

The image is a cover for a report. It features a large, stylized logo at the top right that reads "BATICIM" in a bold, blue, sans-serif font. The letter "A" is white and set against a blue square background. The rest of the letters are blue. Below the logo, there is a photograph of an industrial facility, likely a cement plant, at night. The facility is illuminated with warm yellow lights, and its various structures, including tall silos and conveyor systems, are visible. In the background, a city with many lights is visible, and beyond that, dark hills under a twilight sky. The entire image is framed by large, sweeping, curved shapes in shades of orange and dark blue, which create a dynamic, modern feel. The overall composition is balanced and visually appealing, with a clear focus on the company's industrial operations.

# BATICIM

ACTIVITY REPORT

# 2024



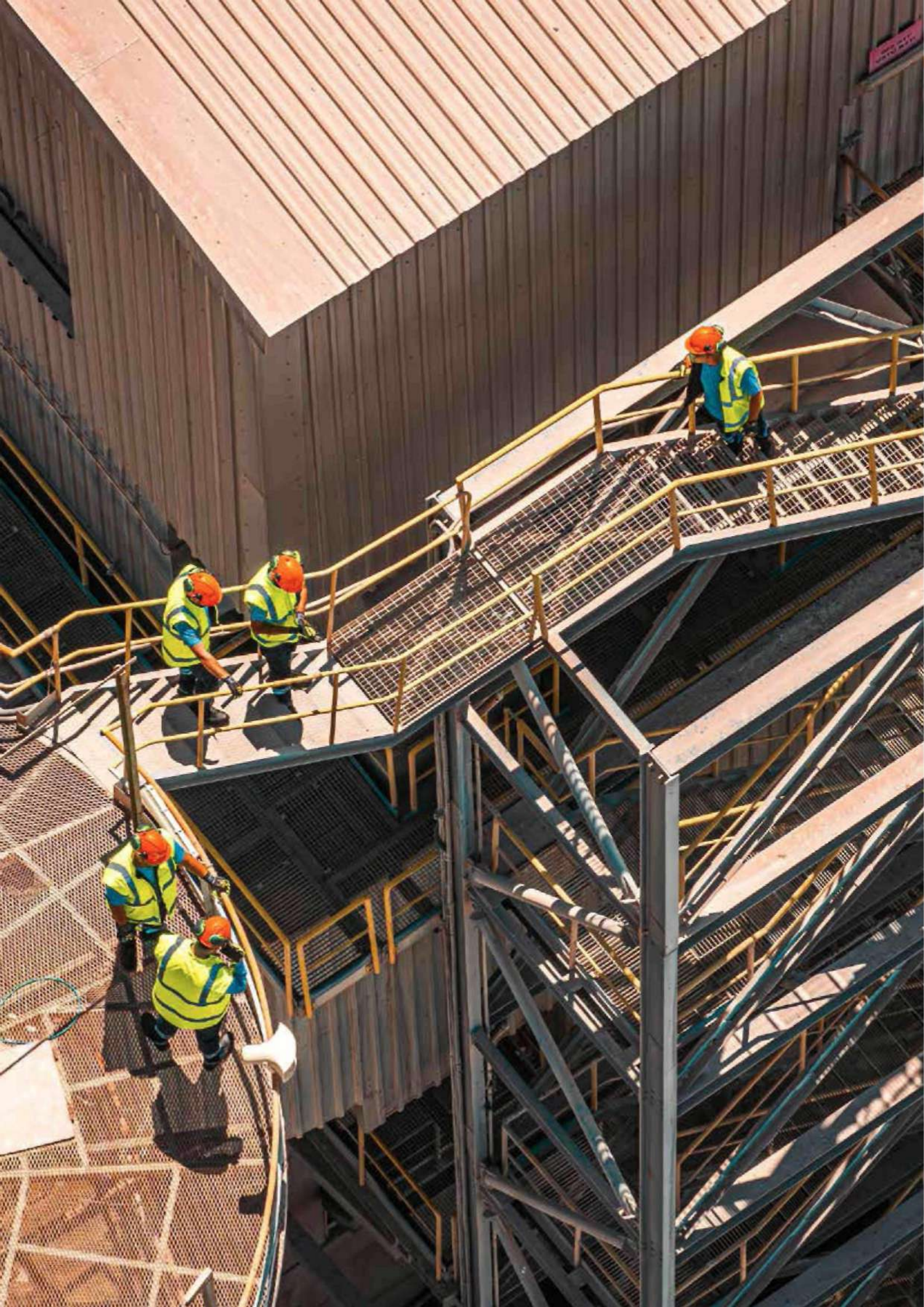


# BATIÇİM

## ACTIVITY REPORT 2024

GROUP A SHAREHOLDERS SPECIAL GENERAL ASSEMBLY MEETING//18 June 2025 time: 13:00  
ORDINARY GENERAL ASSEMBLY MEETING//18 June 2025 Time: 13:30





#### BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ ANONİM ŞİRKETİ AGENDA OF THE SPECIAL GENERAL ASSEMBLY MEETING OF GROUP A SHAREHOLDERS

1. Authorizing the opening, the formation of the Presidential Council and the signing of the General Assembly Meeting Minutes by the Presidential Council,
2. Submission of the membership of Coşkun Kılıç, who was appointed as a member of the board of directors vacated in accordance with Article 363 of the Turkish Commercial Code with the decision of the Board of Directors of the Company dated 18 December 2024, for the approval of the General Assembly of Group A Shareholders,
3. Increasing the registered capital ceiling of our Company from 800.000.000,00 (eight hundred million) Turkish Liras to 10.000.000.000,00 (ten billion) Turkish Liras to be valid between 2025-2029 and Amendment of the article in this direction.

#### BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ ANONİM ŞİRKETİ ORDINARY GENERAL ASSEMBLY MEETING AGENDA

1. Authorizing the opening, the formation of the Presidential Council and the signing of the General Assembly Meeting Minutes by the Presidential Council,
2. Reading, discussing and approving the company's balance sheet and profit and loss accounts for 2024 with the Activity Report of the Board of Directors and the reports of the Independent External Audit Agency,
3. Presentation of information about related party transactions,
4. Presentation of information about donations and aids made in 2024,
5. Information about the guarantees, pledges, mortgages given by the company in favor of third parties and the income or benefits obtained,
6. The members of the Board of Directors are acquitted separately for their activities, accounts and all kinds of other disposals in 2024,
7. Deciding on the fee to be paid to the Members of the Board of Directors,
8. Submission of the membership of Coşkun Kılıç, who was appointed to the vacated membership of the board of directors in accordance with Article 363 of the Turkish Commercial Code with the decision of the Board of Directors of the Company dated 18 December 2024
9. Negotiating and taking decisions about the submission and approval of information about our company's Donation Policy and Information Policy,
10. Deciding about the upper limit of donations to be made in 2025,
11. Discussing the proposal of the Board of Directors on profit distribution and taking decisions,
12. Selection of the Independent External Audit Agency for the audit of our company's accounts and financial statements for 2025,
13. Allowing the Members of the Board of Directors in accordance with Articles 395 and 396 of the Turkish Commercial Code,
14. Approval of the deduction of the losses of previous years amounting to 1.754.516.534,04 Turkish Liras after the inflation correction as of 30 June 2024, carried out in accordance with the decision of the Board of Directors of our Company dated 17 December 2024 and numbered 1555, and the deduction of the part of the losses of the previous year that cannot be covered from the extraordinary reserves from the period profit,
15. Increasing the registered capital ceiling of our Company from 800.000.000,00 (eight hundred million) Turkish Liras to 10.000.000.000,00 (ten billion) Turkish Liras to be valid between 2025-2029 and Amendment of the article 6th "Capital of the Company" of articles of association of our company in this direction.
16. Wishes and suggestions.



## INDEPENDENT AUDITOR 'S REPORT ON THE ANNUAL ACTIVITY REPORT OF THE BOARD OF DIRECTORS

### Batıçım Batı Anadolu Çimento Sanayii A.Ş. To the General Assembly

#### 1) Limited Positive Opinion

Since we have audited the full set of consolidated financial statements of Batıçım Batı Anadolu Çimento Sanayii A.Ş. ("the Company") and its subsidiaries ("the Group") for the period January 1, 2024 - December 31, 2024, we have also audited the annual activity report for this period.

In our opinion, except for the matter specified in the Basis of Limited Positive Opinion section, the financial information included in the annual activity report of the board of directors and the examinations made by the Board of Directors about the status of the Group are consistent in all important respects with the full set of consolidated financial statements audited and the information we obtained during the independent audit and reflect the truth.

#### 2) Basis for Limited Positive Opinion

It is necessary to evaluate whether there is an impairment of the Group's tangible and intangible fixed assets in accordance with the TAS 36 "Impairment of Assets" standard.

Studies on the determination of the recoverable amounts of intangible assets subject to the concession with a net book value of 1.036.631 M TL of the Kovada I and Kovada II hydroelectric power plants owned by Batıçım Enerji Elektrik Üretim A.Ş., one of the subsidiaries of the Group, continue as of the date of this report. Therefore, it has not been determined whether any adjustment is required about the possible effect of the adjustments that may be deemed necessary as a result of the comparison of the recoverable amounts of these assets with the indexed cost value on the attached consolidated financial statements, including the deferred tax effect.

The independent audit we conducted was carried out in accordance with the Independent Auditing Standards (IASs), which are part of the Turkish Auditing Standards adopted within the framework of the regulations of the Capital Markets Board and published by the Public Oversight, Accounting and Auditing Standards Authority (POA). Our responsibilities under these Standards are explained in detail in the Responsibilities of the Independent Auditor for the Independent Audit of the Annual Activity Report of our report. We declare that we are independent of the Company in accordance with the Code of Ethics for Independent Auditors (Ethical Rules) published by the POA and the ethical provisions regarding independent auditing in the legislation of the Capital Markets Board and other relevant legislation. Other responsibilities related to ethics within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the independent audit evidence we obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

#### 3) Our Auditor's Opinion on Full Set Financial Statements

We have expressed a limited positive opinion in our auditor's report dated 11 April 2025 on the Company's full set of financial statements for the 1 January 2024 31 December 2024 accounting period.

#### 4) Other Issues

The independent audit of the annual activity report of the Board of Directors of the company for the year ended 31 December 2023 was carried out by another independent audit company. The previous independent audit company gave a positive opinion in the independent audit report dated 20 May 2024 regarding the annual activity report of the Board of Directors of the Company for 2023.

#### 5) Responsibility of the Board of Directors for the Annual Activity Report

The company management is responsible for the following in relation to the annual activity report in accordance with Articles 514 and 516 of the Turkish Commercial Code (TCC) No. 6102 and the Communiqué of the Capital Markets Board ("CMB") No. II-14. 1 "Communiqué on Financial Reporting in the Capital Markets" ("Communiqué"):

- a) It prepares the annual activity report within the first three months following the balance sheet day and submits it to the general assembly.
- b) It prepares the annual activity report in a way that reflects the flow of the group's activities for that year and its financial situation in all aspects in an accurate, complete, straightforward, truthful and honest manner. In this report, the financial position is evaluated according to the financial statements. The report also clearly indicates the development of the company and the risks it is likely to face. The evaluation of the board of directors regarding these issues is also included in the report.
- c) The activity report also includes the following:
  - Events of special importance that occur in the Company after the end of the operating year,
  - Research and development activities of the Company,
  - Financial benefits such as wages, premiums, bonuses, allowances, travel, accommodation and representation expenses, in-kind and cash facilities, insurances and similar guarantees paid to the members of the Board of Directors and senior managers.

The board of directors also takes into account the secondary legislation regulations made by the Ministry of Trade and the relevant institutions while preparing the activity report.

