

**LİMAK ÇİMENTO SANAYİ
VE TİCARET A.Ş.
CONSOLIDATED
FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024 AND 2023
TOGETHER WITH
INDEPENDENT AUDITOR'S REPORT**

LİMAK ÇİMENTO SANAYİ VE TİCARET A. Ş.
INDEPENDENT AUDITOR'S REPORT
AS OF 31 DECEMBER 2024

Eren Bağımsız Denetim A.Ş.
Maslak, Eski Büyükdere Cad.
No:14 Kat:10
34396 Sarıyer/İstanbul, Turkey
T +90 212 373 00 00
F +90 212 291 77 97
www.grantthornton.com.tr

To the Shareholders and the Board of Directors of
Limak Çimento Sanayi ve Ticaret A.Ş.

Opinion

We have audited the accompanying consolidated financial statements of Limak Çimento Sanayi ve Ticaret A.Ş. and its subsidiaries (collectively referred to as “the Group”), which comprise the consolidated statements of financial position as at 31 December 2024, and the consolidated statement of profit or loss and consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRS”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (the “IESBA Code”) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><i>Application of IAS 29, “Financial Reporting in Hyperinflationary Economies”</i></p> <p>The Group applied IAS 29 “Financial reporting in hyperinflationary economies” (“IAS 29”) in its consolidated financial statements as of and for the year ending 31 December 2024.</p> <p>According to IAS 29, the consolidated financial statements as of 31 December 2023 should be restated in accordance with 31 December 2024 purchasing power.</p> <p>Applying IAS 29 results in significant changes to consolidated financial statement items included in the Group’s consolidated financial statements as of and for the year ending 31 December 2024. The application of IAS 29 has a pervasive and material impact on the consolidated financial statements. In addition, considering the additional effort required to perform the audit of the application of IAS 29, we identified the application of IAS 29 as a key audit matter.</p> <p>The Group’s accounting policies and related explanations regarding the application of IAS 29 are disclosed in Note 2.1.</p>	<p>We performed the following audit procedures in relation to the application of IAS 29 “Financial reporting in hyperinflationary economies”:</p> <ul style="list-style-type: none"> • Understanding and evaluating the process and controls related to application of IAS 29 designed and implemented by management, • Verifying whether management’s determination of monetary and non-monetary items is in compliance with IAS 29, • Obtaining detailed lists of non-monetary items and testing original entry dates and amounts with supporting documentation on a sample basis whether they are correctly included in the calculation, • Verifying the general price index rates used in calculations correspond with the coefficients in the “Consumer Price Index in Turkey” published by the Turkish Statistical Institute, • Testing the mathematical accuracy of the restatement non-monetary items, income statement, and cash flow statement to reflect the impact of inflation, • Evaluating the adequacy of disclosures related to the application of IAS 29 in the notes to the consolidated financial statements in accordance with IFRS.

Key Audit Matters (Continued)

Key audit matter	How our audit addressed the key audit matter
<p><i>Recognition of land and investment properties by revaluation method</i></p> <p>As of 31.12.2024, the Group accounts for its land and investment properties at their fair values.</p> <p>For the accounting of the mentioned assets, the policies followed by Group administration, as their details are explained in Notes 2.4, 8 and 9, is a method of fair value and the values of these assets are determined by an authorized independent evaluation institution.</p> <p>After the review of the Group management, these figures are recorded in the balance sheets.</p> <p>The fair value of the mentioned assets depends on the accepted valuation method and the inputs, and the assumptions used in the valuation model.</p> <p>The subjective nature of the valuation method regarding the determination of the fair value of the said assets and the fact that it contains important assumptions and judgments has made this a key audit matter.</p>	<p>During our audit, the following procedures have been applied regarding the recognition of land and investment properties by revaluation method.</p> <ul style="list-style-type: none"> • The expert institution's real estate valuation accreditation and license, as approved by the Capital Markets Board, were checked. • The competence, capability and impartiality of the institution have been evaluated. • The valuation reports prepared by the institution for each asset were read and the valuation studies have been evaluated. • The compliance of the fair values in the valuation report with the footnotes has been checked, it has been evaluated whether the values in the footnotes are in agreement with the valuation reports and whether the footnote explanations are sufficient in terms of IFRS. <p>As a result of the audit procedures we have applied, we have not had any significant findings.</p>

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

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

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

EREN Bağımsız Denetim A.Ş.
Member Firm of Grant Thornton International



Nazım Hikmet, FCCA
Partner

İstanbul, 28 May 2025

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
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AS OF 31 DECEMBER 2024 AND 2023

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LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 December 2024 unless otherwise stated.)

	Notes	31.12.2024	31.12.2023
ASSETS			
Current assets			
Cash and cash equivalents	3	4,667,507	1,752,201
Trade receivables	4	5,138,065	5,948,905
Due from related parties	5	48,630	51,783
Inventories	6	2,995,691	3,571,395
Other current assets	7	416,122	318,622
Total current assets		13,266,015	11,642,906
Non-current assets			
Investment properties	8	20,301,131	20,198,525
Property, plant and equipment	9	29,071,677	29,699,412
Intangible assets	10	530,803	231,368
Deferred tax assets	16	242,632	18,816
Other non-current assets	7	389,473	229,338
Total non-current assets		50,535,716	50,377,459
Total assets		63,801,731	62,020,365

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 December 2024 unless otherwise stated.)

	Notes	31.12.2024	31.12.2023
LIABILITIES			
Current liabilities			
Short-term borrowings	11	2,083,280	8,280,317
Trade payables	12	2,631,642	3,622,508
Due to related parties	13	9,431	588,077
Current income tax liabilities	16	132,235	119,484
Other current liabilities	14	865,298	861,906
Total current liabilities		5,721,886	13,472,292
Non-current liabilities			
Long-term borrowings	11	20,460,388	18,058,401
Due to related parties	13	135,272	3,010,434
Provision for employment termination benefits	17	408,064	351,412
Deferred tax liabilities	16	4,210,164	1,818,763
Other non-current liabilities	14	214,000	136,089
Total non-current liabilities		25,427,888	23,375,099
Total liabilities		31,149,774	36,847,391
EQUITY			
Share capital	18	2,830,880	2,830,880
Revaluation surplus		1,073,271	1,138,943
Actuarial gains or losses		(149,781)	(152,418)
Currency translation reserve		39,059	23,561
Retained earnings		27,445,377	22,029,961
Equity attributable to owners of the parent		31,238,806	25,870,927
Non-controlling interests		1,413,151	(697,953)
Total equity		32,651,957	25,172,974
Total liabilities and equity		63,801,731	62,020,365

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 December 2024 unless otherwise stated.)

	Notes	31.12.2024	31.12.2023
Revenue	19	28,642,638	29,880,269
Cost of sales	20	(17,221,533)	(19,413,441)
Gross profit		11,421,105	10,466,828
Marketing, selling and distribution expenses	21	(1,718,781)	(1,331,039)
General administrative expenses	22	(1,519,661)	(990,710)
Other income/(expense), net	24	56,621	(82,923)
Operating profit		8,239,284	8,062,156
Financial income/(expense), net	25	(6,458,565)	(13,668,279)
Net monetary position gain		5,164,882	11,559,356
Profit before income tax		6,945,601	5,953,233
Taxation on income	16	(2,589,042)	2,393,620
Profit for the year		4,356,559	8,346,853
Attributable to:			
Equity holders of the parent		3,950,981	8,508,214
Non-controlling interests		405,578	(161,361)
Earnings per share	28	0.0178	0.0383

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 December 2024 unless otherwise stated.)

