

**LİMAK ÇİMENTO SANAYİ
VE TİCARET A.Ş.
CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD
ENDED 31 MARCH 2025**

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
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FOR THE INTERIM PERIOD ENDED 31 MARCH 2025

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LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 MARCH 2025 AND 31 DECEMBER 2024

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

	Notes	31.03.2025	31.12.2024
ASSETS			
Current assets			
Cash and cash equivalents	3	7,360,531	5,137,187
Trade receivables	4	5,419,683	5,655,096
Due from related parties	5	67,013	53,524
Inventories	6	3,660,624	3,297,141
Other current assets	7	528,146	457,998
Total current assets		17,035,997	14,600,946
Non-current assets			
Investment properties	8	22,343,986	22,343,986
Property, plant and equipment	9	32,381,968	31,997,093
Intangible assets	10	595,209	584,217
Deferred tax assets	16	217,684	267,046
Other non-current assets	7	411,857	428,664
Total non-current assets		55,950,704	55,621,006
Total assets		72,986,701	70,221,952

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 31 MARCH 2025 AND 31 DECEMBER 2024

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

	Notes	31.03.2025	31.12.2024
LIABILITIES			
Current liabilities			
Short-term borrowings	11	2,400,447	2,292,916
Trade payables	12	3,693,932	2,896,458
Due to related parties	13	2,866	10,380
Current income tax liabilities	16	219,671	145,541
Other current liabilities	14	936,680	952,370
Total current liabilities		7,253,596	6,297,665
Non-current liabilities			
Long-term borrowings	11	23,639,244	22,519,269
Trade payables	12	221,242	--
Due to related parties	13	149,166	148,885
Provision for employment termination benefits	17	417,400	449,126
Deferred tax liabilities	16	4,816,641	4,633,820
Other non-current liabilities	14	226,699	235,536
Total non-current liabilities		29,470,392	27,986,636
Total liabilities		36,723,988	34,284,301
EQUITY			
Share capital	18	3,115,745	3,115,745
Revaluation surplus		1,181,273	1,181,273
Actuarial losses		(153,528)	(164,854)
Currency translation reserve		13,112	42,989
<u>Retained earnings</u>		30,480,945	30,207,144
Equity attributable to owners of the parent		34,637,547	34,382,297
Non-controlling interests		1,625,166	1,555,354
Total equity		36,262,713	35,937,651
Total liabilities and equity		72,986,701	70,221,952

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE INTERIM PERIODS ENDED 31 MARCH 2025 AND 2024

(Amounts on tables expressed in thousands of Turkish Lira (“TRY”) in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

	Notes	31.03.2025	31.03.2024
Revenue	19	6,539,932	6,857,980
Cost of sales	20	(4,419,187)	(4,839,382)
Gross profit		2,120,745	2,018,598
Marketing, selling and distribution expenses	21	(436,743)	(422,759)
General administrative expenses	22	(495,704)	(376,592)
Other income/(expense), net	24	73,842	(4,115)
Operating profit		1,262,140	1,215,132
Financial income/(expense), net	25	(2,079,377)	(2,762,838)
Net monetary position gain		1,483,067	3,241,107
Profit before income tax		665,830	1,693,401
Taxation on income	16	(323,531)	(396,886)
Profit for the period		342,299	1,296,515
Attributable to:			
Equity holders of the parent		273,801	1,296,515
Non-controlling interests		68,498	--
Earnings per share	28	0.0012	0.0058

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME
FOR THE INTERIM PERIODS ENDED 31 MARCH 2025 AND 2024

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

	31.03.2025	31.03.2024
Profit for the period	342,299	1,296,515
Actuarial gains or losses, net of tax	12,640	(16,113)
Currency translation differences	(29,877)	161,381
Total comprehensive income	325,062	1,441,783
Attributable to:		
Equity holders of the parent	255,250	1,441,783
Non-controlling interests	69,812	--

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LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE INTERIM PERIODS ENDED 31 MARCH 2025 AND 2024