#### 6) Responsibility of the Independent Auditor for the Independent Audit of the Annual Activity Report

Our aim is to give an opinion about whether the financial information included in the annual activity report within the framework of the provisions of the TCC and the Communiqué and the examinations made by the Board of Directors are consistent with the audited financial statements of the Company and the information we obtained during the independent audit and whether it reflects the truth and to prepare a report containing this opinion.

The independent audit we conducted was carried out in accordance with the regulations of the Capital Markets Board and the IASs. These standards require that the independent audit is planned and carried out in order to obtain reasonable assurance whether the financial information in the activity report and the examinations made by the Board of Directors are consistent with the financial statements and the information obtained during the audit and whether it reflects the truth.

Özgür Öney is the responsible auditor who carried out and concluded this independent audit. DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş. Member of **DELOITTE TOUCHE TOHMATSU LIMITED**

Özgür Öney, CPA  
Responsible Auditor Izmir, 11 April 2025

# INFORMATION STIPULATED BY THE CAPITAL MARKETS BOARD

## A-General Information

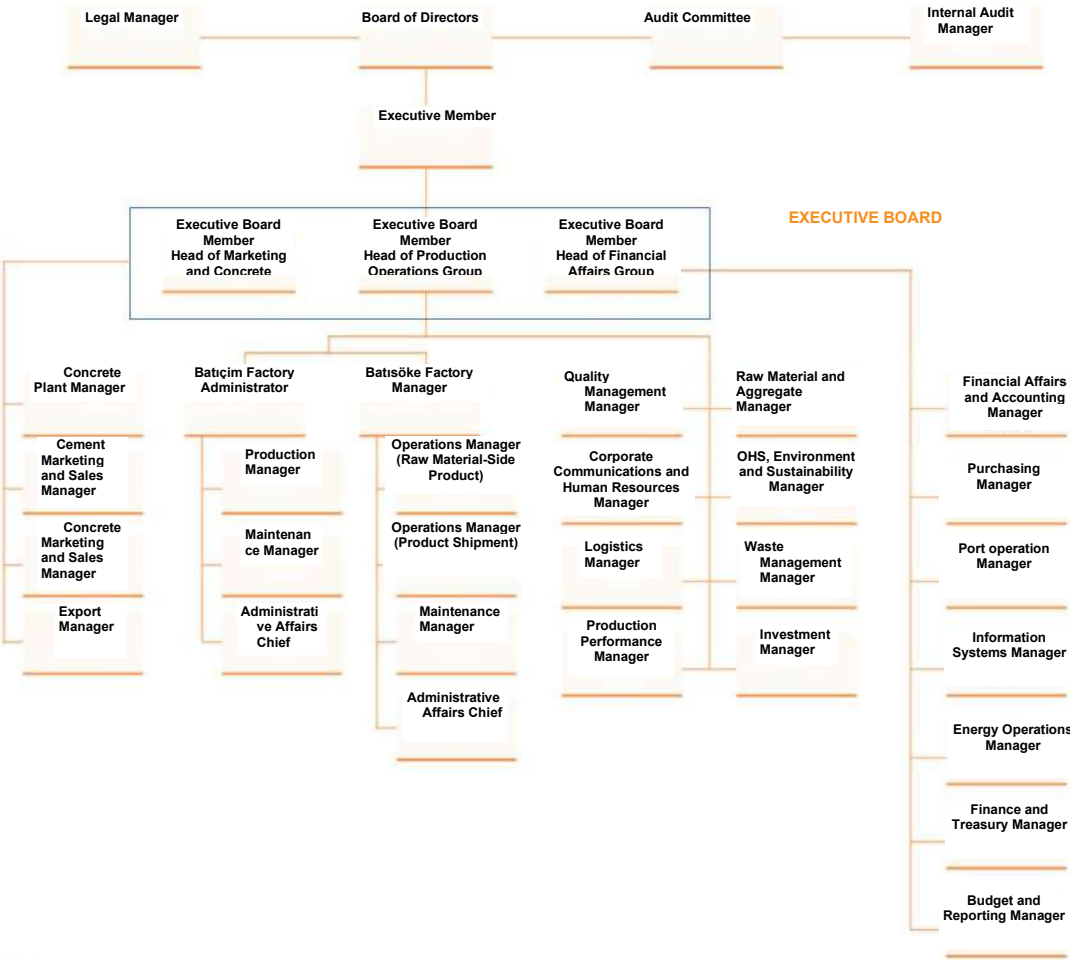
### 1-Reporting Period

01.01.2024 – 31.12.2024

### 2-

Trade Name	:	Batıçım Batı Anadolu Çimento Sanayii A.Ş.
Trade Registry Number	:	5744/K-5900 (Central Registration System No: 0150001414500012)
Contact details	:	
Headquarters (Factory)	:	Ankara Caddesi No: 335 Bornova-İZMİR
Telephone	:	0 232 478 44 00
Fax	:	0 232 478 44 44
E-Mail	:	<a href="mailto:info@baticim.com.tr">info@baticim.com.tr</a>
Website address	:	<a href="http://www.baticim.com.tr">www.baticim.com.tr</a>

### 3-Organizational Structure of the Company



### 4-Shareholder Structure, Capital Distribution and Privileged Shares

The company is subject to the registered capital system. The registered capital of the Company is 800.000.000 TL as of 31 December 2024 and this capital is divided into 80.000.000.000 shares with a nominal value of 1 kuruş each.

The amount of 48.000,00 TL of the company shares is written to the Group A bearer. The remaining shares are in Group B bearer writing. 1 Company share has a nominal value of 0.01 TL. The issued capital of the Company is 18.000.000.000 shares with a nominal value of 1 (one) kuruş each and is worth 180.000.000 TL.

The capital of the Company consists of Group A and Group B shares. All of the company shares are bearer shares.

The shareholding structure of the company as of 31 December 2024 and 31 December 2023 is presented below.

Shareholding Structure	Share Rate (%)	31 December 2024	Share Rate (%)	31 December 2023
		Nominal Value (TL)		Nominal Value (TL)
Çiftay İnşaat Taahhüt ve Tic. A.Ş.	39,72	71.502.868,14	45,43	81,769,226,09
İstanbul Portföy Yönetimi A.Ş. Pre-IPO Venture Capital Investment Fund	11,96	21.534.239,93	12	21.594.239,93
İstanbul Portfolio Second Hedge Fund	6,75	12.141.297	5,5	9.891.300
KTLP Limited	5,7	10.266.357,95	-	-
Other	35,87	64.555.236,98	37,07	66.745.233,98
Total	100	180.000.000	100	180.000.000

Group A shareholders have the following privileges according to the articles of association of the company:

- All members of the Board of Directors shall be elected from among the candidates to be determined by a majority of the shareholders holding A group bearer shares.
- Each Group A share in the General Assembly meetings gives its owner 15 (Fifteen) voting rights.
- Without prejudice to the first dividend, 10% of the pure profit is distributed to the group A shareholders in proportion to their shares.
- In order to amend Articles 7 (except paragraph 1 specifying the number of members of the Board of Directors), 8, 9, 10, 15, 18, 19, 24, 25, 27 of the Articles of Association, to decide on the termination of the Company, to increase the Company's capital by issuing more Group A bearer or new Group A registered shares than the number written in Article 6 of the Articles of Association, to change the types, groups or numbers of Group A bearer shares, to convert the registered or bearer shares of Group B bearer or registered shares or any other group to be issued from now on into Group A shares or to be replaced with Group A registered or bearer shares, at least 3/4 (three-fourths) positive votes of the shareholders holding Group A bearer shares must be cast in the decisions to be taken from the General Assembly.

The Group A (Privileged) shares of the company as of 31 December 2024 are presented below.

Group	Registered / Bearer	Nominal Value of Each Share (TL)	Total Nominal Value (TL)	Capital Ratio (%)	Concession Type	Whether it is traded on the stock exchange
A	Bearer	0,01	48.000,00	0,001	Concession in the election of members in the Board of Directors, about the vote and profit share	[Illegible]

## 5 Information on the Board of Directors, Senior Managers and Number of Staff

Members of the Board of Directors are elected within the framework of the provisions of the Articles of Association of our Company in accordance with the Turkish Commercial Code and related regulations.

Board of Directors	Position	Whether or not an Independent Board Member
Sabit AYDIN	Chairman of the Board	Not an Independent Member
Gülant CANDAS	Vice Chairman of the Board of Directors	Not an Independent Member
Ömer Çağdaş SELVİ	Executive Board Member	Not an Independent Member
COŞKUN KILIÇ	Member of the Board of Directors (as of 18.12.2024)	Not an Independent Member
Ufuk Bala YÜCEL	Independent Member of the Board of Directors	Independent Member
Mehmet ŞAHNE	Independent Member of the Board of Directors (as of 02.07.2024)	Independent Member
Enis Turan ERDOĞAN	Independent Member of the Board of Directors (as of 27.09.2024)	Independent Member
Erdoğan GÖĞEN	Member of the Board of Directors (until 18.12.2024)	Not an Independent Member
Mustafa Teoman GÜRGAN	Independent Member of the Board of Directors (until 26.09.2024)	Independent Member
ŞÜKRÜ Serdar BAĞCIOĞLU	Independent Member of the Board of Directors (until 02.07.2024)	Independent Member

### Changes in the Board of Directors During the Period

At the Ordinary General Assembly Meeting of the Company dated 02.07.2024, for year of 2023 it has been decided that for a period of 3 years, Mr. Sabit AYDIN, Mr. Gülant CANDAS, Mr. Ömer Çağdaş SELVİ and Mr. Erdoğan GÖĞEN to be elected as members of the Board of Directors and Mr. Mehmet ŞAHNE, Mr. Ufuk Bala YÜCEL and Mr. Mustafa Teoman GÜRGAN as Independent Board Members.

At the Board of Directors Meeting of the Company dated 27.09.2024 it has been decided to elect Mr. Enis Turan as an Independent Board member who is going to be appointed instead of Mr. Mustafa Teoman GÜRGAN who quited as of 26.09.2024. At the Extraordinary General Assembly meeting held on 31.10.2024, Mr. Enis Turan ERDOĞAN has been accepted as an Independent Board Member.

At the Board of Directors Meeting of the Company dated 18.12.2024 it has been decided to elect Mr. COŞKUN KILIÇ as an Independent Board member who is going to be appointed instead of Mr. Erdoğan GÖĞEN who quited as of 18.12.2024.

### Duties and Powers of Board Members

No changes have been made within the period regarding the duties and powers of the members of the Board of Directors.

The Chairman and Members of the Board of Directors have the duties and powers specified in the relevant articles of the Turkish Commercial Code and the Articles of Association of the Company.

### Information on the Duties of Board Members and Managers Outside the Company and Declarations on the Independence of Board Members

Information on the Duties of the Board of Directors Member representatives and Managers Outside the Company is included in the Corporate Governance principles Compliance Report.

### Number of Meetings of the Board of Directors during the Year and Participation Status of the Members of the Board of Directors in the Meetings in Question

The Board of Directors has met 38 times as of 01.01.2024-31.12.2024. The members of the Board of Directors participated in the meetings on a regular basis.

### Evaluation of the Board of Directors on the Efficiency of the Committees and Working Principles, including the Committee Members of the Board of Directors Committees, the Frequency of Meetings, the Activities Carried Out

Within the body of the Board of Directors, the Audit Committee for the period 01.01. 2024- 31.12.2024 has met 4 times, the Corporate Governance Committee 3 times and the Early Risk Detection Committee 6 times. The members of the Board of Directors participated in the meetings on a regular basis. Working instructions for the committees are available on the website [www.baticim.com.tr](http://www.baticim.com.tr).

Within the scope of healthy fulfillment of its duties and responsibilities and compliance with Corporate Governance principles, the Board of Directors of the Company has established the Audit Committee, Corporate Governance Committee and Early Risk Detection Committees and has published the operating principles of the committees on its website. Within the framework of the Corporate Governance Communiqué of the Capital Markets Board, the authority, duty and responsibility for the fulfillment of the duties stipulated for the Nomination Committee and the Wage Committee are also given to the Corporate Governance Committee.