	31.12.2024	31.12.2023
Profit for the year	4,356,559	8,346,853
Revaluation of property, net of tax	56,543	736,258
Actuarial gains or losses, net of tax	(19,098)	(70,685)
Currency translation differences	2,811	4,265
Total comprehensive income	4,396,815	9,016,691
Attributable to:		
Equity holders of the parent	3,976,317	9,176,559
Non-controlling interests	420,498	(159,868)

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 December 2024 unless otherwise stated.)

	Share capital	Revaluation surplus	Actuarial gains or losses	Currency translation reserve	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	Total equity
Balances at 1 January 2023	2,830,880	402,685	(81,733)	20,789	13,521,747	16,694,368	(538,085)	16,156,283
Total comprehensive income/(loss)	--	736,258	(70,685)	2,772	8,508,214	9,176,559	(159,868)	9,016,691
Balances at 31 December 2023	2,830,880	1,138,943	(152,418)	23,561	22,029,961	25,870,927	(697,953)	25,172,974
Balances at 1 January 2024	2,830,880	1,138,943	(152,418)	23,561	22,029,961	25,870,927	(697,953)	25,172,974
Transactions with non-controlling interests (Note 1)	--	(104,154)	18,594	12,687	1,464,435	1,391,562	1,690,606	3,082,168
Total comprehensive income/(loss)	--	38,482	(15,957)	2,811	3,950,981	3,976,317	420,498	4,396,815
Balances at 31 December 2024	2,830,880	1,073,271	(149,781)	39,059	27,445,377	31,238,806	1,413,151	32,651,957

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 December 2024 unless otherwise stated.)

	31.12.2024	31.12.2023
Operating activities:		
Profit before income tax	6,945,601	5,953,233
Adjustment for:		
Depreciation and amortisation	2,173,963	2,366,362
Provision for employment termination benefits	174,036	135,107
Provision for doubtful receivables	13,595	123,512
Provision for legal cases	21,094	2,025
Fair value gains on investment properties	(102,606)	(52,477)
Gains on sale of fixed assets and scraps	(24,993)	(15,368)
Financial income	(451,693)	(150,604)
Financial expense	6,910,258	13,818,883
Monetary gains	(5,164,882)	(11,559,356)
Cash flows from operating activities before changes in operating assets and liabilities	10,494,373	10,621,317
Changes in operating assets and liabilities:		
Trade receivables	(1,031,314)	(3,306,545)
Inventories	(440,794)	(1,271,964)
Other assets	(1,525)	(267,928)
Trade payables	122,611	1,793,766
Other liabilities	366,131	436,474
Due from related parties	(12,764)	(6,734)
Due to related parties	(139,320)	68,163
Income taxes payments	(420,167)	(4,238)
Employment termination benefits payments	(55,569)	(55,443)
Cash flows from operating activities	8,881,662	8,006,868
Investing activities:		
Purchases of property, plant and equipment	(2,156,360)	(1,311,168)
Advances given for purchase of property, plant and equipment	(370,026)	--
Proceeds from sales of property, plant and equipment	30,604	17,240
Purchases of intangible assets	(345,871)	(62,513)
Proceeds from sales of investment properties	--	502,056
Proceeds from initial public offering of the subsidiary	3,082,168	--
Interest received	451,693	150,604
Cash flows from/(used in) investing activities	692,208	(703,781)
Financing activities:		
Eurobond issuance	22,484,520	--
Borrowings	(22,893,695)	(1,551,717)
Related party balances	(3,248,474)	(1,180,538)
Interest paid	(2,462,328)	(3,252,270)
Cash flows used in financing activities	(6,119,977)	(5,984,525)
Inflation effect on cash and cash equivalents	(538,587)	(280,879)
Net increase in cash and cash equivalents	2,915,306	1,037,683
Cash and cash equivalents at beginning of year	1,752,201	714,518
Cash and cash equivalents at end of the year	4,667,507	1,752,201

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 December 2024 unless otherwise stated.)

1. Organisation and nature of activities

Limak Çimento Sanayi Ticaret A.Ş. ("Limak Çimento" or "the "Company") was incorporated in 1978. The principal activities of the Company and its subsidiaries, (together "the Group") comprise manufacturing of cement, clinker and ready mix concrete. The Company is a member of Limak group of companies. The Company's parent is Limak İnşaat Sanayi ve Ticaret A.Ş. and the Company is ultimately controlled by Limak Holding A.Ş..

The registered address of the Company:
Siirt Yolu Üzeri 4. Km No. 1, Kurtalan, Siirt, Türkiye.

The following table sets out the subsidiaries and shows the Company's ownership interest in these entities:

		31.12.2024	31.12.2023
	Country	Effective interest %	Effective interest %
<u>Subsidiaries</u>			
Limak Doğu Anadolu Çimento Sanayi ve Ticaret A.Ş. ("LMKDC") ⁽¹⁾	Türkiye	69.79	100.00
Limak Afrika SA ⁽²⁾	Ivory Coast	100.00	65.00
Limak Cimentos SA	Mozambique	100.00	100.00
Limak Cement FZE	Dubai	100.00	100.00
Limak Ege Çimento Sanayi ve Ticaret A.Ş.	Türkiye	100.00	100.00
Limak Cement Denmark ApS. ⁽³⁾	Denmark	100.00	--
Met Teknik Servis ve Maden Sanayi ve Ticaret A.Ş.	Türkiye	--	100.00

Joint ventures

Muğla Yapı Malzemeleri Sanayi ve Ticaret A.Ş.	Türkiye	50.00	50.00
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- (1) On 28 September 2023, the Company transferred its operations in Şanlıurfa cement factory, together with all related assets and liabilities, to a separate entity through a partial spin-off. The entity then achieved a successful initial public offering process and 30.21% of its total shares started to be traded in Borsa Istanbul on 22 February 2024. Accordingly, the Group recognised TRY 2,526 million cash injection, out of which TRY 2,106 million as a capital contribution to LMKDC and TRY 420 million as a consideration for sale of the investments in LMKDC by the Company. Total contribution, less directly attributable costs, has been accounted for under equity as transactions with non-controlling interests. Thereafter, on 1 March 2024, the Company further transferred its operations in Ergani cement factory to LMKDC.
- (2) The Company purchased entire non-controlling interests in Limak Afrika SA from its partners on 1 March 2024. As a result, Limak Afrika SA has become a wholly owned subsidiary of the Group.
- (3) Established on 18 December 2024 with nominal share capital of DKK 40 thousand.

The Group owns and operates eleven cement plants. The composition of the annual capacity, production and sales volume of cement is summarised (in thousands of tons) as follows:

	31.12.2024			31.12.2023		
Location	Capacity	Production	Sales	Capacity	Production	Sales
Kırklareli, Türkiye	2,345	1,351	1,354	2,345	1,567	1,566
Balıkesir, Türkiye	2,345	702	706	2,345	669	664
Kilis, Türkiye	2,257	2,195	2,192	2,257	1,625	1,629
Şanlıurfa, Türkiye	2,146	1,692	1,687	2,146	1,296	1,299
Ankara, Türkiye	1,800	1,364	1,366	1,800	1,474	1,468
Diyarbakır, Türkiye	1,400	830	834	1,400	644	639
Siirt, Türkiye	1,168	541	542	1,168	498	494
Bitlis, Türkiye	1,000	219	220	1,000	241	241
Abidjan, Ivory Coast	1,000	323	324	1,000	328	327
Mardin, Türkiye	788	239	238	788	210	210
Maputo, Mozambique	700	411	411	700	419	419
Total	16,949	9,867	9,874	16,949	8,971	8,956

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 December 2024 unless otherwise stated.)

2. Basis of presentation of the consolidated financial statements

2.1 Basis of presentation

The Company and its subsidiaries registered in Türkiye maintain their books of accounts and prepare their statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation, and the Uniform Chart of Accounts issued by the Ministry of Treasury and Finance. Foreign subsidiaries maintain their books of account and prepare their statutory financial statements in their local currencies in accordance with their commercial practices and tax legislations.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board (the "IASB").