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 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 2024	3,115,745	1,253,553	(167,756)	25,932	24,246,787	28,474,261	(768,187)	27,706,074
Transactions with non-controlling interests (Note 1)	--	(114,682)	20,328	13,964	1,603,287	1,522,897	1,869,423	3,392,320
Total comprehensive income/(loss)	--	--	(16,113)	161,381	1,296,515	1,441,783	--	1,441,783
Balances at 31 March 2024	3,115,745	1,138,871	(163,541)	201,277	27,146,589	31,438,941	1,101,236	32,540,177
Balances at 1 January 2025	3,115,745	1,181,273	(164,854)	42,989	30,207,144	34,382,297	1,555,354	35,937,651
Total comprehensive income/(loss)	--	--	11,326	(29,877)	273,801	255,250	69,812	325,062
Balances at 31 March 2025	3,115,745	1,181,273	(153,528)	13,112	30,480,945	34,637,547	1,625,166	36,262,713

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 31 MARCH 2025 AND 2024

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

	31.03.2025	31.03.2024
Operating activities:		
Profit before income tax	665,830	1,693,401
Adjustment for:		
Depreciation and amortisation	612,102	595,112
Provision for employment termination benefits	37,818	40,549
Provision for doubtful receivables	5,365	999
Gains on sale of fixed assets and scraps	(4,798)	(3,662)
Financial income	(187,960)	(103,500)
Financial expense	2,267,337	2,866,338
Monetary gains	(1,483,067)	(3,241,107)
Cash flows from operating activities before changes in operating assets and liabilities	1,912,627	1,848,130
Changes in operating assets and liabilities:		
Trade receivables	(287,507)	(481,774)
Inventories	(706,863)	(111,262)
Other assets	(154,176)	(894,048)
Trade payables	975,143	300,743
Other liabilities	84,080	835,125
Due from related parties	(17,859)	(22,079)
Due to related parties	(6,565)	(187,505)
Employment termination benefits payments	(13,141)	(15,777)
Cash flows from operating activities	1,785,739	1,271,553
Investing activities:		
Purchases of property, plant and equipment	(675,486)	(299,873)
Advances given for purchase of property, plant and equipment	15,858	--
Proceeds from sales of property, plant and equipment	4,798	6,610
Purchases of intangible assets	(21,728)	(163,123)
Proceeds from initial public offering of the subsidiary	--	3,392,319
Interest received	187,960	103,499
Cash flows from/(used in) investing activities	(488,598)	3,039,432
Financing activities:		
Eurobond issuance	2,479,096	--
Borrowings	--	(3,287,435)
Related party balances	--	334,412
Interest paid	(1,083,213)	(863,283)
Cash flows from/(used in) financing activities	1,395,883	(3,816,306)
Inflation effect on cash and cash equivalents	(469,680)	(252,473)
Net increase in cash and cash equivalents	2,223,344	242,206
Cash and cash equivalents at beginning of year	5,137,187	1,928,520
Cash and cash equivalents at end of the period	7,360,531	2,170,726

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

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2025

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 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:

		31.03.2025	31.12.2024
	Country	Effective interest %	Effective interest %
<u>Subsidiaries</u>			
Limak Doğu Anadolu Çimento Sanayi ve Ticaret A.Ş.	Türkiye	69.79	69.79
Limak Afrika SA	Ivory Coast	100.00	100.00
Limak Cementos 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.	Denmark	100.00	100.00
<u>Joint ventures</u>			
Muğla Yapı Malzemeleri Sanayi ve Ticaret A.Ş.	Türkiye	50.00	50.00

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:

Location	31.03.2025			31.03.2024		
	Capacity	Production	Sales	Capacity	Production	Sales
Kırklareli, Türkiye	2,345	266	260	2,345	326	321
Balıkesir, Türkiye	2,345	136	135	2,345	210	209
Kilis, Türkiye	2,257	635	625	2,257	398	393
Şanlıurfa, Türkiye	2,146	320	317	2,146	393	394
Ankara, Türkiye	1,800	251	249	1,800	340	341
Diyarbakır, Türkiye	1,400	165	164	1,400	137	141
Siirt, Türkiye	1,168	120	122	1,168	112	113
Bitlis, Türkiye	1,000	--	--	1,000	--	--
Abidjan, Ivory Coast	1,000	93	88	1,000	73	73
Mardin, Türkiye	788	61	60	788	46	47
Maputo, Mozambique	700	72	72	700	95	95
Total	16,949	2,119	2,092	16,949	2,130	2,127

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED 31 MARCH 2025

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 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 economics

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.