Committee	Position	Name Surname	Qualification	Meeting Frequency
Audit Committee	Chairman of the Committee	Ufuk Bala YÜCEL	Independent Member	At least four times a year, at least once every 3 months.
	Committee Member	Mehmet ŞAHNE	Independent Member	
Corporate Governance Committee	Chairman of the Committee	Enis Turan ERDOĞAN	Independent Member	At least once a year.
	Committee Member	Mehmet ŞAHNE	Independent Member	
	Investor Relations Department	Emir VURAL	Budget and Reporting Manager	
Early Risk Detection Committee	Chairman of the Committee	Mehmet ŞAHNE	Independent Member	At least six times a year, once every 2 months.
	Committee Member	Ufuk Bala YÜCEL	Independent Member	

### Senior Management

Senior Management	Position
Gülant CANDAS	Managing Director AZA
Selçuk UÇAR	Executive Board Member and Head of Marketing and Concrete Group
Caner TÜRKYENER	Executive Board Member and Head of Production Operations Group
Reşat Bağış GÜNGÖR	Executive Board Member and Chief Financial Officer

The number of personnel of our company is 394 as of 31.12. 2024 (December 31, 2023: 380 people). The total of the group is 1.020 people (31 December 2023: 1.006 people).

### Changes in Senior Management During the Period

There has been no change in Senior Management within the period 01.01.2024-31.12.2024.

## 6 Personnel and Workers Movements and Collective Bargaining Practices and Rights and Benefits Provided to Personnel and Workers

In-scope and out-of-scope personnel working in the company are subject to the Social Insurance and General Health Insurance Law No. 5510 in terms of social security and the Labor Law No. 4857 in terms of labor law.

Personal rights of out-of-scope personnel are carried out according to the service contracts signed between the company and the employee, and the personal rights of in-scope personnel are carried out according to the provisions of the collective bargaining agreement.



The new term Group Collective Bargaining Agreement negotiations between the Cement Industry Employers Union (ÇEİS), of which our company is also a member, and the T . Çimse Labor Union have resulted in a 2-year agreement. In accordance with the Group Collective Bargaining Agreement signed on 01.01.2024 with a validity period of 31.12.2025;

- In the 1st year of the contract, 60% of the bare hour wages received by the workers working in the workplace on 01.01.2024 and whose employment contract continues on the date of signature of the collective bargaining agreement on 31.12.2023, effective from 01.01.2024,
- In the 2nd year of the contract; the bare hour wages received by the workers working in the workplace on 01.01.2025 and whose employment contract continues on 31.12.2024 will be increased by CPI + 3.
- In the event of an additional increase in the minimum wage during the year, except for the minimum wage determination in January, within the contract period (01.01.2024 31.12.2025), a rolling increase in the amount of the increase in the minimum wage (TL) will be made to the wages of the workers within the scope of the collective bargaining agreement.

In addition, as social assistance to Employees, 3,000 TL will be paid every month in the first year of the contract and this amount will be increased by CPI+ 3 in the second year and paid every month.

## 7-Corporate Governance Principles Compliance Report

The principles explained in the Corporate Governance Communiqué of the Capital Markets Board are applied.

The new term "Corporate Governance Rating Report" of our Company has been completed by SAHA Kurumsal Yönetim ve Kredi Derecelendirme Hizmetleri A.Ş., which has an activity permit to make Compliance Rating with Corporate Governance Principles by the Capital Markets Board. Our previous Corporate Governance Rating score, which was 87.21 (8.72 out of 10) on 28 July 2023, was updated to 88.58 (8.86 out of 10) as of 26 July 2024.

The relevant Report can be accessed from the investor relations section on our company's website.

## 8-Amendments to the Articles of Association

At the Extraordinary General Assembly Meeting of the Company held on 22.11.2023, with the permission letter of the Capital Markets Board dated 16.11.2023 and numbered E-29833736-110.03.03-45302 and permission letter of the Turkish Ministry of Commerce dated 20.11.2023 and numbered E-50035491-431.02-00091101575 it has been adopted the amendment drafts regarding the amendment of the 7th (Board of Directors), 17th (Ministry of Customs and Trade Representative), 20th (Appointment of Proxy) and 21st (Voting Procedure) articles of the articles of association and the addition of 34th article (Compliance with Corporate Governance principles) to the Company's articles of association. The related amendments of articles of association were registered by the Izmir Trade Registry Directorate on 19.01.2024 and announced in the Turkish Trade Registry Gazette No. 11006 on 23.01.2024.

At the Extraordinary General Assembly Meeting of the Company held on 31.10.2024 with the permission letter of the Capital Markets Board dated 24.09.2024 and numbered E-29833736-110.03.03-60194 and the permission letter of the Ministry of Commerce dated 30.09.2024 and numbered E-50035491-431.02-00101293167, the amendment draft of the articles of association regarding the amendment of the article 3 (Purpose and Subject of the Company) has been adopted. The related amendments of articles of association were registered by the Izmir Trade Registry Directorate on 08.11.2024 and announced in the Turkish Trade Registry Gazette No. 11203 on 08.11.2024.

## B-Financial Rights Provided to Board Members and Senior Executives, Total Amount of Financial Benefits provided such as Attendance Fee, Premiums, Bonuses, Dividends

The total amount of benefits provided to senior managers is TL 14,765,000 as of December 31, 2024. (31 December 2023: 18,905 thousand TL).

## C-Research and Development Studies

The company has no Research and Development expenses for the period of 01.01.2024 – 31.12.2024.

## D-Activities and Important Developments Related to Activities

### 1.Investment Activities

The company has no significant investment for the period 01.01.2024 – 31.12.2024.

### 2.Internal Control System and Internal Audit Activities

The company management ensures the healthy operation of internal control.

### 3.Subsidiaries, Direct Shares in Financial Assets

Trade Name	Principal Activity	Establishment and	Share rate in capital (%)	
			31.12.2024	31.12. 2023
Batisöke Söke Çimento Sanayii T.A.Ş.	Clinker, cement production and sales	Aydin, Turkey	74,62	74,62
Batiçim Enerji Elektrik Üretim A.Ş.	Electricity Generation and Sales	Aydin, Turkey	100,00	100,00
Ash Plus Yapı Malz. San. Tic. A.Ş.	Production and sale of ash	Manisa, Turkey	100,00	100,00
Batıbeton Sanayi A.Ş.	Ready-Mixed Concrete Production and Sales	Izmir, Turkey	100,00	100,00
Batılıman Liman İşletmeleri A.Ş.	Port Management	Izmir, Turkey	90,00	90,00

### 4. Explanations on Private Audit and Public Audit

At the meeting of our Board of Directors dated April 29, 2024; in accordance with the principles of the Turkish Commercial Code No. 6102 and the Capital Markets Law No. 6362, it was decided to select DRT Bağımsız Denetim ve SMMM A.Ş. as the Independent Audit Firm to carry out its activities within the scope of the relevant regulations in these laws with the audit of the Financial Reports for the accounting period of 2024 and it was accepted at the Ordinary General Assembly Meeting of 2023 dated July 2, 2024.

The Full Certification Audit for the year 2024 is carried out by DRT Yeminli Mali Müşavirlik ve Bağımsız Denetim A.Ş.

## 5. General Assemblies

The Ordinary General Assembly meeting of 2024 was held on 02.07.2024 and the Extraordinary General Assembly meeting was held on 31.10.2024. The results of the meeting were registered in the Trade Registry. The results of the General Assembly Meeting were published on the Public Disclosure Platform (KAP), the Company's website ([www.baticim.com.tr](http://www.baticim.com.tr)) and the information portal of the Central Registry Agency (CRA) and presented to the partners.

## 6. Donations and Social Responsibility Projects

The total amount of donations and aids made by the company for the period 01.01.2024-31.12.2024 is 1.915 thousand TL. Donations and aids were made to foundations, associations, educational institutions and other official institutions.

## E-Financial Situation

### 1. Summary of Financial Statements

Financial statements CMB Series II No: 14.1.

SUMMARY BALANCE SHEET (THOUSAND TL)		
	31.12.2024	31.12. 2023
Current Assets	4.574.727	6.229.866
Fixed Assets	23.122.967	22.710.090
<b>Total Assets</b>	<b>27.697.694</b>	<b>28.939.956</b>
Short-Term Liabilities	4.091.637	5.231.494
Long Term Liabilities	4.473.532	6.001.376
Equity	19.132.525	17.707.086
<b>Total Resources</b>	<b>27.697.694</b>	<b>28.939.956</b>
	31.12.2024	31.12. 2023
Revenue	13.440.205	16.599.968
Cost of Sales	(11.840.805)	(14.230.156)
Gross Profit (Loss)	1.599.400	2.369.812
Main Operating Profit (Loss)	568.009	1.024.261
Profit (Loss) Before Tax on Continuing Operations	265.552	1.089.627
Profit (Loss) for the Period of Continuing Operations	76.129	2.967.065
Other Comprehensive Income (Expense)	1.041.926	1.681.170
Total Comprehensive Income (Expense)	1.118.055	4.648.235

### 2. Profit Distribution Policy

Our Company's policy on profit distribution is based on the principle of distributing profit to the shareholders in the form of cash and/or bonus shares, not less than 5%, provided that the distributable profit calculated within the framework of the Capital Market Regulations and other relevant legislation is reviewed every year, taking into account the provisions of the Turkish Commercial Code, the Capital Market Legislation and our articles of association, unless there are extraordinary economic negativities in the national and international markets, unless there is a need for cash due to a large investment, and taking into account the financial position of our

In case of a decision to distribute the profit, it is based on the principle of distributing the profit to the shareholders in the form of cash and/or bonus shares, not less than 5%.

The dividend shall be paid within the legal periods on the date decided by the General Assembly following the approval of the general assembly whose distribution is decided.

The dividend may be paid in equal or different installments, provided that it is decided at the general assembly meeting whose distribution is decided. The number of installments shall be determined by the general assembly or by the board of directors, provided that it is expressly authorized by the general assembly.

There is no application for dividend distribution advance in our company.

### 3. Information on the Sector in which the Business Operates

According to the data published by the Turkish Cement Manufacturers' Association, clinker production increased by 6.17%, clinker domestic sales increased by 14.52%, and clinker exports increased by 31.90% as of the end of December 2024. In the same period, cement production increased by 4.13%, cement domestic sales increased by 8.87%, and cement exports decreased by 14.62% throughout Turkey.

As of the end of December 2024 in the Aegean region, clinker production decreased by 8.04%, clinker domestic sales decreased by 46.98%, and clinker exports increased by 1.67% compared to the same period of the previous year. In the same period, cement production decreased by 6.43%, cement domestic sales decreased by 7.25%, and cement exports decreased by 7.61%.

### 4. Activities of the Company

Compared to the same period of last year, the company's clinker production increased by 0.01% and clinker exports increased by 24.34%. Compared to the same period of last year; cement production decreased by 2.41%, cement domestic market sales decreased by 14.20%, and cement exports increased by 8.10%.

#### Subsidiaries

##### Batisöke Söke Çimento Sanayii T. A.Ş.

Compared to the same period of the previous year, the company's clinker production decreased by 15.64%, clinker domestic market sales increased by 34.75%, and clinker exports decreased by 29.11%. Compared to the same period of last year; cement production decreased by 4.32%, cement domestic market sales decreased by 8.60%, and cement exports decreased by 4.14%.

##### Batibeton Sanayi A.Ş.

Compared to the same period of last year, the company's concrete production and sales increased by 3.17%.

##### Batılıman Liman İşletmeleri A.Ş.

Compared to the same period of the previous year, the company's handling tonnage increased by 11.24%, and its handling revenue increased by 67.57%.

##### Batiçim Enerji Elektrik Üretim A.Ş.

The company's electricity production increased by 7.42% and electricity sales increased by 34.86% compared to the same period of the previous year.

