31 December 2023
Short-term trade payables		
Trade payables	3,359,694	4,058,312
Trade payables to related parties (Note 29)	275,234	287,818
	3,634,928	4,346,130

The average payment period of trade payables is 59 days (December 31, 2023: 49 days). Effective interest rates used when determining the amortized cost are 30.23% for TRY, 5.25% for USD and 4.7% for EUR. (December 31, 2023 - TRY: 35.56%, USD:5.60%, EUR 6.9%).

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8. FINANCIAL BORROWINGS

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

Financial Borrowings	30 September 2024	31 December 2023
Short-term borrowings	8,824,347	3,175,010
Short-term portion of long-term borrowings	7,581,805	1,497,389
Short-term financial lease liabilities	50,313	75,800
Short-term issued bonds	517,727	153,669
	16,974,192	4,901,868
Long-term borrowings	5,686,122	5,820,288
Long-term financial lease liabilities	357,093	478,053
Long term issued bonds	-	547,142
	6,043,215	6,845,483
Financial borrowings except TFRS 16	22,610,001	11,193,498
Total financial borrowings	23,017,407	11,747,351

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

Secured/ Unsecured	Interest Type	Currency Type	Weighted Average Interest Rate (%)	Original Balance	Short-Term	Long- Term	30 September 2024
Unsecured	Fixed	EUR	5.96	106,000	3,335,413	718,149	4,053,562
Unsecured	Fixed	TRY	39.51	1,250,000	1,558,064	-	1,558,064
Unsecured	Fixed	EUR	5.75	20,000	760,347	-	760,347
Unsecured	Fixed	USD	5.25	20,000	694,313	-	694,313
Secured	Fixed	TRY	26.98	2,594,907	2,594,907	-	2,594,907
Secured	Fixed	EUR	6.00	5,000	190,310	-	190,310
Secured	Fixed	Other	6.79	9,600	40,010	49,793	89,803
Secured	Floating	EUR	Euribor+3.45	72,200	518,517	2,244,288	2,762,805
Unsecured	Floating	EUR	Euribor+3.25	30,000	1,141,451	-	1,141,451
Unsecured	Floating	EUR	Euribor + 3.0	25,000	57,115	906,223	963,338
Secured	Floating	USD	Sofr+3.3	20,150	163,804	534,211	698,015
Secured	Floating	USD	Sofr+2.69	20,150	163,804	534,211	698,015
Secured	Floating	USD	Sofr+3.4	20,000	-	699,246	699,246
Secured	Floating	EUR	Euribor+3.25	150,000	5,705,825	-	5,705,825
					16,923,880	5,686,121	22,610,001

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8. FINANCIAL BORROWINGS (Continued)

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

Secured/ Unsecured	Interest Type	Currency Type	Weighted	Original Balance	Short-Term	Long- Term	31 December 2023
			Interest Rate (%)				
Unsecured	Fixed	TRY	36.07	1,765,000	1,772,476	511,414	2,283,890
Unsecured	Floating	TRY	TL Ref + 7.25	250,000	230,533	163,426	393,959
Unsecured	Floating	TRY	TL Ref + 4.00	140,000	213,465	-	213,465
Secured	Fixed	TRY	25.4	640,000	869,504	-	869,504
Unsecured	Fixed	EUR	6.9	30,000	442,549	891,683	1,334,232
Secured	Floating	EUR	Euribor+2.4	1,702	75,444	-	75,444
Secured	Floating	EUR	Euribor + 3.45	86,075	615,146	3,200,962	3,816,108
Secured	Floating	USD	Sofr +3.30	23,648	177,540	769,950	947,490
Secured	Fixed	USD	5.99	23,648	177,540	769,950	947,490
Secured	Floating	EUR	Euribor+2.45	5,004	221,862	-	221,862
Unsecured	Fixed	Other	5.88	8,099	30,009	60,045	90,054
					4,826,068	6,367,430	11,193,498

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

	30 September 2024	31 December 2023
Will be paid in 1 year (*)	16,923,879	4,826,068
Will be paid in 1 - 2 years	1,927,055	2,498,986
Will be paid in 2 - 3 years	1,669,817	1,083,367
Will be paid in 3 - 4 years	924,387	1,455,298
Will be paid in 4 - 5 years	925,837	656,153
Will be paid in more than 5 years	239,026	673,626
	22,610,001	11,193,498

(*) A short-term bridging loan was used for the purchase of shares of Mannok Holding DAC. It will be converted into long-term project financing.

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.

On June 24, 2024, the Company signed a loan agreement with the European Bank for Reconstruction and Development (EBRD) amounting to 25 million EUR, with a maturity of 5 years, including a 2-year grace period for the financing of sustainability investments. With this agreement, EBRD has provided long-term financing to a cement company in Turkey for the first time. The loan will be used for the solar power plant to be built in Eskişehir factory, electricity generation from waste heat investment and other energy and efficiency investments within the scope of the Company's target of reaching net-zero greenhouse gas emissions by 2050.