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(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 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 March 2025. 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 March 2025 are as follows:

Date	Index	Conversion factor	Three-year inflation rate
31 March 2025	2,954.69	1.00000	250%
31 December 2024	2,684.55	1.10063	291%
31 March 2024	2,139.47	1.38104	309%
31 December 2023	1,859.38	1.58907	268%

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 comparative figures for the previous reporting periods have been restated by applying the general price index for the current period, so that the resulting comparative financial statements are presented in terms of the current unit of measurement as of the closing date of the reporting period.

Going concern

The interim 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.

LİMAK ÇİMENTO SANAYİ VE TİCARET A.Ş.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

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

Comparative information

The interim 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 March 2025 comparatively with the consolidated statement of financial position at 31 December 2024. The Group presented the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the interim period ended 31 March 2025 comparatively with the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the interim period ended 31 March 2024.

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 2025:

- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of exchangeability

b) The standards, amendments and interpretations that are issued but not effective as at 31 March 2025:

- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Classification and measurement of financial instruments
- Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures": Contracts referencing nature-dependent electricity
- 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
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures": Eligible entities to elect to apply reduced disclosure requirements

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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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

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 interim 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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FOR THE INTERIM PERIOD ENDED 31 MARCH 2025

(Amounts on tables expressed in thousands of Turkish Lira ("TRY") in terms of purchasing power of the TRY on 31 March 2025 unless otherwise stated.)

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	4-20 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 interim 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

	31.03.2025	31.12.2024
Cash on hand	29,702	2,712
Cash at banks		
- demand deposits	3,353,508	615,321
- time deposits	742,902	1,988,094
Marketable securities (*)	3,202,883	2,495,240
Other	31,536	35,820
	7,360,531	5,137,187

As at 31 March 2025 and 31 December 2024, 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

	31.03.2025	31.12.2024
Customers	4,162,288	4,269,758
Cheques and notes receivables, net	1,447,712	1,604,921
Provision for doubtful receivables and expected credit loss (-)	(190,317)	(219,583)
	5,419,683	5,655,096

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

	01.01- 31.03.2025	01.01- 31.03.2024
Balance at the beginning of the year	219,583	273,446
Provision charge	5,365	999
Collections and reversals	(29,011)	(344)
Monetary gains	(22,140)	(35,736)
Translation differences	16,520	10,783
Balance at the end of the period	190,317	249,148

5. Due from related parties

	31.03.2025	31.12.2024
Limak İnşaat Sanayi ve Ticaret A.Ş.	47,279	36,231
Limçim Çimento Sanayi ve Ticaret A.Ş.	10,592	12,154
Other	9,142	5,139
	67,013	53,524

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6. Inventories

	31.03.2025	31.12.2024
Raw materials	2,618,890	2,755,040
Work in process	868,140	416,469
Finished goods	173,594	125,632
	3,660,624	3,297,141

7. Other assets

Other current assets	31.03.2025	31.12.2024
Prepaid expenses	393,933	245,473
Value added tax receivables	69,763	71,880
Advances given	55,960	120,727
Other	8,490	19,918
	528,146	457,998
Other non-current assets	31.03.2025	31.12.2024
Advances given	391,402	407,260
Deposits and guarantees given	20,455	21,404
	411,857	428,664

8. Investment properties

	01.01- 31.03.2025	01.01- 31.03.2024
Balances at the beginning of the year	22,343,986	22,231,056
Additions	--	--
Disposals	--	--
Change in fair value	--	--
Balances at the end of the period	22,343,986	22,231,056

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

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9. Property, plant and equipment