The consolidated financial statements have been prepared based on the statutory records, with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

Functional and reporting currency

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements are presented in TRY, which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges. The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each income statement are translated at average exchange rates unless this average is not reasonable approximate of the cumulative effect of the prevailing exchange rates on the transaction dates in which case income and expenses are translated at the rate on the dates of the transactions, and
- All resulting exchange differences are recognised as a separate component of equity (currency translation reserve), in other comprehensive income

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the effects of inflation in Türkiye and except for certain assets and liabilities presented with their fair values.

Financial reporting in hyperinflationary economies

Pursuant to the IAS 29 "Financial Reporting in Hyperinflationary Economies", the financial statements of entities whose functional currency is that of a hyperinflationary economy must be adjusted for the effects of changes in a general price index. IAS 29 does not establish an absolute rate when hyperinflation is deemed to arise and IASB does not identify specific hyperinflationary jurisdictions.

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2024 AND 2023

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 December 2024 unless otherwise stated.)

2. Basis of presentation of the consolidated financial statements (Continued)

Basis of measurement (Continued)

Financial reporting in hyperinflationary economics (Continued)

However, IAS 29 provides a series of non-exclusive guidelines that assist companies in exercising their judgement as to when restatement of financial statements becomes necessary. These guidelines consist of (i) analyzing the behavior of the population regarding preservation of wealth in non-monetary assets or in relatively stable foreign currency, prices being quoted in terms of a relatively stable currency, interest rates and wages being linked to a price index, and the loss of the currency's purchasing power, and (ii) as a quantitative characteristic, verifying if the three-year cumulative inflation rate approaches or exceeds 100%. In March 2022, the International Practices Task Force of the Centre for Audit Quality, which monitors countries experiencing high inflation, categorized Türkiye as a country with projected three-year cumulative inflation rate greater than 100% as of 28 February 2022. Therefore, entities whose functional currency is TRY, reporting under IFRS have been required to apply IAS 29 to their financial statements for periods ended on and after 30 June 2022.

Under IAS 29, the consolidated financial statements are presented in terms of the measuring unit current as of 31 December 2024. All the amounts included in the consolidated financial statements which are not stated in terms of the measuring unit current at the end of the reporting period are restated applying the general price index. Adjustment for inflation has been calculated considering the price indices published by the Turkish Statistical Institute (Turkstat). Such indices used to restate the financial statements at 31 December 2024 are as follows:

Date	Index	Conversion factor	Three-year inflation rate
31 December 2024	2,684.55	1.00000	291%
31 December 2023	1,859.38	1.44379	268%
31 December 2022	1,128.45	2.37897	156%

The main procedures applied for the restatements in accordance with IAS 29 are as follows:

- Monetary assets and liabilities that are carried at amounts current at the reporting date are not restated because they are already expressed in terms of the measuring unit current at the reporting date.
- Non-monetary assets and liabilities that are not carried at amounts current at the reporting date and components of equity are restated by applying the relevant conversion factors from the date of the transaction to the reporting date.
- All items in the statement of profit or loss and the statement of other comprehensive income, except for those derived from non-monetary assets and liabilities, are restated by applying the monthly conversion factors of the transactions to the reporting date.
- The effects of inflation on the net monetary position are included in the statement of profit or loss as "net monetary position gain".
- All items in the statement of cash flow are expressed in terms of the measuring unit current at the reporting date; and all items in the statement of cash flows are, therefore, restated by applying the relevant conversion factors from the date on which the transaction originated.
- All corresponding figures are restated by applying the change in the index from corresponding dates to 31 December 2024.

Going concern

The consolidated financial statements have been prepared in accordance with the going concern assumption. The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

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2. Basis of presentation of the consolidated financial statements (Continued)

Comparative information

The consolidated financial statements of the Group are prepared comparatively to enable the determination of the trends of the financial position and performance. The Group presented the consolidated statement of financial position at 31 December 2024 comparatively with the consolidated statement of financial position at 31 December 2023. The Group presented the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for year ended 31 December 2024 comparatively with the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for year ended 31 December 2023.

For ensuring compliance with the current period presentation of financial statements, comparative figures are reclassified if necessary.

2.2 Changes in the accounting policies, estimates and errors

Significant changes in accounting policies or significant errors are corrected, retrospectively; by restating the prior period consolidated financial statements. The effect of changes in accounting estimates affecting the current period is recognised in the current period; the effect of changes in accounting estimates affecting current and future periods are recognised in the current and future periods.

2.3 Amendments to new and revised International Financial Reporting Standards

a) The standards, amendments and interpretations applicable as at 1 January 2024:

- Amendments to IAS 1 "Presentation of Financial Statements": Classification of liabilities as current and non-current liabilities
- Amendments to IFRS 16 "Leases": Lease liability in a sale and leaseback
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures": Supplier finance arrangements

b) The standards, amendments and interpretations that are issued but not effective as at 31 December 2024:

- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures": Sale or contribution of assets between an investor and its associate or joint venture
- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of exchangeability
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Classification and measurement of financial instruments
- Annual improvements to IFRS Accounting Standards (Volume 11):
 - IFRS 1 "First-time Adoption of International Financial Reporting Standards": Hedge accounting by a first-time adopter
 - IFRS 7 "Financial Instruments: Disclosures": Gain or loss on derecognition
 - IFRS 9 "Financial Instruments": Lessee derecognition of lease liabilities and transaction price
 - IFRS 10 "Consolidated Financial Statements": Determination of a 'De facto agent'
 - IAS 7 "Statement of Cash Flows": Removal of cost method
- IFRS 18 "Presentation and Disclosure in Financial Statements": The new standard for presentation and disclosures
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Contracts referencing nature-dependent electricity
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures": Eligible entities to elect to apply reduced disclosure requirements

c) The amendments which are effective immediately upon issuance:

- Amendments to IAS 12 "Income taxes": International tax reform – Pillar two model rules

The Group is in the process of assessing the impact of the amendments on consolidated financial position or performance of the Group.

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2. Basis of presentation of the consolidated financial statements (Continued)

2.4 Summary of significant accounting policies

The principal accounting policies followed in the preparation of the consolidated financial statements are set forth below:

Principles of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with IFRS, applying uniform accounting policies and presentation. The results of subsidiaries are included in or excluded from consolidation based on their effective dates of acquisition or disposal, respectively.

Subsidiaries

Subsidiaries are entities over which the Group has control, either (a) through the power to exercise more than 50% of voting rights relating to shares in the companies as a result of ownership interest owned directly and indirectly by itself, and companies owned by them whereby the Company exercises control over the ownership interest of the shares held by them or (b) although not having the power to exercise more than 50% of the voting rights, otherwise has the power to exercise control over financial and operating policies. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and deconsolidated from the date that control ceases.

The Group combines individual income and expenses, assets and liabilities and cash flows of subsidiaries on a line-by-line basis with similar items in the consolidated financial statements. Intercompany transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on consolidation.

Non-controlling interests

The minority shares in the net assets and operating results of subsidiaries are separately classified in the consolidated statements of financial position and statements of profit or loss as "non-controlling interests".

Investment in joint ventures

Joint ventures are entities over which the Group has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint ventures are accounted for using the equity method of accounting and are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

Considering the net assets of the joint venture is immaterial to the Group and the expected cash flows in foreseeable future cannot be reliably estimated, the Group concluded the recoverable amount of its joint venture as uncertain. Accordingly, the Group reduced the carrying value of its investment in joint ventures to zero.