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9. OTHER RECEIVABLES AND OTHER PAYABLES

a. Other Receivables

	30 September	31 December
	2024	2023
<u>Short-Term Other Receivables from Third Parties</u>		
Other miscellaneous receivables	12,037	27,730
Due from personnel	1,400	1,861
	13,437	29,591
	30 September	31 December
	2024	2023
<u>Other Receivables from Related Parties</u>		
Other miscellaneous receivables	16,645	22,134
	16,645	22,134

b. Other Payables

	30 September	31 December
	2024	2023
<u>Short-Term Other Payables</u>		
Taxes and funds payable	170,864	154,279
Deposits and guarantees received	24,186	33,087
Other payables due to related parties (Note 29)	7,423	28,739
	202,473	216,105

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10. INVENTORIES

Inventories	30 September 2024	31 December 2023
Raw materials	1,260,841	1,437,576
Work-in progress	1,193,936	1,010,571
Finished goods	566,829	672,888
Goods in transit	636,037	799,544
Inventory impairment provision (-)	(11,974)	(33,373)
	3,645,669	3,887,206

Inventory impairment provision movement

Inventory impairment provision movement	1 January- 30 September 2024	1 January- 30 September 2023
Opening balance	33,373	35,507
Reversal of the provision (-) (Note23)	(21,399)	(743)
Closing balance	11,974	34,764

The Group allocates an allowance for the impairment on the inventories of finished goods, work in progress and raw materials in 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 the cost of sales.

11. PREPAID EXPENSES AND DEFERRED INCOME

a. Prepaid Expenses

Short-Term Prepaid Expenses	30 September 2024	31 December 2023
Prepaid expenses	191,505	328,254
Advances given to suppliers	81,119	61,160
	272,624	389,414

Long-Term Prepaid Expenses	30 September 2024	31 December 2023
Advances given for the purchase of fixed assets (*)	1,063,068	1,595,155
	1,063,068	1,595,155

b. Deferred Income

Short-Term Deferred Income	30 September 2024	31 December 2023
Advances received	112,081	96,107
Deferred income	3,137	164,658
	115,218	260,765

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

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12. PROPERTY, PLANT AND EQUIPMENT

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Cost value									
Opening balance as of 1 January 2024	874,367	2,228,680	8,755,134	27,349,334	941,863	535,411	78,363	200,031	40,963,183
Foreign currency translation reserve	-	(19,804)	(137,285)	(752,956)	(39,447)	(31,031)	(3,627)	(29,677)	(1,013,827)
Additions	405	7,309	59,948	272,600	17,883	197,530	5,770	1,469,255	2,030,700
Disposals	-	(9,721)	(241)	(4,352)	(2,254)	(2,839)	-	-	(19,407)
Transfers from construction in progress	-	6,430	91,549	298,141	8,702	-	-	(407,143)	(2,321)
Closing balance as of 30 September 2024	874,772	2,212,894	8,769,105	27,162,767	926,747	699,071	80,506	1,232,466	41,958,328
Accumulated depreciation									
Opening balance as of 1 January 2024	-	(1,081,727)	(3,160,987)	(14,647,254)	(657,046)	(245,639)	(72,290)	-	(19,864,943)
Foreign currency translation reserve	-	82,300	60,855	715,826	49,730	22,114	6,211	-	937,036
Charge for the period	-	(47,065)	(137,661)	(729,264)	(28,281)	(44,708)	(5,879)	-	(992,858)
Disposals	-	-	1	3,698	1,199	1,359	-	-	6,257
Closing balance as of 30 September 2024	-	(1,046,492)	(3,237,792)	(14,656,994)	(634,398)	(266,874)	(71,958)	-	(19,914,508)
Net book value as of 30 September 2024	874,772	1,166,402	5,531,313	12,505,773	292,349	432,197	8,548	1,232,466	22,043,820

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land Improvements	Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Leasehold Improvements	Construction in Progress	Total
Cost value									
Opening balance as of 1 January 2023	835,412	2,154,812	8,227,758	24,021,551	703,622	490,532	78,363	469,176	36,981,226
Foreign currency translation reserve	-	(68,954)	(263,286)	(769,396)	(22,516)	(15,696)	(2,508)	(15,014)	(1,157,370)
Additions	38,834	3,602	775	232,604	18,179	25,748	-	1,896,675	2,216,417
Disposals	-	-	(42)	(9,212)	(7,894)	(6,118)	-	-	(23,266)
Transfers from construction in progress	-	29,467	511	103,704	1,586	10,428	-	(160,607)	(14,911)
Closing balance as of 30 September 2023	874,246	2,118,927	7,965,716	23,579,251	692,977	504,894	75,855	2,190,230	38,002,096
Accumulated depreciation									
Opening balance as of 1 January 2023	-	(1,012,882)	(2,980,110)	(13,791,896)	(644,959)	(227,267)	(63,671)	-	(18,720,785)
Foreign currency translation reserve	-	25,755	75,778	350,699	16,400	5,779	1,619	-	476,030
Charge for the period	-	(45,900)	(126,130)	(655,138)	(25,376)	(34,782)	(6,464)	-	(893,790)
Disposals	-	-	42	9,125	6,116	5,844	-	-	21,127
Closing balance as of 30 September 2023	-	(1,033,027)	(3,030,420)	(14,087,210)	(647,819)	(250,426)	(68,516)	-	(19,117,418)
Net book value as of 30 September 2023	874,246	1,085,900	4,935,296	9,492,041	45,158	254,468	7,339	2,190,230	18,884,678