	01.01.2025	Additions	Disposals	Transfers	Translation differences	31.03.2025
Cost						
Lands	8,705,094	14,507	--	--	1,505	8,721,106
Land improvements	1,895,224	31,681	--	--	3,075	1,929,980
Buildings	7,828,311	9,946	--	36,426	(9,149)	7,865,534
Machinery and equipment	48,290,502	243,714	--	19,920	(19,256)	48,534,880
Motor vehicles	432,164	11,861	(4,713)	--	125	439,437
Fixtures and fittings	1,369,796	50,777	--	--	3,284	1,423,857
Other fixed assets	398,499	--	--	--	--	398,499
Construction in progress	1,076,170	621,390	--	(56,346)	(114)	1,641,100
	69,995,760	983,876	(4,713)	--	(20,530)	70,954,393
Accumulated depreciation						
Land improvements	(1,313,280)	(20,102)	--	--	(684)	(1,334,066)
Buildings	(3,965,956)	(50,826)	--	--	5,008	(4,011,774)
Machinery and equipment	(31,430,793)	(474,682)	--	--	17,526	(31,887,949)
Motor vehicles	(259,845)	(25,809)	4,713	--	(184)	(281,125)
Fixtures and fittings	(919,493)	(16,845)	--	--	(1,287)	(937,625)
Other fixed assets	(109,300)	(13,102)	--	--	2,516	(119,886)
	(37,998,667)	(601,366)	4,713	--	22,895	(38,572,425)
Net book value	31,997,093					32,381,968

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9. Property, plant and equipment (Continued)

	01.01.2024	Additions	Disposals	Transfers	Translation differences	31.03.2024
Cost						
Lands	8,644,518	8,013	(2,949)	--	--	8,649,582
Land improvements	1,902,803	210	--	6,499	(21,076)	1,888,436
Buildings	7,752,953	112	--	10,249	(68,575)	7,694,739
Machinery and equipment	47,660,325	37,135	--	153,663	(114,459)	47,736,664
Motor vehicles	370,382	23,208	--	--	(50,524)	343,066
Fixtures and fittings	1,438,668	12,345	--	--	(159,351)	1,291,662
Other fixed assets	109,330	--	--	--	(76)	109,254
Construction in progress	926,982	218,850	--	(170,411)	(4,774)	970,647
	68,805,961	299,873	(2,949)	--	(418,835)	68,684,050
Accumulated depreciation						
Land improvements	(1,256,125)	(20,862)	--	--	7,394	(1,269,593)
Buildings	(3,842,380)	(46,535)	--	--	18,424	(3,870,491)
Machinery and equipment	(29,824,141)	(478,266)	--	--	104,978	(30,197,429)
Motor vehicles	(179,469)	(27,113)	--	--	3,682	(202,900)
Fixtures and fittings	(923,225)	(14,471)	--	--	18,133	(919,563)
Other fixed assets	(92,626)	(52)	--	--	15	(92,663)
	(36,117,966)	(587,299)	--	--	152,626	(36,552,639)
Net book value	32,687,995					32,131,411

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10. Intangible assets

	31.03.2025	31.03.2024
Cost	905,297	524,610
Accumulated amortisation	(321,080)	(269,960)
Opening net book value	584,217	254,650
Additions	21,728	163,262
Amortisation	(10,736)	(7,813)
Cost	927,025	687,872
Accumulated amortisation	(331,816)	(277,773)
Closing net book value	595,209	410,099

11. Borrowings

Short-term borrowings	31.03.2025	31.12.2024
Debt securities	2,400,447	2,292,916
	2,400,447	2,292,916
Long-term borrowings	31.03.2025	31.12.2024
Debt securities	23,639,244	22,519,269
	23,639,244	22,519,269
The redemption schedule of the long-term borrowings:		
	31.03.2025	31.12.2024
2026	2,171,598	2,073,793
2027	1,964,565	1,875,610
2028	1,776,783	1,696,140
2029	17,726,298	16,873,726
	23,639,244	22,519,269

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 and 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. 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 11,38 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

Current	31.03.2025	31.12.2024
Suppliers	3,693,932	2,896,458
	3,693,932	2,896,458
Non-current	31.03.2025	31.12.2024
Suppliers	221,242	--
	221,242	--

13. Due to related parties

Current	31.03.2025	31.12.2024
Limak İnşaat Sanayi ve Ticaret A.Ş.	2,812	5,428
Limyra Turizm İnşaat ve Ticaret A.Ş.	--	4,892
Other	54	60
	2,866	10,380
Non-current	31.03.2025	31.12.2024
Limak Holding A.Ş.	149,166	148,885
	149,166	148,885