Business combinations

A business combination is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

In accordance with IFRS 3, goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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2. Basis of presentation of the consolidated financial statements (Continued)

Related parties

Shareholders, members of board of directors and key management personnel, in each case together with their families and companies controlled by or affiliated with them, associates and joint ventures are considered and referred to as related parties.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, bank deposits and short-term investments, which can easily be converted into cash for a known amount, has high liquidity with maturities of 3 months or less.

Trade receivables

Trade receivables that are recognised by way of providing goods or services directly to a debtor are accounted for initially at fair value and subsequently are measured at amortised cost, using the effective interest method, less provision for impairment, if any.

A credit risk provision for trade receivables is established if there is objective evidence that the Group will not be able to collect all amounts due. The amount of the provision is the difference between the carrying amount and the recoverable amount. The recoverable amount is the present value of all cash flows, including amounts recoverable from guarantees and collateral, discounted by the original effective interest rate of the originated receivables at inception.

If the amount of the impairment subsequently decreases due to an event occurring after the write-down, the release of the provision is credited to the consolidated statements of profit or loss.

Impairment

The Group has preferred to apply "simplified approach" defined in IFRS 9 for the recognition of impairment losses on trade receivables, carried at amortised cost and that do not comprise of any significant finance component (those with maturity less than 12 months). In accordance with the simplified approach, the Group measures the loss allowances regarding its trade receivables at an amount equal to "lifetime expected credit losses" except incurred credit losses in which trade receivables are already impaired for a specific reason.

Inventories

Inventories are valued on the basis of the weighted average method by considering the cost or the net realisable value, whichever is the lowest. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. The cost of inventories covers all purchasing costs, conversion costs and other expenses made to bring the inventories into their current state and condition.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. When an owner-occupied property becomes an investment property carried at fair value, the Group applies IAS 16 up to the date of change in use and the carrying value of the owner occupied property is treated as its deemed cost for subsequent accounting. Any change in the fair value of investment properties is recognised in profit or loss. Fair value gains or losses on investment properties are recognised based on individual valuations by certified independent real estate experts.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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2. Basis of presentation of the consolidated financial statements (Continued)

Property, plant and equipment

Property, plant and equipment (except for land) are carried at acquisition cost, less any accumulated depreciation and any impairment loss. Land is measured at their estimated fair value.

Depreciation on property, plant and equipment (except for land) is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Land improvements	10-25 years
Buildings	25-50 years
Machinery and equipment	4-15 years
Motor vehicles	5 years
Fixtures and fittings	3-15 years
Other fixed assets	4-8 years

Estimated useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The cost of an item of property, plant and equipment comprises:

- Acquisition costs, including import duties and non-refundable purchase taxes, less discounts and rebates
- Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating
- Employee benefits arising directly from the construction or acquisition of the item of the asset
- Site preparation and expropriation costs for the construction works
- Initial delivery and handling costs
- Installation and assembly costs
- Professional fees
- Borrowing costs eligible for capitalisation

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Fair value less cost to sell is the amount obtainable from the sale of an asset less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income or other expense in the consolidated statement of profit or loss.

Revaluation gains or losses on lands are recognised based on individual valuations by certified independent real estate experts.

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2. Basis of presentation of the consolidated financial statements (Continued)

Intangible assets

Intangible assets comprise software licenses and other rights. Intangible assets are initially recognised at acquisition cost and amortised on a straight-line method over the contract terms or a period not exceeding 5 years.

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Whenever there is an indication that the intangible is impaired, the carrying amount of the intangible asset is reduced to its recoverable amount and the impairment loss is recognised as an expense.

Leases

Lessee

At inception of a contract, the Group assesses whether the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group considers following indicators for the assessment of whether a contract conveys the right to control the use of an identified asset for a period of time or not:

- The contract includes an identified asset,
- A capacity portion of an asset is physically distinct or represents substantially all of the capacity of an asset,
- Group has the right to obtain substantially all of the economic benefits from use of the identified asset,
- Group has the right to direct the use of an identified asset.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease following the consideration of the above mentioned factors.

The lease liabilities are measured at their present value by discounting the unrealised lease payments using the Group's incremental borrowing rate at the date of initial application and classified as other liabilities. The right-of-use assets are accounted for at an amount equal to the lease liabilities (adjusted for the amount of prepaid or accrued lease payments) and classified under property, plant and equipment.

Lessor

All the leases that the Group is the lessor are operating leases. Assets leased out under operating leases are classified under property, plant and equipment in the consolidated statement of financial position. Rental income is recognised in the consolidated statement of profit or loss on a straight-line basis over the lease term.

Impairment of assets

Assets that have indefinite useful lives, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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2. Basis of presentation of the consolidated financial statements (Continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of borrowings are recognised as transaction costs of the borrowing to the extent that it is probable that some or all of the borrowing will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the borrowing will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a considerable time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned by the temporary investment of the part of the borrowing not yet used is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Taxation and deferred income taxes

Taxes on income for the period comprise current tax and the change in deferred income taxes. Current year tax liability consists of the taxes calculated over the taxable portion of the current year income by reference to corporate income tax rates enacted as of the balance sheet date and adjustments provided for previous years' income tax liabilities.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income taxes.

Deferred income tax liabilities are recognised for all taxable temporary differences, whereas deferred income tax assets resulting from deductible temporary differences and unused investment incentives are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised.

Deferred income tax assets and deferred income tax liabilities related to income taxes levied by the same taxation authority are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Revenue recognition

Revenue includes the invoiced amounts of goods and services sold. Revenues are recognised on an accrual basis at the time when deliveries of goods and services or acceptances are made, the transfer of risks and benefits related to goods are realised, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, at the fair value of the consideration received or receivable. The significant risks and benefits in sales are transferred when the goods are delivered or legal proprietorship is transferred to the customer. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes.

Interest income: Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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2. Basis of presentation of the consolidated financial statements (Continued)

Provision for employment termination benefits

Provision for employment termination benefits, as required by the Turkish Labour Law, represents the estimated present value of the future probable obligation of the Group arising from the retirement of the employees. Provision which is allocated by using defined benefit pension's current value according to actuarial estimations is calculated by using estimated liability method.

Financial instruments

Classification and measurement

The Group classifies its financial assets and liabilities in three categories: financial assets and liabilities "measured at amortised cost", financial assets and liabilities "measured at fair value through profit or loss", financial assets and liabilities "measured at fair value through other comprehensive income". The classification of financial assets and financial liabilities are determined considering the entity's business model for managing these and the contractual cash flow characteristics of the financial asset or liability. The appropriate classification of financial assets or liabilities is determined at the initial recognition.

Financial assets and liabilities measured at amortised cost

"Financial assets and liabilities measured at amortised cost" are not actively traded and non-derivative assets and liabilities that are held within a business model whose objective is to hold assets or liabilities in order to be entitled to contractual cash flows and the contractual terms of the financial assets and liabilities give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets and liabilities carried at amortised cost are measured at their fair value at initial recognition and by effective interest rate method at subsequent measurements. Gains and losses on valuation of non-derivative financial assets and liabilities measured at amortised cost are accounted for under the statement of profit or loss.

Financial assets and liabilities measured at fair value through profit or loss

Financial assets and liabilities in this category are measured at their fair values at initial recognition and subsequent measurement. Gains and losses on valuation of these financial assets and liabilities are accounted for under profit or loss.

Financial assets and liabilities measured at fair value through other comprehensive income

Financial assets and liabilities in this category are measured at their fair values at initial recognition and subsequent measurement. Gains and losses on valuation of these financial assets and liabilities are accounted for under other comprehensive income.

Offsetting

All items with significant amounts and nature, even with similar characteristics, are presented separately in the consolidated financial statements. Insignificant amounts are grouped and presented by means of items having similar substance and function.