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12. PROPERTY, PLANT AND EQUIPMENT (Continued)

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

	1 January – 30 September 2024	1 January – 30 September 2023
Cost of sales	(806,429)	(771,348)
General and administrative expenses	(172,146)	(92,921)
Marketing, selling, and distribution expenses	(13,628)	(28,749)
Research and development expenses	(655)	(772)
	(992,858)	(893,790)

13. INTANGIBLE ASSETS

	Mining Rights	Other Intangible Assets	Customer contract and relations	Rights	Total
Cost value					
Opening balance as of 1 January 2024	786.803	341.956	1.137.755	2.698.165	4.964.679
Foreign currency translation reserve	(21.591)	(7.625)	(449.400)	(114.936)	(593.552)
Additions	-	11.270	-	-	11.270
Disposals	-	-	-	(142.829)	(142.829)
Transfers from constructions in progress	-	2.321	-	-	2.321
Closing balance as of 30 September 2024	765.212	347.922	688.355	2.440.400	4.241.889
Accumulated depreciation (-)					
Opening balance as of 1 January 2024	(476.228)	(219.289)	(232.841)	-	(928.358)
Foreign currency translation reserve	2.675	16.669	27.202	-	46.546
Charge for the period	(5.436)	(32.071)	(55.831)	-	(93.338)
Closing balance as of 30 September 2024	(478.989)	(234.691)	(261.470)	-	(975.150)
Net book value as of 30 September 2024	286.223	113.231	426.885	2.440.400	3.266.739

	Mining Rights	Other Intangible Assets	Customer contract and relations	Rights	Total
Cost value					
Opening balance as of 1 January 2023	650,024	269,002	1,400,251	2,130,137	4,449,414
Foreign currency translation reserve	(107,562)	(44,513)	(231,706)	(352,483)	(736,264)
Additions	152,939	7,800	-	-	160,739
Disposal	-	-	-	(188,247)	(188,247)
Transfers from constructions in progress	-	14,911	-	-	14,911
Closing balance as of 30 September 2023	695,401	247,200	1,168,545	1,589,407	3,700,553
Accumulated depreciation (-)					
Opening balance as of 1 January 2023	(463,112)	(172,937)	(103,191)	-	(739,240)
Foreign currency translation reserve	113,381	49,028	377,666	-	540,075
Charge for the period	(5,967)	(24,660)	(57,126)	-	(87,753)
Closing balance as of 30 September 2023	(355,698)	(148,569)	217,349	-	(286,918)
Net book value as of 30 September 2023	339,703	98,631	1,385,894	1,589,407	3,413,635

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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:

	1 January – 30 September 2024	1 January – 30 September 2023
Cost of sales	(81,481)	(74,903)
General and administrative expenses	(7,952)	(10,943)
Marketing, selling and distribution expenses	(3,791)	(1,860)
Research and development expenses	(114)	(47)
	(93,338)	(87,753)

14. RIGHT-OF-USE ASSETS

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

Right-of-Use Assets	1 January 2024	Additions	Disposals	Depreciation Expense for the Period	Foreign Currency Translation Reserve	30 September 2024
Buildings	258,086	3,733	(14,313)	(27,874)	(12,929)	206,703
Vehicles	226,220	4,705	(49,493)	(38,840)	(11,356)	131,236
	484,306	8,438	(63,806)	(66,714)	(24,285)	337,939

The depreciation expense of TRY 17,953 for the period ending on September 30, 2024, of the right of use assets has been included in the cost of the goods sold and the part of TRY 48,761 has been included in the general and administrative expenses.

Right-of-Use Assets	1 January 2023	Additions	Disposals	Depreciation Expense for the Period	Foreign Currency Translation Reserve	30 September 2023
Buildings	262,210	-	-	(38,518)	(14,222)	209,470
Vehicles	187,235	46,871	(29,721)	(43,364)	(23,384)	137,637
Other	13,812	-	-	(6,763)	(3,951)	3,098
	463,257	46,871	(29,721)	(88,645)	(41,557)	350,205

The depreciation expense of TRY 23,853 for the period ending on September 30, 2023, of the right of use assets has been included in the cost of the goods sold and the part of TRY 64,792 has been included in the general and administrative expenses.

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15. GOODWILL

The goodwill amount presented in the Group’s financial statements as of September 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 (“Cimsa Building Solutions B.V.”) acquired in 2022. The movement of goodwill for the periods ending September 30, 2024 and December 31, 2023 is stated below.

	<u>30 September 2024</u>	<u>31 December 2023</u>
Eskişehir	2,721,650	2,721,650
Afyon Çimento Sanayi T.A.Ş.	138,877	138,877
Bilecik Hazır Beton	69,803	69,803
Çimsa Cement Free Zone Ltd.	6,839	6,839
Bunol	314,126	314,126
	<u>3,251,295</u>	<u>3,251,295</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 considered. 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.