##### Batiçim Enerji Toptan Satış A.Ş.

Compared to the same period of last year, the company's electricity sales to final consumers decreased by 12.68%.



## F-Risks and Board of Directors' Assessment

### 1.Risk Management Policy

The company determines the risks that will jeopardize its existence, development and continuity, and manages the risks by taking the necessary measures regarding the identified risks. In this context, the Company established the Early Risk Detection Committee.

### 2.Early Risk Detection Committee

The company established the said committee on 22.03.2013 and the committee consists of 2 members. The Committee has convened 6 times for the period 01.01.2024 – 31.12.2024 and submitted the reports it prepared to the Board of Directors.

## G-Miscellaneous

### 1.Information on Legislation Changes That May Significantly Affect the Company's Activities

There are no legislative changes that may significantly affect the company's activities.

### 2.Information to Stakeholders

In the event that the amount of 2.099.978.521,48 Turkish Lira of the receivable amount from Batisöke Söke Çimento Sanayii T.A.Ş., which is a subsidiary of our company, is used in the capital increase to be carried out before Batisöke Söke Çimento Sanayii T.A.Ş. and the relevant receivable is followed up in the capital advance accounts in the records of our subsidiary Batisöke Söke Çimento Sanayii T.A.Ş., all of the pre-emptive rights are used within the scope of the shares we have before Batisöke Söke Çimento Sanayii T.A.Ş. in the capital increase and the allocated capital increase is made, our Board of Directors has taken a decision to purchase all the shares issued by Batisöke Söke Çimento Sanayii T.A.Ş. with the allocated sales method and notified our affiliated partnership about these matters.

Based on Article 10.3 of the BIST Market Value Weighted Share Indices Rule Set, Batisöke Söke Çimento Sanayii T.A.Ş., which is a subsidiary of our company, has been included in the BIST Participation All, BIST Participation 100, BIST Participation 50, BIST Participation 30 indices for the period 01.01.2025-31.03.2025 and the BIST 100 index for the period 01.01.2025-31.03.2025 by the Borsa İstanbul General Directorate.

It has been decided to make the necessary preliminary preparations for the merger of Batıçım Enerji Elektrik Üretim A.Ş., which is a subsidiary of our company, by taking over by Batıçım.

Batıçım Enerji Toptan Satış A.Ş., which is a subsidiary of our company, has decided to serve only the group companies within Batı Anadolu Group of Companies as of 2025.

The Capital Markets Board approved amendment text of Article 6 titled "Capital" of the Articles of Association of Batisöke Söke Çimento Sanayii T.A.Ş., a subsidiary of our Company, regarding the increase of its issued capital of TL 400,000,000,000 to TL 1,600,000,000 by increasing it by TL 1,200,000,000 (at the rate of 300%) within the registered capital ceiling of TL 2,000,000,000, has been registered by the İzmir Trade Registry Office on 24.02.2025 and this issue has been registered in the Turkish Trade Registry Gazette dated 24.02.2025 and numbered 11278.

The amendment text of Article 6 titled "Capital and Type of Share Certificates" of the Company's articles of association regarding the increase of the issued capital of Batılman Liman İşletmeleri A.Ş., a subsidiary of our Company, from 100,000,000 (one hundred million) Turkish Liras to 300,000,000 (three hundred million) Turkish Liras by making a 200% (two hundred percent) bonus issue from internal resources, has been registered by İzmir Trade Registry Directorate on 07.03.2025 and this issue has been announced in the Turkish Trade Registry Gazette dated 10.03.2025 and numbered 11288.

The Capital Markets Board approval of Article 6 titled "Capital of the Company" of the articles of association of our Company regarding the increase of our company's issued capital of 180.000.000 (one hundred eighty million) Turkish Liras to 5.580.000.000 (five billion five hundred eighty million) Turkish Liras by increasing the capital free of charge from internal resources by 3000% (three thousand percent) to 5.580.000.000 (five billion five hundred eighty million) Turkish Liras was obtained and the amendment text was registered by the İzmir Trade Registry Directorate on 14.02.2025 and this issue was announced in the Turkish Trade Registry Gazette dated 14.02.2025 and numbered 11272.

Our application to the Capital Markets Board on 27.02.2025 to increase the registered capital ceiling of our Company from 800.000.000,00 (eight hundred million) Turkish Liras to 10.000.000.000,00 (ten billion) Turkish Liras to be valid between 2025-2029 and to change the article 6 of the articles of association titled "Capital of the Company" in this direction was approved by the Capital Markets Board on 28.02.2025.

The shares of the company are traded in Borsa İstanbul A.Ş. (BİST) with the BTCIM code in Yıldız Pazar. Information on stocks is published on the economy pages of daily newspapers and on the internet portals of investment companies.

The company's reports and other information can be obtained from the following address or from the company's website at [www.baticim.com.tr](http://www.baticim.com.tr).

#### Investor Relations Department Contact Information

All activities related to the shareholders are carried out within the Company's Budget and Reporting Directorate and their contact information is below.

#### INVESTOR RELATIONS DEPARTMENT MANAGER

Name Surname	Emir VURAL
Date of Assignment	17.10.2023
Tel	0 (232) 478 44 00
E-mail Address	<a href="mailto:emirvural@baticim.com.tr">emirvural@baticim.com.tr</a>
Address	Ankara Caddesi No: 335 Bornova İZMİR
Licenses Owned	Capital Market Activities Level 3 License (License Document No: 210970), Corporate Governance Rating License (License Document No: 702482), Credit Rating License (License Document No: 929448)

#### INVESTOR RELATIONS DEPARTMENT MANAGER

Name Surname	Adil ULUDAĞ
Date of Assignment	25.12.2014
Tel	0 (232) 478 44 00
E-mail Address	<a href="mailto:adiluludag@baticim.com.tr">adiluludag@baticim.com.tr</a>
Address	Ankara Caddesi No: 335 Bornova İZMİR



# BATIÇİM CORPORATE GOVERNANCE PRINCIPLES

## CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE STATEMENT

1. The principles explained in the Corporate Governance Communiqué of the Capital Markets Board are applied.

In the activity period ending on 31 December 2024, the corporate governance principles attached to the Corporate Governance Communiqué and the explanations regarding the non-compliance are included in the Corporate Governance Compliance Report ("CGCR") and Corporate Governance Information Form (CGIF).

In the future, efforts will continue to improve our corporate governance practices, including the better operation of the mechanisms within the framework of these principles in the corporate governance practices of the partnership and the voluntary principles that have not been put into practice in a limited number of cases.

### Part I - Shareholders

2. Department of Relations with Shareholders:

UNIT FOR RELATIONS WITH SHAREHOLDERS			
Emir VURAL	Tel: 232 478 44 00	<a href="mailto:emirvural@baticim.com.tr">emirvural@baticim.com.tr</a>	Department Manager
Adil ULUDAĞ	Tel: 232 478 44 00	<a href="mailto:adiluludag@baticim.com.tr">adiluludag@baticim.com.tr</a>	Department Member

Applications made verbally or in writing were answered.

#### **Activities carried out by the department:**

To respond to the written information requests of the shareholders about the company, except for the non-public, confidential and trade secret information about the company. To ensure that the general assembly meeting is held in accordance with the applicable legislation, articles of association and other internal regulations. To prepare the documents that the shareholders can benefit from at the general assembly meeting. To keep a record of the voting results and to send the reports on the results to the shareholders if requested. To observe and monitor all kinds of issues related to public disclosure, including the legislation and the company's information policy.

3. The non-trade secret information requests of the shareholders are evaluated and answered. In addition, important issues and financial statements are announced to the public and our partners through KAP in accordance with the legislation.

There is no regulation on the appointment of a special auditor in our articles of association. No request for the appointment of a special auditor has been received during the period.

4. During the period, the Ordinary General Assembly Meeting was held on July 2, 2024 with a quorum of 44.62%. On October 31, 2024, the Extraordinary General Assembly Meeting was held with a quorum of 45.50%. Shareholders and media representatives attended the meetings. It was announced in the Turkish Trade Registry Gazette within the legal period. In addition, a written notification has been made to the shareholder for the registered shares. Also the meeting invitations were announced in the KAP and information



Prior to the General Assemblies, financial statements and all other information and documents related to the issues were disclosed in the KAP, and they were also submitted to the examination of the shareholders at our company headquarters and on our website. In the General Assemblies, some shareholders used their right to ask questions and these questions were answered.

The minutes of our General Assembly meetings are on our website.

No agenda proposal has been given by the shareholders.

Donations and aids are presented to our partners in a separate agenda item at the general assembly meeting.

5. According to Article 19 of our articles of association, each Group A privileged share gives its owner 15 voting rights; Each Group B share gives its owner 1 voting right.

Our companies that are in mutual participation have not participated in the General Assembly. Minority shares are not represented in the management.

6. Profit distribution is made in accordance with Article 24 of our articles of association and in accordance with the regulations of the CMB.

In accordance with Article 24 c of the articles of association, "10% of the pure profit is distributed to the group A privileged shares, without prejudice to the first dividend".

The distribution of profits is always carried out within the legal periods.

Our profit distribution policy is included in the activity report.

7. There is no provision restricting the transfer of shares in the articles of association of the company.

## Part II Public Disclosure and Transparency

8. We have an information policy and is available on our company's website.

[Persons responsible for the information policy](#)

PERSONS RESPONSIBLE FOR THE INFORMATION POLICY	
Emir VURAL	Budget and Reporting Manager
Adil ULUDAĞ	Financial Affairs and Accounting Manager

9. Corporate Governance principles Compliance Report is available on our website. Our company's internet address is [www. batisoke.com.tr](http://www.batisoke.com.tr).

10. The information listed in the principles is included in the activity report.

## Section III Stakeholders

11. Stakeholders are informed about matters related to the company through General Assembly meetings, web page and KAP.

Stakeholders can notify the necessary authorities within the company through the contact form on our website.

12. Stakeholders do not participate directly in management. However, from time to time, opinions are taken through mutual negotiations with stakeholders in order to direct studies on matters related to them.

13. The main principles of our human resources policy are as follows.

- Finding the right person, placing him/her in the right job and ensuring the continuity of the efficient workforce in line with the goals and strategies of our group companies, regardless of religion, language, race and gender.
- To create a fair and happy working environment for our employees, to implement a correct career planning together with their personal and professional development,
- In accordance with our corporate culture and values; to create a family of employees who are hardworking, honest and have a sense of belonging,
- To follow all developments related to human resources and to implement all innovations in line with the goals and policies of our group companies,
- To act in accordance with the principles of fair, transparent, objective and accountability in all systems applied by human resources,
- While doing all these, we aim to create a human resources structure that is sensitive to the environment and society.

14. Ethical rules are available on the website.

15. In-kind and cash aid was provided to education and other various public institutions, as well as donations were made to foundations operating in the fields of education, culture and environment.

16. The board of directors was elected for a period of 3 years until the end of July 2027.

Independent board members were also elected for a period of 3 years until the end of July 2027. It is not bound by certain rules that the members of the board of directors take on other duties outside the company.