14. Other liabilities

Other current liabilities	31.03.2025	31.12.2024
Taxes and duties payable	359,086	257,677
Advances received	213,100	393,135
Due to personnel	141,091	73,715
Unused vacation accruals	76,311	73,488
Lease liabilities	18,033	55,846
Other	129,059	98,509
	936,680	952,370
Other non-current liabilities	31.03.2025	31.12.2024
Mine rehabilitation obligations	138,655	135,498
Lease liabilities	88,044	100,038
	226,699	235,536

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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	31.03.2025	31.12.2024
Letters of guarantee	4,354,136	4,332,919
Cheques and notes	311,694	320,921
Mortgages	80,907	93,011
Guarantees given	31.03.2025	31.12.2024
Letters of guarantee	588,277	603,394

16. Taxation on income

Current income tax liabilities	31.03.2025	31.12.2024
Corporate and income taxes payable	448,147	447,149
Less: Prepaid taxes (-)	(228,476)	(301,608)
	219,671	145,541

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 interim 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 taxed 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- 31.03.2025	01.01- 31.03.2024
Taxation on income		
Current tax expense	(95,561)	(53,416)
Deferred tax income expense	(227,970)	(343,470)
	(323,531)	(396,886)
	31.03.2025	31.12.2024
Deferred tax assets	217,684	267,046
Deferred tax liabilities	(4,816,641)	(4,633,820)
Deferred tax assets/(liabilities), net	(4,598,957)	(4,366,774)

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- 31.03.2025	01.01- 31.03.2024
Balance at the beginning of the year	(4,366,774)	(1,981,070)
Recognised in statement of profit or loss	(227,970)	(343,470)
Recognised in statement of other comprehensive income	(4,213)	(7,954)
Balance at the end of the period	(4,598,957)	(2,332,494)

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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:

	31.03.2025	31.12.2024		
	Cumulative temporary differences	Deferred tax	Cumulative temporary differences	Deferred tax
Carry forward tax losses	558,389	139,597	510,706	127,676
Tax credits over finance costs	755,216	188,804	886,622	221,655
Property, plant and equipment	1,273,372	318,343	1,836,795	459,198
Investment properties	(22,047,401)	(5,511,850)	(22,039,558)	(5,509,890)
Intangible assets	851,411	193,055	1,123,567	259,354
Provision for employment termination benefits	398,003	99,501	429,044	107,262
Other	(105,618)	(26,407)	(128,123)	(32,029)
Deferred tax, net		(4,598,957)		(4,366,774)

Carry forward 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:

	31.03.2025	31.12.2024
2027	409,674	409,674
2028	54,339	54,339
2029	94,376	--
Statutory amounts	558,389	464,013
<u>Inflation effect</u>	--	46,693
Indexed amounts	558,389	510,706

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17. Provision for employment termination benefits

	31.03.2025	31.12.2024
Provision for employee termination benefits	417,400	449,126
	417,400	449,126

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 March 2025, the amount payable consists of one month's salary limited to a maximum TRY 46.66 (31 December 2024: TRY 41.83) 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:

	31.03.2025	31.12.2024
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- 31.03.2025	01.01- 31.03.2024
Balance at the beginning of the year	449,126	386,773
Additions	37,818	40,549
Payments	(13,141)	(15,777)
Actuarial gains or losses	(16,853)	21,484
Monetary gains	(41,523)	(51,488)
Translation differences	1,973	(2,328)
Balance at the end of the period	417,400	379,213

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18. Equity

Share capital

The shareholding structure of the Company is as follows:

	31.03.2025	31.12.2024		
	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	2,893,748		2,893,748	
 Total share capital	 3,115,745	 100.00	 3,115,745	 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- 31.03.2025	01.01- 31.03.2024
Domestic sales	6,464,184	6,774,264
Export sales	75,748	83,716
	6,539,932	6,857,980

The detail of revenue is summarised as follows:

	01.01- 31.03.2025	01.01- 31.03.2024
Cement	5,519,952	5,819,537
Ready mixed concrete (*)	940,695	956,050
Other	79,285	82,393
	6,539,932	6,857,980