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16. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a. Short-Term Provisions

	30 September	31 December
	2024	2023
Short-term provisions		
Provision for litigations	51,062	62,018
Short-term employee benefits	45,155	52,463
Carbon obligations (*)	824,012	1,355,049
Other provisions	380,539	3,844
	1,300,768	1,473,374

(*) Consists of the carbon obligations of CBS B.V.

b. Long-Term Provisions

	30 September	31 December
	2024	2023
Long-term provisions		
Long-term employee benefits	209,707	213,936
Other long-term provisions	24,528	28,483
	234,235	242,419
	30 September	31 December
	2024	2023
Other long-term provisions		
Recultivation provision	24,528	28,483
	24,528	28,483

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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 recultivation provision amounting to TRY 24,528 under “Other Long-Term Provisions” as of September 30, 2024. (December 31, 2023: TRY 28,483).

Movement of recultivation provision as of September 30, 2024, and September 30, 2023, is as follows:

Recultivation provision movement	1 January- 30 September 2024	1 January- 30 September 2023
Opening balance	28,483	33,677
Additional provision (Note 24)	3,975	7,887
Monetary gain/(loss)	(7,930)	(12,069)
Closing balance	24,528	29,495

17. COMMITMENTS

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

	Currency	30 September 2024		31 December 2023	
		Original Amount	TRY Amount	Original Amount	TRY Amount
Guarantee letter received	TRY	2,853,271	2,853,271	2,254,696	3,063,231
Guarantee letter received	USD	26,917	917,607	20,594	765,958
Guarantee letter received	EUR	11,609	441,362	9,094	358,678
Guarantee letter received	CHF	26	1,046	26	1,059
Guarantee letter received	Other	250	2,305	250	2,435
Mortgages received	TRY	118,479	118,479	73,096	99,309
Mortgages received	USD	728	24,800	-	-
Mortgages received	EUR	263	9,999	-	-
Mortgages received	Other	10,850	100,034	8,250	80,349
Checks and notes received	TRY	66,530	66,530	54,134	73,546
Checks and notes received	USD	41,859	1,426,974	47	1,759
Pledge	TL	969,459	969,459	220,879	300,086
			6,931,866	4,746,410	

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17. COMMITMENTS

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

	Currency	30 September 2024		31 December 2023	
		Original Amount	TRY Amount	Original Amount	TRY Amount
A. Total CPM given for the Company’s own legal entity (*)	TRY	7,120,458	7,120,458	1,682,248	2,285,503
	USD	3,400	115,906	2,200	81,827
	EUR	13,347	507,430	11,268	444,434
B. Total CPM given in favor of subsidiaries consolidated online-by-line basis (**)	EUR	281,500	10,702,067	36,000	1,419,870
	USD	40,000	1,363,600	20,000	743,880
	Other	11,700	107,870	-	-
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		-	-	-	-
			19,917,331		4,975,514

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

(**) It mainly consists of the guarantees given by the Company for the loans utilized by the associates of our subsidiary CBS B.V.

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18. EMPLOYEE BENEFITS

a. Employee Benefit Obligations

	30 September 2024	31 December 2023
Social security payables	85,192	58,460
Wage accrual and income tax withholding payable to personnel	23,898	13,878
	109,090	72,338

b. Long-Term Employee Benefits

	30 September 2024	31 December 2023
Retirement pay provision	154,766	168,037
Provision for unpaid vacation liability	43,134	37,905
Seniority provision	11,807	7,994
	209,707	213,936

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 41.828,42 full as of September 30, 2024 (December 31, 2023: TRY 29,300.04 full). The maximum severance pay is revised semi-annually, and the maximum amount of TRY 35.058,58 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 September 30, 2024, and December 31, 2023, the actuarial assumptions used in calculating the severance pay liability are as follows:

	30 September 2024	31 December 2023
Net discount rate (%)	3%	3%

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

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance	168,037	316,056
Service cost	20,263	25,958
Interest cost	24,723	17,331
Actuarial loss/(gain)	1,678	3,725
Payments	(29,499)	(103,949)
Monetary gain/(loss)	(31,735)	(88,314)
Foreign currency translation reserve	1,299	2,532
Closing balance	154,766	173,339

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18. EMPLOYEE BENEFITS (Continued)

b. Long-Term Employee Benefits (Continued)

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

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance	37,905	31,588
Additional provision	21,371	33,945
Provision paid during the period	(6,138)	(12,553)
Monetary gain/(loss)	(10,004)	(16,606)
Closing balance	43,134	36,374

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

	1 January - 30 September 2024	1 January - 30 September 2023
Opening balance	7,994	6,923
Additional provision	9,875	7,693
Provision paid during the period	(2,929)	(3,041)
Monetary gain/(loss)	(3,133)	(3,404)
Closing balance	11,807	8,171

19. OTHER ASSETS AND LIABILITIES

a. Other Assets

	30 September 2024	31 December 2023
Other current assets	8,874	191,313
Deferred VAT ⁽¹⁾	43,682	5,410
Other current assets	52,556	196,723
	30 September 2024	31 December 2023
Other Current assets	54,738	61,824
Export VAT ⁽²⁾	2,312	2,683
Other non-current assets	57,050	64,507

(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

	30 September 2024	31 December 2023
Other short-term liabilities (*)	738,966	702,491
	738,966	702,491

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

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20. EQUITY, RESERVES AND OTHER EQUITY ITEMS

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

	30 September 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		2,146,146		2,146,146
Rearranged share capital		3,091,737		3,091,737

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

As of September 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 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 the Company in proportion to the shares they hold. All transactions regarding the capital increase have been completed and the increase has been concluded.