BOARD OF DIRECTORS		
Sabit AYDIN	Chairman of the Board	Executive Member
Gülant CANDAŞ	Vice Chairman of the Board of Directors	Executive Member
Ömer Çağdaş SELVİ	Board Member	Executive Member
COŞKUN KILIÇ	Board Member	Non-Executive Member
Ufuk Bala YÜCEL	Board Member	Independent Member
Mehmet ŞAHNE	Board Member	Independent Member
Enis Turan ERDOĞAN	Board Member	Independent Member



NAME	TITLE	BACKGROUND	NON-GROUP TASKS
Sabit AYDIN	Chairman of the Board	Sabit Aydın was born in 1974 in Ankara. After finishing his education in 1994, he worked as a senior manager at Çiftay İnşaat Taahhüt ve Ticaret A.Ş., a family company.	Batısöke Söke Çimento Sanayii T. A.Ş. is the Chairman of the Board of Directors.
Gülant CANDAS	Vice Chairman of the Board of Directors	He was born in 1960. He graduated from Ankara University, Faculty of Political Sciences, Department of Economics and Finance in 1982. After working in a family company for a while, he continued his business life in Akbank between 1986 and 2007. In 2007, he was appointed as the Chairman of the Board of Directors at Çiftay İnşaat Taahhüt ve Ticaret A.Ş. and various subsidiaries of Çiftay İnşaat Taahhüt ve Ticaret A.Ş.	He is the Vice Chairman of the Board of Directors of Batısöke Söke Çimento Sanayii T.A.Ş. and the Chairman of the Board of Directors of Batıçim Enerji Elektrik Üretim A.Ş., Batıçim Enerji Toptan Satış A.Ş., Batıbeton Sanayi A.Ş., Batılman Liman İşletmeleri A.Ş. and Ash Plus Yapı Malzemeleri San.Tic. A.Ş.
Ömer Çağdaş SELVİ	Executive Board Member	He was born in 1977 in Akdağmadeni, Yozgat. He graduated from İstanbul Faculty of Law in 2001. He worked at Doğan Holding between 2001 and 2003, Garanti Bank between 2003 and 2005, Aksu Savaş Çalışkan Attorney Partnership between 2006 and 2013, Bilgiç Attorney Partnership between 2013 and 2016 and Selvi Ertekin Attorney Partnership between 2016 and 2022. He has been working at Selvi Attorney Partnership since 2022 and has experience in project financing, acquisition financing, banking law, capital markets, derivative transactions and mergers and acquisitions. He has been involved in the financing of many energy and infrastructure projects and procurement financing transactions and represented leading financial institutions and investors.	He is the member of the Board of Directors of Batısöke Söke Çimento Sanayii T.A.Ş, Batıçim Enerji Elektrik Üretim A.Ş., Batıçim Enerji Toptan Satış A.Ş., Batıbeton Sanayi A.Ş., Batılman Liman İşletmeleri A.Ş. and Ash Plus Yapı Malzemeleri San.Tic. A.Ş.
COŞKUN KILIÇ	Board Member	Coşkun Kılıç, who was the Chairman of the Board of Directors of SunExpress and the Member of the Board of Directors between 2012-2015, worked as the CFO of Turkish Airlines (thy) between 2006-2016. He was one of the founders of Jet Fuel Supplier THY-OPET and served as a Member of the Board of Directors. He was also a Member of the Board of Directors of technical maintenance company THY-TEKNİK A.Ş. Before his duty at thy, Kılıç was the Deputy General Manager and the Member of the Board of Directors of the Republic of Turkey Retirement Fund between 2004-2006. At the beginning of his career, he worked as the Chief Accountant in the Board of Accountants of the Ministry of Finance between 1992 and 2002. Between 2017-2024, he worked as a Member of the Executive Board of Directors of Erciyas Holding and as a Member of the Board of Directors of Özbal Çelik Boru, Bimtaş Bicycle and Erciyas Wagon A.Ş. Kılıç, an active entrepreneur, is a co-founder of Eduka Botanical Landscape Architecture Inc. and Bioakva Ltd. Şti. He is also a Certified Public Accountant and Independent Auditor.	
Ufuk Bala YÜCEL	Independent Member of the Board of Directors	Ufuk Bala Yücel completed his undergraduate education at Boğaziçi University and his master's degree at Marmara University, Department of Banking and Insurance. He started his career at Uluslararası Endüstri ve Ticaret Bankası A.Ş.in 1987: after that, he worked as the "Corporate Banking Branch Manager" at Yapı ve Kredi Bankası A.Ş. between 1987-1999 and at Finansbank A.Ş. between 1999-2000. Then, he worked as "Loans Department Manager" between 2001-2007 and "Assistant General Manager" between 20082018 at the Industrial Development Bank of Turkey, and then as "Assistant General Manager Responsible for Loans and Law" between May 20192022 at the Development and Investment Bank of Turkey. Ufuk Bala Yücel served as a Member of the Board of Directors of various companies between the years of 2006 and 2014. Between 2014-2018, he worked as the Chairman of the Board of Directors of TSKB GYO A.Ş. He is still a member of the board of directors of different companies.	Independent Member of the Board of Directors of Batısöke Söke Çimento Sanayii T. A.Ş.
Mehmet ŞAHNE	Independent Member of the Board of Directors	Mehmet Şahne was born in 1967 in Ankara. He graduated from the Police Academy in 1989. In the last 10 years, he has worked as the Provincial Police Chief in Karaman, Mersin and İzmir, respectively. He left his job due to retirement.	Independent Member of the Board of Directors of Batısöke Söke Çimento Sanayii T. A.Ş.
Enis Turan ERDOĞAN	Independent Member of the Board of Directors	Enis Turan Erdoğan was born in Mersin in 1955. He graduated from the Department of Mechanical Engineering at İstanbul Technical University and completed his master's degree in Business Administration at Brunel University in the UK in 1979. Turan Erdoğan, who worked as a manager in various private sector companies after returning to Turkey, joined Vestel in 1988. Since this date, he has held various managerial positions in Vestel, and worked as the Chairman of Vestel Foreign Trade and Executive Member of the Board of Directors until 2013. Between January 2013 and September 2023, he worked as the CEO of Vestel Group of Companies. He served as the Chairman of TÜRKTRADE for two terms between the years of 2002- 2006 and became the first member elected to the Board of Directors of DIGITALEUROPE between 2010-2014.	Independent Member of the Board of Directors of Batısöke Söke Çimento Sanayii T. A.Ş.

17.Executive members constitute the agenda of the board of directors meetings. 38 board meetings were held during the period. The provisions of the Turkish Commercial Code are applied in the meeting and decision quorums. The members of the board of directors have the right to declare their votes against and to record this in the minutes of the meeting. Each member of the board of directors has one vote at the meetings.

18.Audit Committee:

AUDIT COMMITTEE		
Ufuk Bala YÜCEL	Chairman of the Committee	Independent Member
Mehmet ŞAHNE	Committee Member	Independent Member

Corporate Governance Committee:

CORPORATE GOVERNANCE COMMITTEE		
Enis Turan ERDOĞAN	Chairman of the Committee	Independent Member
Mehmet ŞAHNE	Committee Member	Independent Member
Emir VURAL	Investor Relations Department Manager	-

Early Detection of Risk Committee:

EARLY RISK DETECTION COMMITTEE		
Mehmet ŞAHNE	Chairman of the Committee	Independent Member
Ufuk Bala YÜCEL	Committee Member	Independent Member

There is also an executive board.

In accordance with the CMB communiqué, one independent member is on both committees, due to the need for an independent board member to chair the committees to be formed within the board of directors other than the Audit Committee. In addition, due to their experience, other members other than independent members on the Corporate Governance and Early Detection of Risk Committees consist of the same names.

Since the Wage Committee and the Nomination Committee were not established within the Board of Directors, the Corporate Governance Committee also undertook the duties of these committees.

The provisions of the CMB communiqué are complied with regarding the minimum meeting frequency criteria of the committees.

Regulations and Procedures of the Audit Committee, Corporate Governance Committee and Early Detection of Risk Committee are available on our website.

19.A risk management and internal control system has been established within the company. The internal control unit prepares the work plan to be made every year and announces it to the company units and continues to work in coordination with these units.

20.Production, sales and turnover targets are determined every year for our organizations operating in the cement, ready-mixed concrete, logistics and energy sectors. The board of directors discusses and approves the investment plans and budget studies prepared by the executive committee, obtains information on these issues at monthly meetings and monitors the studies.

21.The members of the board of directors receive a monthly fee.

The Company has not lent money, loaned or given bail or guarantee in favor of any member of the board of directors or senior manager.

Our Company's 2024 Corporate Governance Compliance Report (CGC) and Corporate Governance Information Form (CGIF) prepared in accordance with the CMB's Decision dated 10.01.2019 and numbered 2/49 are also disclosed to the public on the corporate website ([www.kap.gov.tr](http://www.kap.gov.tr)) of the Public Disclosure Platform. The relevant documents can also be accessed from the Summary Information and Corporate Governance management pages of our Company on the Public Disclosure Platform ([https://www.kap.org.tr/tr/sir](https://www.kap.org.tr/tr/sirket-information/ozet/877-baticim-bati-anadolu-cimento-industry-a-s) ket-information/ozet/877-baticim-bati-anadolu-cimento-industry-a-s).

The Sustainability Compliance Report, which was prepared according to the formats determined by the Communiqué (II-17.1.a) on the Amendment to the Corporate Governance Communiqué (II-17.1.a) of the CMB on 2 October 2020 (II-17.1.a) and the addition of the Sustainability Principles and the Decision dated 23 June 2022 and numbered 34/977, is included in the annual report and is also disclosed to the public on our Company's corporate website ([www.kap.gov.tr](http://www.kap.gov.tr)). The relevant report can also be accessed from the Summary Information page of our Company on the Public Disclosure Platform ([https://www.kap.org.tr/tr/sirket-bilgileri/ozet/877-baticim-ba](https://www.kap.org.tr/tr/sirket-bilgileri/ozet/877-baticim-ba-ti-anadolu-cimento-industry-a-s) ti-anadolu-cimento-industry-a-s).



CORPORATE GOVERNANCE COMPLIANCE REPORT (UIFE)	YES	PARTIAL LY	NO	EXEMPT	INDIFFE RENT	DESCRIPTION
1.1. FACILITATING THE USE OF SHAREHOLDING RIGHTS						
1.1.2 Information and explanations that may affect the use of shareholding rights are currently available to investors on the partnership's corporate website.	X					
1.2. RIGHT TO INFORMATION AND REVIEW						
1.2.1 The company management has refrained from taking actions that make it difficult to carry out special audits.	X					
1.3. GENERAL ASSEMBLY						
1.3.2 The Company has ensured that the agenda of the General Assembly is clearly stated and that each proposal is given under a separate heading.	X					
1.3.7 Persons who have the opportunity to access the partnership information in a privileged way have informed the board of directors to be added to the agenda in order to provide information to the general assembly about the transactions they have made on their behalf within the scope of the activity of the partnership.					X	There is no such issue.
1.3.8 Members of the board of directors, other relevant persons, officials and auditors who are responsible for the preparation of the financial statements are present at the general assembly meeting.	X					
1.3.10- In the agenda of the general assembly, the amounts of all donations and aids and those who benefit from them are included in a separate article.	X					
1.3.11 The General Assembly meeting was held publicly, including the stakeholders and the media, without the right to speak.	X					
1.4. VOTING RIGHT						
1.4.1 There are no restrictions and practices that make it difficult for shareholders to exercise their voting rights.	X					
1.4.2 The company has no shares with privileged voting rights.			X			48.000 TL of the company's capital consists of Group A bearer shares. Group A shares have privileges in the election of members of the Board of Directors, voting rights and dividends.
1.4.3 The Company has not exercised its voting rights at the General Assembly of any partnership with which it has a mutual participation relationship, which brings the dominance relationship with it.	X					
1.5. MINORITY RIGHTS						
1.5.1 The company has paid utmost attention to the use of minority rights.	X					
1.5.2- Minority rights are also granted to those who have a ratio less than one-twentieth of the capital with the articles of association and the scope of the minority rights has been extended by being regulated in the articles of association.			X			There is no regulation on minority rights in the Articles of Association of the Company, and the provisions of the Turkish Commercial Code and the Capital Markets Law and other legislation are applied.
1.6. THE RIGHT TO DIVIDEND						
1.6.1 The profit distribution policy approved by the general assembly is announced to the public on the partnership's corporate website.	X					
1.6.2 The profit distribution policy includes the minimum information that will allow the shareholders to foresee the profit distribution procedures and principles that the partnership will obtain in the future.	X					
1.6.3 The reasons for not distributing the profit and the use of the undistributed profit are specified in the relevant agenda item.	X					
1.6.4 The board of directors has reviewed whether the interests of the shareholders and the interest of the partnership are balanced in the profit distribution policy.	X					