Events after the reporting period

The Group adjusts the amounts recognised in the consolidated financial statements to reflect the adjusting events after the reporting period. If non-adjusting events after the balance sheet date have material influences on the economic decisions of users of the consolidated financial statements, they are disclosed in the notes to the consolidated financial statements.

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2. Basis of presentation of the consolidated financial statements (Continued)

Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

Provisions

Provisions are recognised when, and only when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recognised by the amortised amount as of balance sheet date in case that the monetary loss is material. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Commitments and contingencies

Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non-occurrence of certain future events, unless the expected performance is remote. Accordingly, contingent losses are recognised in the consolidated financial statements if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realised.

Use of estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

Earnings per share

Earnings per share presented in the consolidated statement of profit or loss are determined by dividing consolidated profit or loss attributable to equity holders of the parent by the weighted average number of such shares outstanding during the year concerned. The Group's earnings per share are calculated in accordance with IAS 33 "Earnings Per Share".

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3. Cash and cash equivalents

	31.12.2024	31.12.2023
Cash on hand	2,464	10,668
Cash at banks		
- demand deposits	559,064	1,712,225
- time deposits	1,806,328	14,588
Marketable securities (*)	2,267,106	--
Other	32,545	14,720
	4,667,507	1,752,201

As at 31 December 2024 and 31 December 2023, terms of the time deposits are up to 3 days.

(*) Marketable securities classified as cash equivalents include short-term USD denominated Treasury Bills.

4. Trade receivables

	31.12.2024	31.12.2023
Customers	3,879,383	4,796,536
Cheques and notes receivables, net	1,458,188	1,400,813
Provision for doubtful receivables and expected credit loss (-)	(199,506)	(248,444)
	5,138,065	5,948,905

Movements of provision for doubtful receivables and expected credit loss are as follows:

	01.01- 31.12.2024	01.01- 31.12.2023
Balance at the beginning of the year	248,444	142,945
Provision charge	13,595	123,512
Collections and reversals	(840)	(657)
Monetary gains	(76,784)	(56,192)
Translation differences	15,091	38,836
Balance at the end of the year	199,506	248,444

5. Due from related parties

	31.12.2024	31.12.2023
Limak İnşaat Sanayi ve Ticaret A.Ş.	32,918	44,395
Limçim Çimento Sanayi ve Ticaret A.Ş.	11,043	--
Other	4,669	7,388
	48,630	51,783

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6. Inventories

	31.12.2024	31.12.2023
Raw materials	2,503,153	2,664,609
Work in process	378,392	762,219
Finished goods	114,146	144,567
	2,995,691	3,571,395

7. Other assets

Other current assets	31.12.2024	31.12.2023
Prepaid expenses	223,029	80,790
Advances given	109,689	121,684
Value added tax receivables	65,309	109,315
Other	18,095	6,833
	416,122	318,622
Other non-current assets	31.12.2024	31.12.2023
Advances given	370,026	--
Deposits and guarantees given	19,447	34,535
Prepaid premiums and commissions	--	194,803
	389,473	229,338

8. Investment properties

	01.01- 31.12.2024	01.01- 31.12.2023
Balances at the beginning of the year	20,198,525	19,824,335
Disposals	--	(502,056)
Transfers (Note 9)	--	823,769
Change in fair value	102,606	52,477
Balances at the end of the year	20,301,131	20,198,525

Investment properties include land development projects in Ankara, Gaziantep and Balıkesir.

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9. Property, plant and equipment

	01.01.2024	Additions	Disposals	Transfers	Revaluation	Translation differences	31.12.2024
<u>Cost</u>							
Lands	7,854,173	58,340	(5,447)	--	80,533	(78,390)	7,909,209
Land improvements	1,728,835	31,699	--	8,516	--	(47,102)	1,721,948
Buildings	7,044,126	169,672	--	121,983	--	(223,193)	7,112,588
Machinery and equipment	43,302,861	630,350	--	566,897	--	(624,687)	43,875,421
Motor vehicles	336,517	76,554	(7,914)	2,046	--	(14,551)	392,652
Fixtures and fittings	1,307,135	89,212	--	1,561	--	(153,349)	1,244,559
Other fixed assets	99,332	19,164	--	244,634	--	(1,066)	362,064
Construction in progress	842,228	1,081,369	--	(945,637)	--	(182)	977,778
	62,515,207	2,156,360	(13,361)	--	80,533	(1,142,520)	63,596,219
<u>Accumulated depreciation</u>							
Land improvements	(1,141,282)	(72,121)	--	--	--	20,193	(1,193,210)
Buildings	(3,491,081)	(175,359)	--	--	--	63,083	(3,603,357)
Machinery and equipment	(27,097,396)	(1,723,964)	--	--	--	264,206	(28,557,154)
Motor vehicles	(163,060)	(89,798)	7,750	--	--	9,020	(236,088)
Fixtures and fittings	(838,819)	(50,896)	--	--	--	54,289	(835,426)
Other fixed assets	(84,157)	(15,389)	--	--	--	239	(99,307)
	(32,815,795)	(2,127,527)	7,750	--	--	411,030	(34,524,542)
Net book value	29,699,412						29,071,677

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9. Property, plant and equipment (Continued)

	01.01.2023	Additions	Disposals	Transfers	Revaluation	Translation differences	31.12.2023
<u>Cost</u>							
Lands (*)	7,725,860	--	--	(823,769)	954,349	(2,267)	7,854,173
Land improvements	1,727,616	2,215	--	2,882	--	(3,878)	1,728,835
Buildings	6,988,002	112,133	--	4,926	--	(60,935)	7,044,126
Machinery and equipment	42,934,321	254,976	(3,953)	183,365	--	(65,848)	43,302,861
Motor vehicles	201,671	136,538	(694)	--	--	(998)	336,517
Fixtures and fittings	1,282,244	36,183	--	--	--	(11,292)	1,307,135
Other fixed assets	90,950	8,599	--	--	--	(217)	99,332
Construction in progress	274,561	760,524	(1,730)	(191,173)	--	46	842,228
	61,225,225	1,311,168	(6,377)	(823,769)	954,349	(145,389)	62,515,207
<u>Accumulated depreciation</u>							
Land improvements	(1,055,858)	(103,424)	--	--	--	18,000	(1,141,282)
Buildings	(3,325,010)	(199,999)	--	--	--	33,928	(3,491,081)
Machinery and equipment	(25,258,336)	(1,928,401)	3,953	--	--	85,388	(27,097,396)
Motor vehicles	(120,780)	(47,216)	553	--	--	4,383	(163,060)
Fixtures and fittings	(788,747)	(66,286)	--	--	--	16,214	(838,819)
Other fixed assets	(81,994)	(2,225)	--	--	--	62	(84,157)
	(30,630,725)	(2,347,551)	4,506	--	--	157,975	(32,815,795)
Net book value	30,594,500						29,699,412

(*) Lands amounting to TRY 823,769 were transferred to investment property in early 2023 (Note 8).