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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 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 dividends 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:

- Whether dividends will be distributed, and if distributed, the dividend distribution rate for shareholders and for others participating in the distribution.
- Payment type of dividend distribution.
- 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.
- 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
Total Gross Dividend	TRY 1,000,000
General Legal Reserves (2nd Order)	TRY 95,272
Extraordinary Reserve	TRY 1,395,620

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 1.000.000.000,000,000,00 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.

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

Profit Distribution (Continued)

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 the 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 September 30, 2024, according to TFRS and TPL financial statements are as follows:

30 September 2024 (TFRS)	Historical Value	Inflation Adjustment Effect	Indexed Value
Adjustments to share capital	41,742	2,104,404	2,146,146
Share premiums	575	5,375	5,950
Restricted Reserves	327,702	2,828,537	3,156,239

30 September 2024 (TPL)	Historical Value	Inflation Adjustment Effect	Indexed Value
Adjustments to share capital	54,800	6,026,917	6,081,717
Share premiums	4,271	95,337	99,608
Restricted Reserves	275,989	5,232,570	5,508,559

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21. DERIVATIVE FINANCIAL INSTRUMENTS

	30 September 2024			31 December 2023		
	Fair Value			Fair Value		
	Contract Amount	Assets	Liabilities	Contract Amount	Assets	Liabilities
Short term derivative financial instruments						
Marketable securities						
Forward foreign exchange transactions	3,000	-	827	12,000	-	22,782
Interest rate swap	19,400	-	12,409	-	-	-
Total short-term derivative instruments		-	13,236		-	22,782
Short term derivative financial instruments						
Hedging against impaired risk						
Interest rate swap	20,750	18,676	-	22,800	35,729	-
Interest rate swap			-			-
Total short-term derivative instruments		18,676	-		35,729	-
Total derivative financial instruments		18,676	13,236		35,729	22,782

The Group has entered into 12 contracts with a total value of USD 250 each and a total value of USD 3,000 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 6,461 of expense and TRY 13,737 of income were recognized for the period 2024 (January-September) and 2023 (January-September), respectively. Realized gains/losses and fair value increases/decreases of these contracts are recognized in other comprehensive income/expense.

The Group 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 19,817 in 2024 September (January-September) and income amounting to TRY 7,854 in 2023 January-September is recognized in other comprehensive income/expense statement. The fair value increase/decrease of the contract is recognized under equity.

The Group 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 3,486 has been recognized in other comprehensive income/expense statement as of September 2024. The fair value increase/decrease of the contract is recognized under equity.

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22. REVENUE

Revenue	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Domestic sales	9,621,591	9,446,121	3,825,067	3,530,487
Export sales	10,558,956	12,281,702	2,655,505	3,461,132
Sales discounts (-)	(87,127)	(136,479)	(16,198)	(9,222)
Other deductions (-)	(1,603,355)	(1,569,514)	(536,425)	(654,295)
	18,490,065	20,021,830	5,927,949	6,328,102
Cost of Sales (-)	(14,104,550)	(16,331,854)	(4,155,138)	(5,422,146)
Gross profit	4,385,515	3,689,976	1,772,811	905,956

23. OPERATING EXPENSES BY NATURE

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

Cost of sales (-)

	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Direct material and supplies	(3,875,922)	(2,644,987)	(2,065,446)	(1,790,484)
Labor expenses	(842,800)	(719,753)	(233,966)	(217,336)
Energy costs	(3,572,438)	(5,530,526)	(976,299)	(1,629,566)
Depreciation and amortization	(905,863)	(870,104)	(294,769)	(266,838)
Other production expenses	(3,033,681)	(3,692,636)	(268,254)	(380,023)
Total production cost	(12,230,704)	(13,458,006)	(3,838,734)	(4,284,247)
Change in provision for inventory impairment	21,399	743	639	5,977
Change in work-in process	183,365	77,581	76,009	(113,096)
Change in finished goods	(106,059)	56,764	(58,993)	(52,318)
Cost of trade goods sold and other	(1,972,551)	(3,008,936)	(334,059)	(978,462)
	(14,104,550)	(16,331,854)	(4,155,138)	(5,422,146)

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

General and administrative expenses	1 January - 30 September 2024	1 January - 30 September 2023	1 July - 30 September 2024	1 July - 30 September 2023
Personnel expenses	(695,920)	(586,978)	(162,405)	(177,736)
Depreciation and amortization expenses	(228,859)	(168,656)	(68,058)	(34,168)
Consultancy expense	(200,646)	(149,818)	(88,320)	(49,838)
Rent expenses	(88,069)	(81,652)	(28,160)	(20,344)
Insurance expenses	(54,365)	(49,269)	(15,448)	(6,962)
Travel expenses	(47,750)	(32,457)	(14,771)	(10,301)
IT Expenses	(40,519)	(43,435)	(13,854)	(9,001)
Representation expenses	(52,986)	(23,714)	(27,990)	(8,111)
Tax, duty and charges	(27,738)	(31,635)	(7,696)	(9,273)
Maintenance and repair expenses	(19,848)	(2,916)	(543)	(889)
Communication and publicity expenses	(19,131)	(13,205)	(7,736)	(3,697)
Other miscellaneous expenses	(51,217)	(78,679)	(4,173)	(2,553)
	(1,527,048)	(1,262,414)	(439,154)	(332,873)