CORPORATE GOVERNANCE COMPLIANCE REPORT (UIFE)	YES	PARTIAL LY	NO	EXEMPT	INDIFFE RENT	DESCRIPTION
1.7. TRANSFER OF SHARES						
1.7.1 There are no restrictions that make it difficult to transfer shares.	X					
2.1. CORPORATE WEBSITE						
2.1.1 The company's corporate website contains all the elements included in the corporate governance principle numbered 2.1.1.	X					
2.1.2- The shareholding structure (names, privileges, number and ratio of real person shareholders holding more than 5% of the issued capital) is updated at least every 6 months on the corporate website.	X					
2.1.4 The information on the company's corporate website has been prepared in foreign languages selected according to the need, so that it has the same content as Turkish.	X					
2.2 ANNUAL REPORT						
2.2.1 The board of directors ensures that the annual activity report fully and accurately reflects the company's activities.	X					
2.2.2 The annual activity report contains all the elements included in the principle numbered 2.2.2.	X					
3.1. COMPANY POLICY REGARDING STAKEHOLDERS						
3.1.1 The rights of stakeholders are protected within the framework of relevant regulations, contracts and goodwill rules.	X					
3.1.3 Policies and procedures regarding the rights of stakeholders are published on the company's corporate website.	X					
3.1.4 Necessary mechanisms have been established for stakeholders to report illegal and ethically inappropriate transactions.	X					
3.1.5 The Company deals with conflicts of interest between stakeholders in a balanced way.	X					
3.2. SUPPORTING THE PARTICIPATION OF STAKEHOLDERS IN COMPANY MANAGEMENT						
3.2.1 The participation of employees in management is regulated by the articles of association or internal regulations.			X			In the Articles of Association of the company and the internal regulations of the company, the issue of participation of the employees in the management is not included.
3.2.2 Methods such as questionnaires / consultations have been applied to obtain the opinions of stakeholders in important decisions that have consequences for stakeholders.			X			Methods such as questionnaires / consultations have not been applied to obtain the opinions of stakeholders in important decisions that have consequences for stakeholders.
3.3. HUMAN RESOURCES POLICY OF THE COMPANY						
3.3.1 The company has adopted an equal opportunity employment policy and a succession planning for all key executive positions.	X					
3.3.2 Criteria for personnel recruitment have been determined in writing.	X					
3.3.3 The company has a Human Resources Development Policy and organizes trainings for employees within this scope.	X					
3.3.4 Meetings have been organized to inform the employees about the financial status of the company, remuneration, career planning, education and health.	X					
3.3.5 Decisions that may affect employees have been notified to themselves and their representatives. The opinions of the relevant unions were also taken on these issues.	X					
3.3.6 Job descriptions and performance criteria have been prepared in detail for all employees and announced to employees and used in remuneration decisions.	X					



CORPORATE GOVERNANCE COMPLIANCE REPORT (URF)	YES	PARTIAL	NO	EXEMPT	INDIFFERENT	DESCRIPTION
3.3.7 Measures such as procedures, trainings, awareness raising, targets, monitoring and complaint mechanisms have been taken to prevent discrimination among employees and to protect employees against internal physical, mental and emotional ill-treatment.	X					
3.3.8 The company supports the freedom of association and the effective recognition of the right to collective bargaining.	X					
3.3.9 A safe working environment is provided for employees.	X					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company has measured customer satisfaction and has operated with an unconditional understanding of customer satisfaction.	X					
3.4.2 In case of delay in processing the requests of the customer regarding the purchased goods and services, this situation is notified to the customers.	X					
3.4.3 The company is committed to quality standards regarding goods and services.	X					
3.4.4 The company has controls to protect the confidentiality of sensitive information of customers and suppliers within the scope of trade secrets.	X					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 The board of directors has determined the Code of Ethical Conduct and published it on the company's corporate website.	X					
3.5.2 The partnership is sensitive to social responsibility. It has taken measures to prevent corruption and bribery.	X					
4.1. FUNCTION OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors ensures that strategies and risks do not threaten the long-term interests of the company and that an effective risk management is implemented.	X					
4.1.2-The agenda and minutes of the meeting reveal that the board of directors has discussed and approved the strategic goals of the company, determined the resources needed and the performance of the management has been audited.	X					
4.2. PRINCIPLES OF ACTIVITY OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors has documented its activities and submitted them to the shareholders.	X					
4.2.2-The duties and powers of the members of the board of directors are explained in the annual activity report.		X				Although it is stated in the activity report that the members of the board of directors have the powers specified in the Turkish Commercial Code and the articles of association regarding their duties and powers, no detailed regulation has been included.
4.2.3 The board of directors has established an internal control system appropriate to the scale of the company and the complexity of its activities.	X					
4.2.4 Information on the operation and effectiveness of the internal control system is given in the annual activity report.	X					
4.2.5 The duties of the chairman of the board of directors and the executive chairman (general manager) are separated and defined.	X					
4.2.7 The board of directors has worked closely with the investor relations department and the corporate governance committee to ensure the effective functioning of the investor relations department and the corporate governance committee and to resolve disputes between the company and the shareholders and to communicate with the shareholders.	X					
4.2.8 Regarding the defects of the members of the board of directors during their duties and the damage they will cause to the company, the Company has taken out manager liability insurance for a price exceeding 25% of the capital.			X			There is no manager liability insurance regarding the defects of the members of the board of directors during their duties and the damages they will cause in the company.

CORPORATE GOVERNANCE COMPLIANCE REPORT (URF)	YES	PARTIALLY	NO	EXEMPT	INDIFFERENT	DESCRIPTION
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 In the board of directors of the company, it has established a policy to achieve this goal by setting a minimum target of 25% for the rate of female members. The board structure is reviewed annually and the nomination process is carried out in accordance with this policy.			X			In the board of directors, there is no policy regarding the minimum target of 25% for the rate of female members. The company has one female Board Member.
4.3.10 At least one of the members of the audit committee has 5 years of experience in auditing/accounting and finance.	X					
4.4. FORM OF MEETINGS OF THE BOARD OF DIRECTORS						
4.4.1 All members of the board of directors have physically or electronically participated in most of the meetings of the board of directors.	X					
4.4.2 The board of directors has defined a minimum period of time for the information and documents related to the issues on the agenda to be sent to all members before the meeting.	X					
4.4.3 The opinions of the member who cannot attend the meeting but conveys his/her opinions to the board of directors in writing are presented to the other members.			X			In this context, no situation has been experienced.
4.4.4 Each member of the board of directors has one vote.	X					
4.4.5 The conduct of the board meetings is documented in writing in the Company's internal regulations.	X					
4.4.6 -The meeting minutes of the board of directors reveal that all items on the agenda are discussed and the decision minutes are prepared to include opposing opinions.	X					
4.4.7 It is limited that the members of the board of directors take on other duties outside the company. The duties taken by the members of the board of directors outside the company are presented to the shareholders at the general assembly meeting.			X			There is no restriction on the members of the board of directors to take on other duties outside the company.
4.5. COMMITTEES FORMED WITHIN THE BOARD OF DIRECTORS						
4.5.5 Each member of the board of directors takes part in only one committee.			X			Committees are composed of at least one independent board member and other members deemed appropriate.
4.5.6-The committees invited the people they deemed necessary to get their opinions to the meetings and received their opinions.	X					
4.5.7 Information about the independence of the person/ organization from which the committee receives consultancy services is included in the annual activity report.			X			Consultancy services were not received by the committees.
4.5.8 A report on the results of the committee meetings was prepared and presented to the members of the board of directors.	X					
4.6. FINANCIAL RIGHTS PROVIDED TO MEMBERS OF THE BOARD OF DIRECTORS AND MANAGERS WITH ADMINISTRATIVE RESPONSIBILITY						
4.6.1 The board of directors has carried out a performance evaluation to evaluate whether it has effectively fulfilled its responsibilities.			X			No performance evaluation of the board of directors has been made.
4.6.4 The Company has not granted loans to any of the members of the board of directors or their managers with administrative responsibility, has not lent or extended the term of the loan, has not improved the conditions, has not granted loans under a personal loan title through third parties or has not given guarantees such as sureties in favor of them.	X					
4.6.5 The wages given to the members of the board of directors and managers with administrative responsibility are explained on a person-by-person basis in the annual activity report.		X				Salary, premium and similar benefits provided to senior managers are shared in the activity reports and are not disclosed on a person-by-person basis.



CORPORATE GOVERNANCE INFORMATION FORM (CGIF)	
1. SHAREHOLDERS	
1.1. Facilitating the Use of Shareholding Rights	
The number of investor conferences and meetings organized by the company during the year	Our company has not organized any conferences or meetings for investors except for the general assembly meeting.
1.2. Right to Information and Review	
Number of special auditor requests	There is no request for a special auditor.
The number of special auditor requests accepted at the general assembly meeting	None.
1.3. General Assembly	
The link to the KAP announcement where the information requested under Principle 1.3.1 (a-d) is announced	<a href="https://www.kap.org.tr/tr/Bildirim/1315021">https://www.kap.org.tr/tr/Bildirim/1315021</a>
Whether the documents related to the general assembly meeting are submitted in English simultaneously with Turkish language	Not provided. Company announcements are published only in Turkish.
Within the scope of Principle 1.3.9, the approval of the majority of the independent members or the links of the KAP announcements related to the unanimous transactions of the participants	There is no Board of Directors decision taken or any announcement made within this scope.
The links of the KAP announcements related to the related party transactions carried out within the scope of Article 9 of the Corporate Governance Communiqué (II-17.1)	<a href="https://www.kap.org.tr/tr/Bildirim/1279390">https://www.kap.org.tr/tr/Bildirim/1279390</a>
Links to KAP announcements related to common and continuous transactions carried out within the scope of Article 10 of the Corporate Governance Communiqué (II-17.1)	<a href="https://www.kap.org.tr/tr/Bildirim/1279390">https://www.kap.org.tr/tr/Bildirim/1279390</a>
The name of the section on the company's corporate website where the policy on donations and grants is included	Investor Relations / Corporate Governance / Donation Policy
The link to the KAP announcement where the general assembly report where the policy on donations and aids is accepted is included	None.
Article number regulating the participation of stakeholders in the general assembly in the articles of association	Article 15
Information about the stakeholders participating in the general assembly	There was no participation in the General Assembly Meeting held for 2023 in 2024 except for the shareholders. However, there is no restriction on the participation of stakeholders in the General Assembly.
1.4. Voting Rights	
Whether there is a privilege about the vote	Yes
If there is a privilege in the vote, privileged shareholders and voting rates	Privileged shares belong to the bearer.
Shareholding ratio of largest shareholder	39.72%
1.5. Minority Rights	
Whether the minority rights are expanded in the company's articles of association (in terms of content or ratio)	No
If the minority rights have been extended in terms of content and rate, specify the number of the relevant articles of association.	None.
1.6. Dividend Right	
Name of the section on the corporate website where the profit distribution policy is located	Investor Relations / Corporate Governance / Policies / Dividend Policy
If the Board of Directors proposes not to distribute the profit to the general assembly, the text of the report regarding the agenda item of the general assembly stating the reasons for this and the use of the undistributed profit	The proposal of the Board of Directors on the distribution of the profit for 2023 was read. As stated in the decision taken by the Board of Directors dated 06.06.2024 and numbered 1531, 1,825,856,386 (one billion eight hundred twenty five million eight hundred fifty six thousand three hundred eighty six) Turkish Lira, which is the net distributable profit for 2023 calculated according to the Capital Market legislation, is not distributed through free capital increase or in cash, but all of it is allocated to extraordinary reserves was submitted to the approval of the General Assembly. The proposal of the Board of Directors not to distribute profits was accepted with 8,057,600,727 positive votes against 3,310,458 negative votes.
In the event that the board of directors proposes not to distribute profits to the general assembly, the link to the KAP announcement containing the relevant general assembly minutes	<a href="https://www.kap.org.tr/tr/Bildirim/1315021">https://www.kap.org.tr/tr/Bildirim/1315021</a>
General Assembly Meetings	
Date of General Assembly	2.07.2024 / 31.10.2024
The number of additional disclosure requests submitted to the company regarding the general assembly agenda	0 / 0
Participation rate of shareholders in the general assembly	44.62% /45.50%
Proportion of shares directly represented	0.05% / 0.04%
Proportion of shares represented by proxy	44.57% / 45.46%