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10. Intangible assets

	31.12.2024	31.12.2023
Cost	476,657	413,433
Accumulated amortisation	(245,289)	(226,478)
Opening net book value	231,368	186,955
Additions	345,871	63,224
Amortisation	(46,436)	(18,811)
Cost	822,528	476,657
Accumulated amortisation	(291,725)	(245,289)
Closing net book value	530,803	231,368

11. Borrowings

Short-term borrowings	31.12.2024	31.12.2023
Debt securities	2,083,280	--
Bank borrowings	--	1,438,603
Current portion of long-term bank borrowings	--	5,381,016
Other borrowings	--	1,460,698
	2,083,280	8,280,317

Long-term borrowings	31.12.2024	31.12.2023
Debt securities	20,460,388	--
Bank borrowings	--	18,058,401
	20,460,388	18,058,401

The redemption schedule of the long-term borrowings:

	31.12.2024	31.12.2023
2025	--	8,196,839
2026	1,884,191	3,607,608
2027	1,704,128	5,374,243
2028	1,541,066	544,285
2029	15,331,003	167,713
2030	--	167,713
	20,460,388	18,058,401

Limak Çimento issued USD 575 million Senior Notes on 25 July 2024 with an annual interest rate of 9.75 per cent and a maturity of 5 years in the Irish Stock Exchange Plc trading as Euronext Dublin. The Company further issued USD 25 million Senior Notes on 29 October 2024 and USD 25 million Senior Notes on 29 November 2024, to be consolidated and form a single series of USD 625 million with the same terms and conditions. The Senior Notes will mature on 25 July 2029 at their principal amount together with accrued interest. Interest on the Senior Notes is payable semi-annually starting from 25 January 2025.

Fees paid amounting to USD 11.87 million equivalent on the establishment of debt securities are recognised as transaction costs taken into account as an integral part of the effective interest rate and the calculation of the amortised cost of debt securities.

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12. Trade payables

	31.12.2024	31.12.2023
Suppliers	2,631,642	3,622,508
	2,631,642	3,622,508

13. Due to related parties

Current	31.12.2024	31.12.2023
Limak İnşaat Sanayi ve Ticaret A.Ş.	4,932	373,312
Limyra Turizm İnşaat ve Ticaret A.Ş.	4,445	--
Limak Enerji Ticareti A.Ş.	--	214,688
Other	54	77
	9,431	588,077
Non-current	31.12.2024	31.12.2023
Limak Holding A.Ş.	135,272	3,010,434
	135,272	3,010,434

14. Other liabilities

Other current liabilities	31.12.2024	31.12.2023
Advances received	357,191	417,143
Taxes and duties payable	234,118	307,492
Due to personnel	66,976	42,883
Unused vacation accruals	66,768	26,143
Lease liabilities	50,740	13,622
Other	89,505	54,623
	865,298	861,906
Other non-current liabilities	31.12.2024	31.12.2023
Mine rehabilitation obligations	123,109	110,051
Lease liabilities	90,891	26,038
	214,000	136,089

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15. Provisions, contingent assets and contingent liabilities

There are various lawsuits filed against or in favour of the Group. The Group management estimates the outcomes of these lawsuits and estimates their financial impact according to which the necessary provisions are accounted for.

Guarantees received	31.12.2024	31.12.2023
Letters of guarantee	3,936,771	3,361,987
Cheques and notes	291,580	345,263
Mortgages	84,507	111,827
Guarantees given	31.12.2024	31.12.2023
Letters of guarantee	548,227	4,887,152
Mortgages (*)	--	27,352,977

(*) The mortgages on property, plant and equipment amounted to TRY 1,500 million, EUR 400 million and USD 150 million were given to banks within the scope of project financing. Due to the repayment of the credit facilities at the end of July 2024, there are no longer mortgages given to banks with respect to the credit facilities.

As of 31 December 2023, the Group companies had share pledge, commercial enterprise pledge and account pledge agreements within the scope of acquisition and project finance transactions. The Group entities had to meet several financial and non-financial covenants and commitments with respect to the credit facilities obtained from certain financial institutions for the financing of its projects. Following the full repayment of the credit facilities at the end of July 2024, there are no longer financial and non-financial commitments with respect to the credit facilities that have been closed.

16. Taxation on income

Current income tax liabilities	31.12.2024	31.12.2023
Corporate and income taxes payable	406,267	123,723
Less: Prepaid taxes (-)	(274,032)	(4,239)
	132,235	119,484

Turkish tax legislation does not allow for the submission of tax returns over the consolidated financial statements, which include its subsidiaries and joint venture. Therefore, tax considerations reflected in the consolidated financial statements have been calculated on a separate-entity basis.

The corporation tax rate is 25% in Türkiye. Corporation tax is payable on the total income of each local company after adjusting for certain disallowable expenses, exempt income and allowances.

Advance (prepaid) corporation taxes are payable on quarterly profits at the enacted tax rate. Such taxes after deduction of the taxes prepaid quarterly must be paid in certain months following the periods.

Corporation taxes are declared and paid until the end of the fourth month following the related fiscal year. Advance corporation taxes paid quarterly are offset from annual corporation taxes and any excess may be offset against other debts to the government.

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16. Taxation on income (Continued)

Gains on sale of real estate sales income, with a proportion of 25% is exempt from corporate tax provided that these assets are owned by the respective company more than two years. To be entitled to the exemption, the relevant gain is required to be held in a reserve account in the liabilities and must not be withdrawn from the entity for a period of 5 years. The sales consideration has to be collected up until the end of the second calendar year following the year the sale was realised.

Under the Turkish taxation system, tax losses can be carried forward to offset against future taxable income for up to 5 years.

The General Communiqué on the Tax Procedure Law (Serial No: 555) was published on 30 December 2023, under issue number 32415 (2nd Repetition). The communiqué details the procedures and principles for adjusting the accounts for inflation for the fiscal year 2023 and subsequent periods.

	01.01- 31.12.2024	01.01- 31.12.2023
Taxation on income		
Current tax expense	(434,174)	(123,723)
Deferred tax income/(expense)	(2,154,868)	2,517,343
	(2,589,042)	2,393,620
	31.12.2024	31.12.2023
Deferred tax assets	242,632	18,816
Deferred tax liabilities	(4,210,164)	(1,818,763)
Deferred tax assets/(liabilities), net	(3,967,532)	(1,799,947)

The Group recognises deferred tax assets and liabilities based upon temporary differences arising between its consolidated financial statements prepared in accordance with IFRS and its statutory tax financial statements. Deferred taxes are calculated using the tax rates in accordance with the liability method on temporary differences that will occur in the following periods.

The movements of deferred tax assets and liabilities are as follows:

	01.01- 31.12.2024	01.01- 31.12.2023
Balance at the beginning of the year	(1,799,947)	(4,129,573)
Recognised in statement of profit or loss	(2,154,868)	2,517,343
Recognised in statement of other comprehensive income	(12,717)	(187,717)
Balance at the end of the year	(3,967,532)	(1,799,947)

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16. Taxation on income (Continued)

The breakdown of cumulative temporary differences and deferred tax assets and liabilities provided using principal tax rates are as follows:

	31.12.2024		31.12.2023	
	Cumulative temporary differences	Deferred tax	Cumulative temporary differences	Deferred tax
Carry forward tax losses	464,013	116,003	6,935,239	1,664,458
Tax credits over finance costs	805,560	201,390	1,453,819	363,455
Property, plant and equipment	1,668,861	417,215	4,310,335	1,033,211
Investment properties	(20,024,536)	(5,006,134)	(19,921,932)	(4,980,483)
Intangible assets	1,020,842	235,642	(55,989)	(13,437)
Provision for employment termination benefits	389,818	97,455	362,905	90,726
Other	(116,409)	(29,103)	163,542	42,123
Deferred tax, net		(3,967,532)		(1,799,947)

Carryforward tax losses

Deferred income tax assets are recognised for tax losses carried forward to extent that the realisation of the related tax benefit through the future taxable profits is probable.

The expiration dates of such carryforward tax losses are as follows:

	31.12.2024	31.12.2023
2024	--	237,037
2025	--	1,158,757
2026	--	2,424,219
2027	409,674	929,151
2028	54,339	54,339
Statutory amounts	464,013	4,803,503
Inflation effect	--	2,131,736
Indexed amounts	464,013	6,935,239

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17. Provision for employment termination benefits

	31.12.2024	31.12.2023
Provision for employee termination benefits	408,064	351,412
	408,064	351,412

Under Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies, or retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men).