(*) 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- 31.03.2025	01.01- 31.03.2024
Kilis, Türkiye	1,559,602	931,375
Şanlıurfa, Türkiye	830,007	1,003,268
Kırklareli, Türkiye	622,587	819,442
Ankara, Türkiye	572,106	826,056
Diyarbakır, Türkiye	456,764	359,332
Siirt, Türkiye	351,272	334,713
Balıkesir, Türkiye	333,485	624,355
Abidjan, Ivory Coast	326,349	342,578
Maputo, Mozambique	296,496	447,216
Mardin, Türkiye	171,284	130,612
Bitlis, Türkiye	--	590
	5,519,952	5,819,537

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20. Cost of sales

	01.01- 31.03.2025	01.01- 31.03.2024
Direct material cost	2,210,189	1,475,961
Direct labour cost	377,472	336,187
General production overhead	1,714,867	2,208,869
Depreciation and amortisation	590,502	577,796
Cost of production	4,893,030	4,598,813
Changes in work in process	(451,671)	137,982
Changes in finished goods	(47,962)	23,040
Cost of goods sold	(499,633)	161,022
Cost of merchandises sold	2,525	31,909
Cost of other sales	23,265	47,638
	4,419,187	4,839,382

21. Marketing, selling and distribution expenses

	01.01- 31.03.2025	01.01- 31.03.2024
Transportation and packaging expenses	330,725	319,152
Employee benefits expense	50,025	39,621
Depreciation and amortisation expenses	17,218	12,139
Other	38,775	51,847
	436,743	422,759

22. General administrative expenses

	01.01- 31.03.2025	01.01- 31.03.2024
Employee benefits expense	324,021	254,265
Consultancy expenses	28,989	23,804
Repair and maintenance expenses	24,529	15,046
Utilities	17,970	16,287
Taxes and duties	13,546	30,837
Depreciation and amortisation expenses	4,382	5,177
Other	82,267	31,176
	495,704	376,592

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23. Expenses by nature

	01.01- 31.03.2025	01.01- 31.03.2024
Depreciation and amortisation		
Cost of sales	590,502	577,796
Marketing, selling and distribution expenses	17,218	12,139
General administrative expenses	4,382	5,177
	612,102	595,112
Employee benefits expense		
Cost of sales	377,472	336,187
Marketing, selling and distribution expenses	50,025	39,621
General administrative expenses	324,021	254,265
	751,518	630,073

24. Other income/(expense), net

	01.01- 31.03.2025	01.01- 31.03.2024
Provisions no longer required for doubtful receivables	29,011	344
Gains on sale of fixed assets and scraps	4,798	3,662
Provision charges and expected credit loss	(5,365)	(999)
Donations	(1,297)	(3,140)
Other	46,695	(3,982)
	73,842	(4,115)

25. Financial income/(expense), net

	01.01- 31.03.2025	01.01- 31.03.2024
Interest income	187,960	103,500
Interest expenses	(657,825)	(923,697)
Foreign exchange gains/(losses), net	(1,518,090)	(1,700,520)
Other	(91,422)	(242,121)
	(2,079,377)	(2,762,838)

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26. Related party disclosures

Transactions to related parties

	01.01- 31.03.2025	01.01- 31.03.2024
Sales		
Limak İnşaat Sanayi ve Ticaret A.Ş.	11,800	18,256
Limak İskenderun Uluslararası Liman İşletmeciliği A.Ş.	5,689	--
Other	447	1,451
	17,936	19,707
Electricity purchases		
Limak Enerji Ticareti A.Ş.	--	433,900
	--	433,900
Service purchases		
Limçim Çimento Sanayi ve Ticaret A.Ş.	6,255	75,624
Limak İnşaat Sanayi ve Ticaret A.Ş.	1,340	54
Other	135	849
	7,730	76,527
Other purchases		
Limak İnşaat Sanayi ve Ticaret A.Ş.	7,227	--
	7,227	--

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- 31.03.2025	01.01- 31.03.2024
Short-term compensation	65,068	39,570
	65,068	39,570

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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:

	31.03.2025	31.12.2024
Borrowings	26,039,691	24,812,185
Less: Cash and cash equivalents	(7,360,531)	(5,137,187)
Net financial debt	18,679,160	19,674,998
Total equity	36,262,713	35,937,651
Total capital	54,941,873	55,612,649
Debt to capital ratio	34.00%	35.38%

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:

31.03.2025	Bank deposits	Trade receivables	Other receivables
Maximum exposure to credit risk (A+B+C+D+E)	4,096,410	5,486,696	--
A. Neither past due nor impaired	4,096,410	4,894,331	--
B. Restructured	--	--	--
C. Past due but not impaired	--	592,365	--
D. Impaired	--	--	--
- Gross amount	--	190,317	--
- Impairment (-)	--	(190,317)	--
- Secured with guarantees	--	--	--
E. Collective provision for impairment (-)	--	--	--
31.12.2024	Bank deposits	Trade receivables	Other receivables
Maximum exposure to credit risk (A+B+C+D+E)	2,603,415	5,708,620	--
A. Neither past due nor impaired	2,603,415	5,170,947	--
B. Restructured	--	--	--
C. Past due but not impaired	--	537,673	--
D. Impaired	--	--	--
- Gross amount	--	219,583	--
- Impairment (-)	--	(219,583)	--
- 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:

31.03.2025	Less than 3 months	Between 3-12 months	Between 1-5 years	More than 5 years	Total
Financial liabilities	--	2,540,681	34,950,647	--	37,491,328
Trade payables	3,693,932	--	221,242	--	3,915,174
Other liabilities	187,909	751,637	163,576	226,699	1,329,821
	3,881,841	3,292,318	35,335,465	226,699	42,736,323

31.12.2024	Less than 3 months	Between 3-12 months	Between 1-5 years	More than 5 years	Total
Financial liabilities	1,183,116	1,183,116	33,733,978	--	36,100,210
Trade payables	2,896,458	--	--	--	2,896,458
Other liabilities	192,550	770,200	163,286	235,536	1,361,572
	4,272,124	1,953,316	33,897,264	235,536	40,358,240

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:

	31.03.2025	31.12.2024		
	Foreign currency amount	TRY equivalent	Foreign currency amount	TRY equivalent
Foreign currency assets	6,136,148	2,930,700		
Foreign currency liabilities	(27,939,396)	(25,925,845)		
Net foreign currency position	(21,803,248)	(22,995,145)		
	31.03.2025	31.12.2024		
(Thousands)	Foreign currency amount	TRY equivalent	Foreign currency amount	TRY equivalent
<i>Cash and cash equivalents</i>				
USD	153,264	5,788,107	65,110	2,528,252
EUR	974	39,644	357	14,435
<i>Trade receivables</i>				
EUR	276	11,234	378	15,283
<i>Other assets</i>				
USD	5,656	213,602	6,220	241,525
EUR	2,053	83,561	3,245	131,205
Total assets	6,136,148		2,930,700	
<i>Borrowings</i>				
USD	689,508	26,039,691	638,987	24,812,185
<i>Trade payables</i>				
USD	37,692	1,426,028	19,383	754,006
EUR	7,280	296,844	5,150	208,604
<i>Other liabilities</i>				
USD	4,342	164,274	3,890	151,050
EUR	308	12,559	--	--
Total liabilities	27,939,396		25,925,845	
Net foreign currency position	(21,803,248)		(22,995,145)	

As of 31 March 2025, if USD and EUR gained/lost 5% against TRY and all other variables remained constant, profit before tax would be TRY 1,090,162 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	31.03.2025	31.12.2024
	USD	TRY
Financial assets	8,405,388	10,191,955
Financial liabilities	30,121,308	27,882,307

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

	31.03.2025	31.12.2024
	USD	TRY
Assets		
Cash and cash equivalents	4.23	40.86
Liabilities		
Financial liabilities	9.75	--
	9.75	9.75
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 684 million based on market price as of 31 March 2025 (31 December 2024: USD 617 million).

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28. Earnings per share

	01.01- 31.03.2025	01.01- 31.03.2024
Profit attributable to equity holders of the parent	273,801	1,296,515
<u>Weighted average number of shares</u>	<u>221,996,463</u>	<u>221,996,463</u>
Earnings per share	0.0012	0.0058

29. Events after the reporting period

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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