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)	
1. SHAREHOLDERS	
1.6. Dividend Right (continued)	
The name of the section where the minutes of the general assembly meeting are included, showing the positive and negative votes regarding each agenda item on the Company' s corporate website	"Investor Relations/General Assemblies/Ordinary General Assembly Minutes Investor Relations/General Assemblies/Extraordinary General Assembly Minutes"
The name of the section on the corporate website where all questions asked at the general assembly meeting and the answers provided to them are included	/ -
Article or paragraph number of the general assembly meeting minutes related to related parties	Article 3 / -
The number of people who have the opportunity to access the partnership information in a privileged way who have notified the board of directors (Insider list)	38 / 38
Link to the general assembly notice published in the KAP	<a href="https://www.kap.org.tr/tr/Bildirim/1315021">https://www.kap.org.tr/tr/Bildirim/1315021</a> <a href="https://www.kap.org.tr/tr/Bildirim/1356273">https://www.kap.org.tr/tr/Bildirim/1356273</a>
2. PUBLIC DISCLOSURE AND TRANSPARENCY	
2.1. Corporate Website	
The names of the sections where the information requested in the corporate governance principle numbered 2.1.1 is included on the corporate website	Investor Relations / Financial Information / Annual Financial Statements and Activity Reports
The section containing the list of real person shareholders who directly or indirectly own more than 5% of the shares on the corporate website	Investor Relations / Company Information / Shareholding Structure
The languages in which the corporate website is prepared	Turkish and English
2.2. Activity report	
The page numbers or section names where the information specified in the corporate governance principle numbered 2.2.2 is included in the annual report	
a) The page number or department name where the members of the board of directors and managers carry out their duties outside the company and the members' declarations of independence	Investor Relations / Financial Information / Annual Financial Reports and Activity /Annual Report / Corporate Governance Principles Compliance Report / Part-III Stakeholders / Article 16
b) Page number or section name OF the information regarding the committees formed within the Board of Directors	Investor Relations / Financial Information / Annual Financial Reports and Activity / Activity Report / A General Information /Committee Members of the Board of Directors Committees, Evaluation of the Board of Directors Regarding the Efficiency of the Committees/ Article 5 and Activity Report / Corporate Governance Principles Compliance Report Part III Stakeholders / Article 18
c) The page number or department name of the information about the number of meetings of the board of directors during the year and the participation of the members in the meetings	Investor Relations / Financial Information / Annual Financial Reports and Activity/Activity Report / A General Information /Number of Meetings of the Board of Directors during the Period and Participation Status of the Board Members in the Meetings in question/ Article 5 and Activity Report / Corporate Governance Principles Compliance Report Part III Stakeholders / Article 17
c) Page number or section name OF the information about the legislative changes that may significantly affect the company 'S activities	Investor Relations / Financial Information / Annual Financial Reports and Activity/Annual Report / G Other Issues /Information on Legislation Changes That May Significantly Affect the Company's Activities/ Article 1
d) The page number or section name of the information about the important lawsuits filed against the company and their possible consequences	Footnotes/Litigation Provisions for Investor Relations/Financial Information/Annual Financial Reports and Activity/Financial Statements
e) The page number or section name of the information regarding the conflicts of interest between the company and the institutions it receives services such as investment consultancy and rating and the measures taken to prevent them	Our company has not received services from any institution about investment consultancy and rating.
f) The page number or section name OF the information regarding the mutual partnerships where the direct participation rate exceeds 5%	There are no mutual partnerships with a direct participation rate exceeding 5%.
g) The page number or section name of the information about the corporate social responsibility activities related to the social rights of the employees, vocational training and other company activities that have social and environmental consequences	Investor Relations / Financial Information / Annual Financial Reports and Activity / Activity Report / General Information / Personnel and Worker Movements and Collective Bargaining Practices and Rights and Benefits Provided to Personnel and Workers/ Article 6
3. STAKEHOLDERS	
3.1. Company Policy on Stakeholders	
The name of the section on the corporate website where the compensation policy is included	Investor Relations / Corporate Governance / Policies / Compensation Policy
The number of judicial decisions finalized against the company due to the violation of employee rights	15
The title of the official related to the notification mechanism	None.
Information on access to the company 's notification mechanism	None.

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)	
3. STAKEHOLDERS	
3.2. Supporting Stakeholders' Participation in Company Management	
The name of the section on the corporate website where the internal regulations regarding the participation of employees in the management bodies are included	None.
Management bodies where employees are represented	Union.
3.3. Human Resources Policy of the Company	
The role of the board in developing a succession plan for key executive positions	Except for company and market conditions, the Board of Directors has no specified role.
The name of the section on the corporate website where the human resources policy includes the criteria of equal opportunity and personnel recruitment or a summary of the relevant articles of the policy	<a href="http://www.baticim.com.tr">www.baticim.com.tr</a> / Human Resources /Our Human Resources Policy
Whether there is a share acquisition plan	There is no share acquisition plan.
Name of the section on the corporate website where the human resources policy includes measures to prevent discrimination and ill-treatment or a summary of the relevant articles of the policy	<a href="http://www.baticim.com.tr">www.baticim.com.tr</a> / Human Resources /Our Human Resources Policy; Finding the right person in line with the goals and strategies of our Group Companies, regardless of religion, language, race and gender, placing the right job and ensuring the continuity of the efficient workforce, - Creating a fair and happy working environment for our employees, implementing a correct career planning together with their personal and professional development, - In accordance with our corporate culture and values; To create a family of employees who are hardworking, honest and have a sense of belonging, - To follow all developments related to human resources and to implement all innovations in line with the goals and policies of our group companies, While doing all these, to create a human resources structure that is sensitive to the environment and society.
Number of judicial decisions finalized against the company due to liability for occupational accidents	3
3.5. Code of Ethics and Social Responsibility	
Name of the section on the corporate website where the ethics policy is located	Investor Relations / Corporate Governance / Policies / Business Ethics Rules and Working Principles
The name of the section of the corporate social responsibility report on the corporate website. If there is no corporate social responsibility report, the measures taken on environmental, social and corporate governance issues	<a href="http://www.baticim.com.tr">www.baticim.com.tr</a> / Environment /Our Environmental Activities / Waste Management/ Carbon Footprint
Measures taken to combat all forms of corruption, including extortion and bribery	Batiçim Board Members, employees and all third parties should refrain from any behavior and action that may incriminate Batiçim within the scope of corruption. It is forbidden to receive or give all kinds of cash/non-cash benefits that may fall within the scope of corruption, regardless of the public or private sector. During the general operation of the company's activities, no transaction starts in any department and is finalized by the same department. Therefore, an internal control mechanism that constantly controls one another has been established in the works and transactions carried out between departments.
4. BOARD OF DIRECTORS I	
4.2. Operating Principles of the Board of Directors	
Date of the most recent board performance evaluation	No study has been carried out for the performance evaluation of the board of directors.
Whether independent experts are used in the performance evaluation of the board of directors	No
Whether all members of the board of directors are released	Yes
The names of the members of the board of directors delegated to him with the distribution of duties and the content of the said powers	At the Board of Directors meeting held with the agenda of the distribution of duties after the General Assembly meeting; Sabit AYDIN Chairman of the Board of Directors, Gölant CANDAŞ Vice Chairman of the Board of Directors, Ömer Çağdaş SELVİ Officer Member of the Board of Directors
Number of reports submitted by the internal control unit to the audit board or other relevant committees	4
The name or page number of the section where the evaluation of the effectiveness of the internal control system is included in the activity report	Activity Report /Significant Developments in D Activities and Activities/ Internal Control System and Internal Audit Activities / Article 2 and Activity Report / Corporate Governance Principles Compliance Report / Article 19
Name of the chairman of the board	Sabit AYDIN
Name of chief executive/ general manager	There is no Chief Executive Officer of our company. Mr. Gölant CANDAŞ is in the position of Managing Director of the company,

CORPORATE GOVERNANCE INFORMATION FORM (CGIF)							
4. BOARD OF DIRECTORS I							
4.2. Operating Principles of the Board of Directors (continued)							
Link to the KAP announcement where the reason for the chairman of the board of directors and the executive chairman/general manager to be the same person				In our company, the Chairman of the Board of Directors and the Chief Executive Officer/ General Manager consist of different people			
Link to the KAP announcement that the defects of the members of the board of directors during their duties and the damage they will cause to the company are insured for a price exceeding 25% of the company' s capital				There is no manager liability insurance regarding the defects of the members of the board of directors during their duties and the damages they will cause in the company.			
The name of the section on the corporate website where information is given about the diversity policy to increase the proportion of women board members				None.			
Number and proportion of female members				The number of female members is one. The rate is 14%.			
CORPORATE GOVERNANCE INFORMATION FORM (CGIF)							
Structure of the Board of Directors							
Name/ Surname of the Board Member	Whether or not he is in charge of execution	Whether or not it is an Independent Member	Date of First Election to the Board of Directors	Link to the KAP Announcement Including the Declaration of Independence	Whether the Independent Member has been evaluated by the Nomination Committee	Whether or not it is a member that has lost its independence	Has At Least 5 Years of Experience in Auditing, Accounting and/or Finance
SABİT AYDIN	Officer in charge of execution	Not an independent member	17/8/2021	-	Indifferent	Indifferent	No
GÜLANT CANDAS	Officer in charge of execution	Not an independent member	17/8/2021	-	Indifferent	Indifferent	Yes
ÖMER ÇAĞDAŞ SELVİ	Officer in charge of execution	Not an independent member	17/8/2021	-	Indifferent	Indifferent	No
COŞKUN KILIÇ	Not in Charge of Execution	Not an independent member	18/12/2024	-	Indifferent	Indifferent	Yes
UFUK BALAYÜCEL	Not in Charge of Execution	Independent member	6/10/2022	-	Evaluated	No	Yes
MEHMET ŞAHNE	Not in Charge of Execution	Independent member	2/7/2024	-	Evaluated	No	No
ENİS TURAN ERDOĞAN	Not in Charge of Execution	Independent member	27/9/2024	-	Evaluated	No	Yes

4. BOARD OF DIRECTORS II	
4.4. Form of Board Meetings	
Number of board meetings held physically or electronically during the reporting period	The Board of Directors convened 38 times in 2024.
Average attendance rate at board meetings	95%
Whether an electronic portal is used to facilitate the work of the board	No
In accordance with the working principles of the board of directors, how many days before the meeting the information and documents are presented to the members	5 Days
The name of the section on the corporate website where information about the internal regulations in which the board meetings are determined to be held is included	<a href="http://www.baticim.com.tr">www.baticim.com.tr</a> / Investor Relations / Articles of Association, "How the board meetings will be held, Under the title of Board Meetings."
The upper limit determined in the policy limiting the members to take on other duties outside the company	There are no restrictions under the statutory legislation or the Articles of Association of the Company.