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23. OPERATING EXPENSES BY NATURE (Continued)

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

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Marketing, selling and distribution expenses				
Personnel expenses	(51,322)	(25,602)	(16,293)	(10,461)
Depreciation and amortization expenses	(17,419)	(30,609)	(4,791)	(11,537)
Travel expenses	(2,972)	(4,765)	(773)	(1,834)
Consultancy expenses	(2,470)	(101)	(1,365)	(72)
Rent expenses	(1,623)	(1,754)	(549)	(856)
Insurance expenses	(574)	(521)	(167)	(226)
Representation expenses	(469)	(307)	(216)	(177)
Other miscellaneous expenses	(8,908)	(4,069)	(6,556)	(2,157)
	(85,757)	(67,728)	(30,710)	(27,320)

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

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Research and development expenses				
Personnel expenses	(22,356)	(11,407)	(7,271)	(6,881)
Travel expenses	(560)	(1,520)	(173)	(255)
Depreciation and amortization expenses	(769)	(819)	(214)	(316)
Outsourced benefits and services	(334)	(655)	(95)	(484)
Other miscellaneous expenses	(3,549)	(2,202)	(2,629)	(1,049)
	(27,568)	(16,603)	(10,382)	(8,985)

24. OTHER OPERATING INCOME AND EXPENSES

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Other operating income				
Foreign exchange gain from operating	767,590	1,220,143	410,527	169,062
Sales of scrap and miscellaneous material	17,465	20,438	3,076	3,220
Reversal of the provision (Note 7/16)	2,368	853	79	4,089
Other income and profits	155,499	230,730	28,737	32,979
	942,922	1,472,164	442,419	209,350

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24. OTHER OPERATING INCOME AND EXPENSES (Continued)

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Other operating expense				
Foreign exchange loss from operating	(325,129)	(491,943)	(99,337)	(60,669)
Provision expenses (Note 7/16)	(12,685)	(28,402)	(4,305)	(659)
Litigation, levy, and court paid expenses	(6,921)	(14,906)	(2,670)	(10,867)
Donations and grants	(3,115)	(4,842)	(1,280)	(3)
Other expenses	(68,705)	(102,701)	(27,320)	(7,255)
	(416,555)	(642,794)	(134,912)	(79,453)

25. INCOME AND EXPENSE FROM INVESTMENT ACTIVITIES

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Income from investment activities				
Income from financial investments	344,876	-	(59,438)	-
Dividend income	96,244	-	-	-
Fixed assets sales income	15,142	13	3,626	3
Income from other investing activities	-	539,538	-	113,040
	456,262	539,551	(55,812)	113,043

26. FINANCIAL INCOME/EXPENSE

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Financial income				
Interest income	832,833	503,595	332,927	35,636
Total financial income	832,833	503,595	332,927	35,636

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Financial expenses				
Interest expenses of bank borrowings	(1,377,458)	(1,153,601)	(670,413)	(389,029)
Foreign exchange loss on bank borrowings	(234,625)	(536,416)	(67,182)	(52,214)
Other financial expenses	(77,730)	(76,311)	(8,296)	(10,103)
Total financial expense	(1,689,813)	(1,766,328)	(745,891)	(451,346)

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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. Considering 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%,

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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 September 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 September 30, 2024, and December 31, 2023, corporate tax payables are summarized as follows:

Distribution of tax expenses are as follows:

	30 September	31 December
	2024	2023
Assets related to the current period taxes	<u>21,636</u>	<u>127,903</u>
Assets related to the current period taxes	<u>21,636</u>	<u>127,903</u>

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27. INCOME TAXES (Continued)

	30 September	31 December
	2024	2023
Corporate tax payable		
Current period corporate tax provision	(156,422)	(458,790)
Prepaid taxes and funds	68,945	394,593
	(87,477)	(64,197)

Tax (expense)/income	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Current tax (expense)/income	(156,422)	(406,839)	(82,590)	(120,659)
Deferred tax (expense)/income	(311,780)	(74,611)	(93,173)	(155,116)
	(468,202)	(481,450)	(175,763)	(275,775)

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

	30 September	31 December
	2024	2023
Deferred tax assets		
Property, plant and equipment and intangible assets	1,544,738	1,598,711
Tax losses carried forward	19,454	21,200
Provision for litigations	14,440	14,116
Cash capital increase tax incentive assets	-	11,530
Provision for unused vacation	11,415	7,058
Provision for employee benefits	45,793	6,586
Recultivation provision	7,260	6,248
Inventory impairment provision	2,993	2,049
Provision for other doubtful receivables	849	1,153
Other	23,623	102,711
	1,670,565	1,771,362
Deferred tax liabilities		
Property, plant and equipment and intangible assets	(1,156,774)	(868,694)
Fair values of derivative products	(65,541)	(114,455)
Goodwill	(24,738)	(33,608)
Inventories	(22,692)	(30,830)
Internal rate of return adjustment of borrowings	(7,585)	(4,861)
Other	(87,085)	(113,207)
	(1,364,415)	(1,165,655)
Deferred tax assets/(liabilities), net	306,150	605,707

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27. INCOME TAXES (Continued)