At 31 December 2024, the amount payable consists of one month's salary limited to a maximum TRY 41.83 (31 December 2023: TRY 23.49) for each year of service.

The liability is not funded as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of employees.

IAS 19 "Employee Benefits" requires actuarial valuation methods to be developed to estimate the enterprise's obligation under defined benefit plans. Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

	31.12.2024	31.12.2023
Discount rate (%)	3.63	3.63
Retirement possibility (%)	98.00	98.00

The principal assumption is that maximum liability for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of TRY 46.66 which is effective from 1 January 2025 (1 January 2024: TRY 35.06), has been taken into consideration in calculating the Group's provision for employment termination benefits.

Movements in the provision for employment termination benefits are as follows:

	01.01- 31.12.2024	01.01- 31.12.2023
Balance at the beginning of the year	351,412	282,579
Additions	174,036	135,107
Payments	(55,569)	(55,443)
Actuarial losses	25,464	101,058
Monetary gains	(88,577)	(114,380)
Translation differences	1,298	2,491
Balance at the end of the year	408,064	351,412

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18. Equity

Share capital

The shareholding structure of the Company is as follows:

	31.12.2024		31.12.2023	
	Amount	%	Amount	%
Limak İnşaat Sanayi ve Ticaret A.Ş.	122,788	55.31	122,788	55.31
Yapısan Turizm İnşaat A.Ş.	92,986	41.89	92,986	41.89
Limak Holding A.Ş.	6,223	2.80	6,223	2.80
Paid-in share capital	221,997	100.00	221,997	100.00
Adjustments to share capital	2,608,883		2,608,883	
Total share capital	2,830,880	100.00	2,830,880	100.00

The issued and paid-in share capital of the Company comprised of 221,996,463 shares with a par value of TRY 1 each.

Retained earnings

Retained earnings comprise undistributed earnings and restricted reserves.

Restricted reserves

Legal reserves consist of first and second reserves, appropriated in accordance with the TCC. The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Company's paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital.

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19. Revenue

	01.01- 31.12.2024	01.01- 31.12.2023
Domestic sales	28,004,165	28,530,016
Export sales	638,473	1,350,253
	28,642,638	29,880,269

The detail of revenue is summarised as follows:

	01.01- 31.12.2024	01.01- 31.12.2023
Cement	24,594,206	26,362,762
Ready mixed concrete (*)	3,769,188	3,217,069
Other	279,244	300,438
	28,642,638	29,880,269

(*) Concrete itself is a mixture of cement, water and aggregates comprising sand and gravel or crushed stone. Ready mix concrete is a type of concrete that is manufactured in a batching plant, according to a set recipe, and then delivered to a work site, by truck mounted transit mixers.

The composition of cement revenue by geography is summarised as follows:

	01.01- 31.12.2024	01.01- 31.12.2023
Kilis, Türkiye	5,084,822	4,959,041
Şanlıurfa, Türkiye	4,049,443	3,708,247
Kırklareli, Türkiye	3,320,589	4,291,538
Ankara, Türkiye	2,993,942	3,718,458
Diyarbakır, Türkiye	2,163,160	1,769,974
Balıkesir, Türkiye	1,673,809	2,476,727
Maputo, Mozambique	1,623,260	1,575,200
Siirt, Türkiye	1,466,729	1,411,708
Abidjan, Ivory Coast	1,026,967	1,258,726
Mardin, Türkiye	616,760	587,165
Bitlis, Türkiye	574,725	605,978
	24,594,206	26,362,762

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20. Cost of sales

	01.01- 31.12.2024	01.01- 31.12.2023
Direct material cost	5,897,355	6,001,141
Direct labour cost	1,209,442	894,826
General production overhead	7,288,265	9,879,253
Depreciation and amortisation	2,106,016	2,313,255
Cost of production	16,501,078	19,088,475
Changes in work in process	383,827	(109,172)
Changes in finished goods	30,421	(26,469)
Cost of goods sold	414,248	(135,641)
Cost of merchandises sold	36,407	161,495
Cost of other sales	269,800	299,112
	17,221,533	19,413,441

21. Marketing, selling and distribution expenses

	01.01- 31.12.2024	01.01- 31.12.2023
Transportation and packaging expenses	1,322,285	1,023,490
Employee benefits expense	155,479	118,752
Depreciation and amortisation expenses	52,314	39,011
Other	188,703	149,786
	1,718,781	1,331,039

22. General administrative expenses

	01.01- 31.12.2024	01.01- 31.12.2023
Employee benefits expense	1,014,161	750,734
Consultancy expenses	199,709	105,027
Repair and maintenance expenses	93,627	51,575
Utilities	72,447	39,763
Taxes and duties	71,397	24,915
Depreciation and amortisation expenses	15,633	14,096
Other	52,687	4,600
	1,519,661	990,710

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23. Expenses by nature

	01.01- 31.12.2024	01.01- 31.12.2023
Depreciation and amortisation		
Cost of sales	2,106,016	2,313,255
Marketing, selling and distribution expenses	52,314	39,011
General administrative expenses	15,633	14,096
	2,173,963	2,366,362

	01.01- 31.12.2024	01.01- 31.12.2023
Employee benefits expense		
Cost of sales	1,209,442	894,826
Marketing, selling and distribution expenses	155,479	118,752
General administrative expenses	1,014,161	750,734
	2,379,082	1,764,312

24. Other income/(expense), net

	01.01- 31.12.2024	01.01- 31.12.2023
Fair value gains on investment properties (Note 8)	102,606	52,477
Gains on sale of fixed assets and scraps	24,993	15,368
Provision charges and expected credit loss	(13,595)	(123,512)
Donations	(20,751)	(12,188)
Provision charges for litigations	(21,094)	(2,025)
Other	(15,538)	(13,043)
	56,621	(82,923)

25. Financial income/(expense), net

	01.01- 31.12.2024	01.01- 31.12.2023
Interest income	451,693	150,604
Interest expenses	(2,762,721)	(3,393,900)
Foreign exchange gains/(losses), net	(3,618,425)	(10,076,020)
Other	(529,112)	(348,963)
	(6,458,565)	(13,668,279)

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26. Related party disclosures

Transactions to related parties

	01.01- 31.12.2024	01.01- 31.12.2023
Sales		
Limak İnşaat Sanayi ve Ticaret A.Ş.	41,878	143,810
Other	4,409	2,890
	46,287	146,700

	01.01- 31.12.2024	01.01- 31.12.2023
Electricity purchases		
Limak Enerji Ticareti A.Ş.	840,523	2,458,288
	840,523	2,458,288

	01.01- 31.12.2024	01.01- 31.12.2023
Service purchases		
Limçim Çimento Sanayi ve Ticaret A.Ş.	123,989	176,022
Limak İnşaat Sanayi ve Ticaret A.Ş.	19,576	8,228
Limyra Turizm İnşaat ve Ticaret A.Ş.	4,533	--
Other	6,372	1,224
	154,470	185,474

Key management compensation

The Group determined key management personnel as the Chairman and members of the board of directors, general manager, general coordinator and deputy general managers.

	01.01- 31.12.2024	01.01- 31.12.2023
Short-term compensation		
	186,397	133,719
	186,397	133,719

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27. The nature and level of risks arising from financial instruments

I. Capital management policies and procedures

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the net debt/capital ratio. Net debt is calculated as total borrowings less cash and cash equivalents.

The Group's net debt/capital ratio is as follows:

	31.12.2024	31.12.2023
Borrowings	22,543,668	26,338,718
Less: Cash and cash equivalents	(4,667,507)	(1,752,201)
Net financial debt	17,876,161	24,586,517
Total equity	32,651,957	25,172,974
Total capital	50,528,118	49,759,491
Debt to capital ratio	35.38%	49.41%

II. Financial risk factors

The Group is exposed to variety of financial risks due to its operations, These risks include credit risk, liquidity risk and market risk (foreign exchange risk and interest rate risk). The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group also uses derivative financial instruments to hedge risk exposures.