	30 September 2024	31 December 2023
Deferred tax assets/(liabilities) presentation at balance sheet		
Deferred tax assets	1,670,565	1,771,362
Deferred tax liabilities	(1,364,415)	(1,165,655)
	306,150	605,707
The movement of the net deferred tax liabilities is as follows:		
	1 January- 30 September 2024	1 January- 30 September 2023
Deferred tax assets/(liabilities) movement		
Opening balance	(605,707)	287,746
Deferred tax (income)/expense	311,780	74,611
Accounted under other comprehensive income	(40,562)	100,226
Other	28,339	(57,444)
Closing balance	(306,150)	405,139
Tax reconciliation:		
Profit before taxation	3,772,708	2,380,980
Effective statutory income tax rate	25%	25%
Tax expense at the effective statutory income tax rate	(943,177)	(595,245)
Reconciliation of tax provision calculated with deductible:		
- Effect of assets from tax incentives	136,263	140,949
- Non-deductible expenses	(8,443)	(16,942)
- Other income exempt from tax	50,662	116,706
- Inflation effect and other	296,493	53,394
- Effect of the profit from investments accounted by equity method	-	(18,749)
- Earthquake tax	-	(161,563)
Tax expense in the income statement	(468,202)	(481,450)

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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

	1 January- 30 September 2024	1 January- 30 September 2023	1 July- 30 September 2024	1 July- 30 September 2023
Number of shares (*)	945,591	945,591	945,591	945,591
Profit attributable to equity holders of the parent-TRY	2,983,074	1,762,136	1,163,425	464
Dividend per share with nominal value of 1 Kr - TRY	3.15	1.86	1.23	0.0005

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 September 30, 2024, and December 31, 2023, and the related party transactions for the periods ended September 30, 2024, and September 30, 2023 are mainly as follows:

Short-term other receivables from related parties

	30 September 2024	31 December 2023
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. ⁽²⁾	445	-
	445	-

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

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29. RELATED PARTY DISCLOSURES (Continued)

Short-term trade payables to related parties

	30 September 2024	31 December 2023
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. ⁽²⁾	73,589	165,367
Enerjisa Müşteri Çözümleri A.Ş. ^{(2)*}	195,738	81,975
Akçansa Çimento Sanayi ve Ticaret A.Ş. ⁽²⁾	-	24,843
Other	5,907	15,633
	275,234	287,818

(*) 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 133,966 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. To benefit from regional incentives related to investment, an Investment Incentive Certificate was obtained, and the incentive elements began to benefit.

The investment for waste heat recovery (WHR) electricity generation at the Eskişehir Factory is ongoing under the contract signed with Enerjisa Müşteri Çözümleri A.Ş. on September 26, 2023.

Short-term other payables to related parties

	30 September 2024	31 December 2023
Sabancı Dx ⁽¹⁾	2,886	19,546
Teknosa İç ve Dış Ticaret A.Ş. ⁽¹⁾	4,428	6,129
Other	109	3,064
	7,423	28,739

Bank balances deposited in related parties

	30 September 2024	31 December 2023
Akbank T.A.Ş. ⁽¹⁾	1,328,154	1,503,146
	1,328,154	1,503,146

Borrowings from related parties

	30 September 2024	31 December 2023
Bank loans from Akbank T.A.Ş. ⁽¹⁾	1,654,198	1,738,768
	1,654,198	1,738,768

(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.

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29. RELATED PARTY DISCLOSURES (Continued)

Sales to related parties

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July - 30 September 2023
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. ⁽²⁾	2,836	19,579	2,832	19,579
Sabancı Dx. ⁽¹⁾	1,389	672	1,327	338
Other	405	34,952	214	18,920
	4,630	55,203	4,373	38,837

Purchases and services received from related parties

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July - 30 September 2023
Enerjisa Elektrik Enerjisi Toptan Satış A.Ş. ⁽²⁾	863,998	1,771,694	282,428	706,349
Akçansa Çimento Sanayi ve Ticaret A.Ş. ⁽²⁾	277,590	357,838	108,044	85,194
Enerjisa Müşteri Çözümleri A.Ş. ⁽²⁾	174,180	-	174,180	-
Aksigorta A.Ş. ⁽¹⁾	112,343	75,409	-	3,758
Sabancı Dx ⁽¹⁾	25,874	35,270	7,892	19,953
Teknosa İç ve Dış Tic. A.Ş. ⁽¹⁾	6,705	7,267	4,295	3,922
Other	17,935	10,353	7,331	1,525
	1,478,625	2,257,831	584,170	820,701

Interest income from related parties

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July - 30 September 2023
Akbank T.A.Ş. ⁽¹⁾	410,517	96,797	178,930	19,975
	410,517	96,797	178,930	19,975

Interest expenses from related parties

	1 January - 30 September 2024	1 January - 30 September 2023	1 July- 30 September 2024	1 July - 30 September 2023
Akbank T.A.Ş. ⁽¹⁾	(26,570)	(89,264)	(1,048)	(19,919)
	(26,570)	(89,264)	(1,048)	(19,919)

(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 are TRY 102,986 (September 30, 2023 - TRY 79,136) and the premiums paid is TRY 5,391 (September 30, 2023 - TRY 5,091).