Financial risk management is carried out by each segment and individual entities operating in these segments, within the limits of general principles approved by their Board of Directors.

a. Credit risk management

Credit risk is the risk that a counterparty cannot fulfil its obligations in the agreements against to the Group, The Group monitors the credit risk by ratings and limitations to the total risk of a single counterparty. The credit risk is diversified as a result of the large number of entities comprising the customer bases and the penetration of entities to different business or geographic segments.

In connection with trade receivables arising from credit sales and deposits held in the banks, the Group is exposed to credit risk.

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27. The nature and level of risks arising from financial instruments (Continued)

Credit risk is managed on Group and entity basis, except for credit risk relating to accounts receivable balances. Each entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

The management assesses the credit quality of its customers, taking into account financial position, past experience and other factors. The Group monitors the performance of these financial assets on a regular basis to identify incurred collection losses.

The maximum exposure of the Group's financial assets to credit risk is as follows:

	Bank deposits	Trade receivables	Other receivables
31.12.2024			
Maximum exposure to credit risk (A+B+C+D+E)	2,365,392	5,186,695	--
A. Neither past due nor impaired	2,365,392	4,698,180	--
B. Restructured	--	--	--
C. Past due but not impaired	--	488,515	--
D. Impaired	--	--	--
- Gross amount	--	199,506	--
- Impairment (-)	--	(199,506)	--
- Secured with guarantees	--	--	--
E. Collective provision for impairment (-)	--	--	--
31.12.2023			
Maximum exposure to credit risk (A+B+C+D+E)	1,726,813	6,000,688	813
A. Neither past due nor impaired	1,726,813	5,554,878	813
B. Restructured	--	--	--
C. Past due but not impaired	--	445,810	--
D. Impaired	--	--	--
- Gross amount	--	248,444	--
- Impairment (-)	--	(248,444)	--
- Secured with guarantees	--	--	--
E. Collective provision for impairment (-)	--	--	--

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27. The nature and level of risks arising from financial instruments (Continued)

b. Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Group manages its liquidity needs by regularly planning its cash flows or by maintaining sufficient funds and borrowing sources by matching the maturities of liabilities and assets. Prudent liquidity risk management implies maintaining sufficient cash, securing availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The risk is mitigated by matching the cash in and out flow volume supported by committed lending limits from qualified credit institutions.

The contractual cash flows of the financial liabilities as of the balance sheet dates are as follows:

31.12.2024	Less than 3 months	Between 3-12 months	Between 1-5 years	More than 5 years	Total
Financial liabilities	1,074,947	1,074,947	30,649,763	--	32,799,657
Trade payables	2,631,642	--	--	--	2,631,642
Other liabilities	174,946	699,783	148,356	214,000	1,237,085
	3,881,535	1,774,730	30,798,119	214,000	36,668,384
31.12.2023	Less than 3 months	Between 3-12 months	Between 1-5 years	More than 5 years	Total
Financial liabilities	3,965,028	6,354,960	20,016,257	354,668	30,690,913
Trade payables	3,622,508	--	--	--	3,622,508
Other liabilities	289,995	1,159,988	3,401,588	136,088	4,987,659
	7,877,531	7,514,948	23,417,845	490,756	39,301,080

c. Market risk

Foreign currency risk

The Group monitors its foreign exchange risk by analysing the foreign currency denominated (mainly USD and EUR) assets and liabilities. The Group defines the foreign currency risk as the mismatch between foreign currency denominated assets and liabilities. In order to manage foreign currency risk, the Group uses derivative financial instruments.

The Group's foreign currency risk (exposure) is monitored by the management on a weekly and where necessary on a daily basis. The objective of the management is to limit the open short term exposure under levels determined by the Board of Directors.

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27. The nature and level of risks arising from financial instruments (Continued)

Assets and liabilities denominated in foreign currency held by the Group are as follows:

	31.12.2024		31.12.2023	
Foreign currency assets	2,662,753		542,361	
Foreign currency liabilities	(23,555,509)		(25,032,233)	
Net foreign currency position	(20,892,756)		(24,489,872)	

	31.12.2024		31.12.2023	
	Foreign currency amount	TRY equivalent	Foreign currency amount	TRY equivalent
(Thousands)				
<i>Cash and cash equivalents</i>				
USD	65,110	2,297,100	9,950	422,897
EUR	357	13,115	1,745	82,046
<i>Trade receivables</i>				
EUR	378	13,886	97	3,169
<i>Other assets</i>				
USD	6,220	219,443	25	1,066
EUR	3,245	119,209	537	33,183
Total assets	2,662,753		542,361	
<i>Borrowings</i>				
USD	638,987	22,543,668	203,240	8,638,215
EUR	--	--	267,797	12,594,432
<i>Trade payables</i>				
USD	19,383	685,069	16,981	721,715
EUR	5,150	189,532	1,434	67,436
<i>Other liabilities</i>				
USD	3,890	137,240	--	--
EUR	--	--	64,011	3,010,435
Total liabilities	23,555,509		25,032,233	
Net foreign currency position	(20,892,756)		(24,489,872)	

As of 31 December 2024, if USD and EUR gained/lost 5% against TRY and all other variables remained constant, profit before tax would be TRY 1,044,638 lower/higher as a result of the foreign exchange net foreign exchange difference.

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27. The nature and level of risks arising from financial instruments (Continued)

d. Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities.

The interest position statement is as follows:

Financial instruments with fixed rate	31.12.2024	31.12.2023
Financial assets	9,260,129	6,007,888
Financial liabilities	25,333,097	23,440,468
Financial instruments with floating rate	31.12.2024	31.12.2023
Financial assets	--	824
Financial liabilities	--	9,107,756

Average effective annual interest rates for the Group's financial assets and liabilities (%) are as follows:

	31.12.2024			31.12.2023		
	USD	EUR	TRY	USD	EUR	TRY
Assets						
Cash and cash equivalents	4.31	--	45.51	--	--	25.00
Liabilities						
Borrowings	9.75	--	--	7.45	5.24	38.17

e. Fair value of financial instruments

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methodologies. However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

The following methods and assumptions are used to estimate the fair values of financial instruments:

Financial assets

The carrying values of cash and cash equivalents and trade receivables are assumed to approximate to their fair values due to their short term nature.

Financial liabilities

The fair values of trade payables are assumed to approximate to their carrying values due to their short term nature.

The estimated fair value of debt securities is USD 617 million based on market price as of 31 December 2024 (2023: the estimated fair values of long-term borrowings are assumed to approximate to their carrying values due to their floating interest rate).

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28. Earnings per share

	01.01- 31.12.2024	01.01- 31.12.2023
Profit attributable to equity holders of the parent	3,950,981	8,508,214
Weighted average number of shares	221,996,463	221,996,463
Earnings per share	0.0178	0.0383

29. Events after the reporting period

As disclosed in Note 11, the Company had issued USD 625 million Senior Notes. The Company further issued USD 65 million Senior Notes on 24 March 2025, to be consolidated and form a single series of USD 690 million with the same terms and conditions.

At the Ordinary General Assembly Meeting of Limak Doğu Anadolu Sanayi ve Ticaret A.Ş., a subsidiary of the Group, held on 8 May 2025, it was decided to distribute dividends of TRY 516.18 million (TRY 1.00 per share), TRY 360.25 million to its parent, the Company and TRY 155.93 million to its public shareholders, the non-controlling interest of the Group. Dividends were fully paid by 20 May 2025.

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