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30. FOREIGN CURRENCY RISK

The Group's foreign currency positions in original currency as of September 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 September 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	3,096,943	52,252	34,419	5	-	1,241,021	2,941	16,935	-	33,689
Monetary financial assets	1,705,015	31,698	16,293	33	-	2,571,923	58,690	3,842	104	4,441
Non-monetary financial assets	-	-	-	-	-	111,997	-	2,531	-	-
Other	176,330	2,548	2,341	1	-	1,642,656	38,807	1,463	-	2,323
Current Assets	4,978,288	86,498	53,053	39	-	5,567,597	100,438	24,771	104	40,453
TOTAL ASSETS	4,978,288	86,498	53,053	39	-	5,567,597	100,438	24,771	104	40,453
Trade payables	(1,919,106)	(51,572)	(4,065)	(94)	-	(620,593)	(4,510)	(8,789)	(94)	(4,187)
Financial liabilities	(7,644,427)	(20,379)	(182,049)	-	-	(3,342,976)	(47,295)	(30,761)	-	(8,133)
Other non-monetary liabilities	(45,754)	(396)	(841)	(3)	-	(137,537)	(1,808)	(1,235)	(3)	(940)
Current Liabilities	(9,609,287)	(72,347)	(186,955)	(97)	-	(4,101,106)	(53,613)	(40,785)	(97)	(13,240)
TOTAL LIABILITIES	(9,609,287)	(72,347)	(186,955)	(97)	-	(4,101,106)	(53,613)	(40,785)	(97)	(13,240)
Net foreign currency asset/(liability) position	(4,630,999)	14,151	(133,902)	(58)	-	1,466,491	46,825	(16,014)	7	27,213
Off balance sheet derivative financial instruments asset/(liability) position	4,721,102	3,000	121,000	-	-	479,941	12,000	-	-	-
Net foreign currency asset/(liability) position	90,103	17,151	(12,902)	(58)	-	1,946,432	58,825	(16,014)	7	27,213
Export	10,558,956	67,163	239,881	17	-	11,736,643	171,461	177,959	37	-
Import	1,630,319	15,093	32,701	-	-	2,399,908	57,137	15,993	4	-

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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
30 September 2024				
1- USD net assets/liabilities	542,442	(542,442)	542,442	(542,442)
2- Hedged portion of USD risk (-)	10,255	(10,255)	10,255	(10,255)
3- USD net effect (1+2)	552,697	(552,697)	552,697	(552,697)
4- Net EUR assets/liabilities	917,430	(917,430)	917,430	(917,430)
5- Hedged portion of EUR risk (-)	462,706	(462,706)	462,706	(462,706)
6- EUR net effect (4+6)	1,380,136	(1,380,136)	1,380,136	(1,380,136)
7- Net GBP assets/liabilities	618	(618)	618	(618)
8- Hedged portion of GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	618	(618)	618	(618)
TOTAL (3+6+9)	1,933,451	(1,933,451)	1,933,451	(1,933,451)
	Profit/Loss		Equity	
	Foreign currency appreciation	Foreign currency depreciation	Foreign currency appreciation	Foreign currency depreciation
31 December 2023				
1- USD net assets/liabilities	841,594	(841,594)	841,594	(841,594)
2- Hedged portion of USD risk (-)	48,081	(48,081)	48,081	(48,081)
3- USD net effect (1+2)	889,675	(889,675)	889,675	(889,675)
4- Net EUR assets/liabilities	290,442	(290,442)	290,442	(290,442)
5- Hedged portion of EUR risk (-)	-	-	-	-
6- EUR net effect (4+6)	290,442	(290,442)	290,442	(290,442)
7- Net GBP assets/liabilities	1,023	(1,023)	1,023	(1,023)
8- Hedged portion of GBP risk (-)	-	-	-	-
9- GBP net effect (7+8)	1,023	(1,023)	1,023	(1,023)
10-Net other foreign currency asset/liability	7,294	(7,294)	7,294	(7,294)
11- Hedged portion of other foreign	-	-	-	-
12-Other Foreign currency net effect (10+11)	7,294	(7,294)	7,294	(7,294)
TOTAL (3+6+9+12)	1,188,434	(1,188,434)	1,188,434	(1,188,434)

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31. FINANCIAL INSTRUMENTS FAIR VALUE AND HEDGE ACCOUNTING DISCLOSURES

Fair value of financial instruments

	Fair value level as of reporting date			
	30 September 2024	31 December 2023	30 September 2024	31 December 2023
Fair value difference reflects other comprehensive income/loss derivative financial assets and liabilities	(13,236)	(22,782)	Level 2	Level 2
Total	(13,236)	(22,782)		
Fair value difference reflects over income/ loss financial	18,676	35,729	Level 2	Level 2
Total	18,676	35,729		

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

The legal approvals and other closing conditions for the acquisition of 94.7% of the shares of Mannok Holdings DAC ("Mannok") by Cimsa Ireland Ltd., a 100% subsidiary of our subsidiary Cimsa Building Solutions B.V., have been completed as of October 2, 2024.

According to the agreement, the total company value of Mannok is EUR 330 million, and after deducting the financial debts on the closing date and making other adjustments, the share purchase price corresponding to 94.7% of the capital has been determined as EUR 253,481,140 in Full, and the transfer transactions have been completed by making the payment.

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