CORPORATE GOVERNANCE INFORMATION FORM (CGIF)				
4. BOARD OF DIRECTORS II				
4.5. Committees Established within the Board of Directors				
The page number where the information regarding the board committees is included in the activity report or the name of the relevant department			Activity Report / Corporate Governance principles Compliance Report Part III Stakeholders / Article 17	
The link to the KAP announcement where the working principles of THE committee are announced			-	
Committees of the Board of Directors I				
Names of Board Committees	Name of the Committee Specified as "Other" in the First Column	Name and Surname of Committee	Whether or not he is the Chairman of the	Whether or not he is a member of the Board of Directors
Corporate Governance Committee	-	ENIS TURAN ERDOĞAN	Yes	Member of the Board of Directors
Corporate Governance Committee	-	MEHMET ŞAHNE	No	Member of the Board of Directors
Corporate Governance Committee	-	EMİR VURAL	No	Not a board member
Audit Committee	-	UFUK BALA YÜCEL	Yes	Member of the Board of Directors
Audit Committee	-	MEHMET ŞAHNE	No	Member of the Board of Directors
Early Risk Detection Committee	-	MEHMET ŞAHNE	Yes	Member of the Board of Directors
Early Risk Detection Committee	-	UFUK BALA YÜCEL	No	Member of the Board of Directors

4. BOARD OF DIRECTORS III	
4.5. Committees Formed within the Board of Directors -II	
Indicate the section of the activity report or corporate website, audit committee, where information about its activities is provided (page number or name of section)	<a href="http://www.baticim.com.tr/">www.baticim.com.tr/</a> Investor Relations / Corporate Governance / Regulations /Regulation of the Audit Committee
Indicate the section of the activity report or corporate website where information is given about the activities of the corporate governance committee (page number or name of section)	<a href="http://www.baticim.com.tr/">www.baticim.com.tr/</a> Investor Relations / Corporate Governance / Regulations / Corporate Governance Committee Regulation
Indicate the section of the activity report or corporate website where information is given about the activities of the nomination committee (page number or name of section)	<a href="http://www.baticim.com.tr/">www.baticim.com.tr/</a> Investor Relations / Corporate Governance / Regulations / Corporate Governance Committee Regulation /Nomination Committee
Indicate the section of the activity report or corporate website where information is given about the activities of the early detection of risk committee (page number or name of section)	<a href="http://www.baticim.com.tr/">www.baticim.com.tr/</a> Investor Relations / Corporate Governance / Regulations /Regulation of Early Risk Detection Committee
Indicate the section of the activity report or corporate website where information on the activities of the compensation committee is provided (page number or name of section)	<a href="http://www.baticim.com.tr/">www.baticim.com.tr/</a> Investor Relations / Corporate Governance / Regulations / Corporate Governance Committee Regulation / Compensation Committee
4.6. Financial Rights Provided to Board Members and Managers with Administrative Responsibility	
The page number or section name where the information regarding the operational and financial performance targets OF the activity report and whether they have been achieved	Activity Report / D Activities and Important Developments Related to Activities
Name of the section of the corporate website where the remuneration policy for executive and non-executive members is included	<a href="http://www.baticim.com.tr/">www.baticim.com.tr/</a> Investor Relations / Corporate Governance /Board Committees / Corporate Governance Committee / Corporate Governance Committee Regulation / Compensation Committee
The page number or section name where the activity report indicates the wages given to the members of the board of directors and managers with administrative responsibility and all other benefits provided	Annual Report / B Total Amount of Financial Benefits Provided to Board Members and Senior Managers, Provided Dues, Wages, Premiums, Bonuses, Dividends.

Board of Directors Committees-II					
Names of Board Committees	Name of the Committee Specified as "Other" in the First Column	Proportion of Managers Not in Charge of Execution	Proportion of Independent Members on the Committee	Number of Physical Meetings Held by the Committee	Number of Reports Submitted by the Committee to the Board of Directors on its Activities
Audit Committee	-	100%	100%	4	4
Corporate Governance Committee	-	100%	67%	3	3
Early Risk Detection Committee	-	100%	100%	6	6

SUSTAINABILITY COMPLIANCE REPORT	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL LY	NO	INDIFF ERENT		
A. GENERAL PRINCIPLES						
A1. Strategy, Policy and Objectives						
A1.1. Priority environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the partnership board.	X				Environmental, social and corporate risks and impacts management is provided within the scope of the Integrated Management System. In addition, OHS, Environment and Sustainability Department was established in 2024, and the Sustainability Committee authorized by the board of directors as of 2024 determines priority environmental, social and corporate governance (ESG) issues, targets, risks and opportunities and works are carried out. Risks and opportunities have been disclosed to the public with the "STAKEHOLDER PARTICIPATION PLAN" and will also be shared with the Sustainability Report to be published in 2025.	<a href="https://www.batianadolu.com/upload/pdf/management/policies-documents/paydas_katilim_plani.pdf">https://www.batianadolu.com/upload/pdf/management/policies-documents/paydas_katilim_plani.pdf</a> BATI ANADOLU GROUP OF COMPANIES STAKEHOLDER PARTICIPATION PLAN Page; 6-9 "Significance analysis"
A1.1. ESG policies by the board of directors of the partnership (e.g.: Environmental Policy, Energy Policy, Human Rights and Employee Policy, etc.) and disclosed to the public.	X				The sustainability policies implemented by the Batı Anadolu Group of Companies within the scope of its sustainability vision can be accessed on its website.	<a href="https://www.batianadolu.com/sustainability/environment">https://www.batianadolu.com/sustainability/environment</a> <a href="https://www.batianadolu.com/sustainability/social">https://www.batianadolu.com/sustainability/social</a> <a href="https://www.batianadolu.com/sustainability/management">https://www.batianadolu.com/sustainability/management</a>
A1.2. Short and long-term goals determined within the scope of ESG policies have been announced to the public.		X			It is partially mentioned in the Batı Anadolu 2023 Sustainability Report. Short, medium and long-term goals will be published with the Sustainability Report in 2025.	<a href="https://www.batianadolu.com/upload/pdf/surdurulebilirlik/batianadolu_sr_2024.pdf">https://www.batianadolu.com/upload/pdf/surdurulebilirlik/batianadolu_sr_2024.pdf</a>
A2. Implementation/Monitoring						
A2.1. The committees and/or units responsible for the execution of ESG policies and the highest level responsible persons in the partnership related to ESG issues and their duties have been determined and announced to the public.	X				The Sustainability Committee and the Sustainability Sub-Committee of the Board of Directors were established. The Working Principles of the Sustainability Committee have been announced to the public on our website. It is shared with the public through the Sustainability Report with detailed information and the governance structure for the follow-up, management and business conduct and integration of ESG (Environmental, Social and Governance) issues.	2023 Batı Anadolu Sustainability Report, Pg; 29 "SUSTAINABILITY GOVERNANCE MODEL" <a href="https://www.batianadolu.com/upload/pdf/management/policies-documents/surdurulebilirlik_komitesi_calisma_esaslari.pdf">https://www.batianadolu.com/upload/pdf/management/policies-documents/surdurulebilirlik_komitesi_calisma_esaslari.pdf</a>
A2.1. The activities carried out within the scope of the policies have been reported to the board of directors at least once a year by the responsible committee and/or unit.	X				Sustainability Committee and Sustainability Sub-Committee have been established under the Board of Directors. The Sustainability Committee acts within the framework of the Working Principles and reports to the Board of Directors at least twice a year.	<a href="https://www.batianadolu.com/upload/pdf/management/policies-documents/surdurulebilirlik_komitesi_calisma_esaslari.pdf">https://www.batianadolu.com/upload/pdf/management/policies-documents/surdurulebilirlik_komitesi_calisma_esaslari.pdf</a>
A2.2. Implementation and action plans have been created and made public in line with ESG objectives.	X				Batı Anadolu Group of Companies has created its Sustainability Strategy in line with the ESG objectives and shared the practices and actions carried out within this scope in the Sustainability Report.	2023 Batı Anadolu Sustainability Report, Pg; 31,32 "SUSTAINABILITY STRATEGY and PRIORITIES"
A2.3. With the ESG Key Performance Indicators (KPIs), the level of reaching these indicators on a yearly basis has been disclosed to the public.	X				The key performance indicators defined by the Batı Anadolu Group of Companies in line with the ESG objectives are shared in the Sustainability Report published.	2023 Batı Anadolu Sustainability Report, Pg; 86-93 "PERFORMANCE INDICATORS"
A2.4. Activities to improve sustainability performance for business processes or products and services have been disclosed to the public.	X				Batı Anadolu Group of Companies publishes the Sustainability Report and discloses its practices and performance in the field of sustainability to the public.	2023 Batı Anadolu Sustainability Report, Pg; 86-93 "PERFORMANCE INDICATOR"

SUSTAINABILITY COMPLIANCE REPORT					COMPLIANCE STATUS		DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIALLY	NO	INDIFFERENT				
A. GENERAL PRINCIPLES								
A3. Reporting								
A3.1. Information on the sustainability performance, objectives and actions of the partnership is given in an understandable, accurate and sufficient way in the activity	X					Bati Anadolu Group of Companies publishes the Sustainability Report and discloses its practices and performance in the field of sustainability to the public.	2023 Bati Anadolu Sustainability Report, Pg: 86-93 "PERFORMANCE INDICATOR"	
A3.2. Information on which of the United Nations (UN) 2030 Sustainable Development Goals its activities are related to has been made public by the Partnership.	X					Bati Anadolu Group of Companies has determined the Sustainable Development Goals that it contributes to and aims to increase its contribution in line with the prioritization matrix and value chain analysis. The studies carried out in this context are included in the Sustainability Report published.	2023 Bati Anadolu Sustainability Report, ; 34-35 "CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS"	
A3.3. Cases that are filed and/or concluded against the ESG issues, that are important in terms of ESG policies and/or that will significantly affect the activities have been disclosed to the public.	X					The cases regarding the ESG issues of the Bati Anadolu Group of Companies are included in the Sustainability Report performance tables published. There is no case.	2023 Bati Anadolu Sustainability Report, Pg: 89-91 "ENVIRONMENTAL INDICATORS"	
A4. Verification								
A4.1. The ESG Key Performance measurements of the partnership have been verified by an independent third party and disclosed to the public.	X					The targets and performance values for ESG performance are audited annually by third-party independent auditors within the scope of Integrated Management Systems. In addition, the conformity assessment of compliance with the Environmental Legislation at the national level is also carried out and recorded by the evaluations made by the Ministry of Environment, Urbanization and Climate Change. Verified data of the last 2 years have been published with the Sustainability Report.	2023 Bati Anadolu Sustainability Report, Pg: 59 "TOWARDS ZERO CARBON"; Pg: 74 "INTEGRATED MANAGEMENT SYSTEMS"	
B. ENVIRONMENTAL PRINCIPLES								
B1. The partnership has disclosed its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management to the public.	X					Quality, Environment, Occupational Health and Safety and Energy Management Systems have been established and certified. Management systems are maintained in an integrated manner, and the policy and other documentation within this scope are implemented in an integrated manner in accordance with international product and management standards. It has been disclosed to the public with the Sustainability Report.	2023 Bati Anadolu Sustainability Report, Page 74-75 "INTEGRATED MANAGEMENT SYSTEMS; MANAGEMENT SYSTEMS POLICY"	
B2. Regarding the environmental reports prepared to provide information on environmental management, the scope of the report, the reporting period, the reporting date, and the restrictions on the reporting conditions have been disclosed to the public.	X					The obligations within the scope of the Environmental Legislation (such as notification of greenhouse gas reports, notification of wastes, emission confirmation measurements, periodic measurements of waste incineration) are fulfilled within the periods specified in the legislation and the necessary notifications are made on time without interruption. It has been disclosed to the public with the Sustainability Report.	2023 Bati Anadolu Sustainability Report, Pages 56-70 "RESPECT FOR THE PLANET"	
B4. Environmental goals included in the award criteria within the scope of performance incentive systems on the basis of stakeholders (such as board members, managers and employees) have been announced to the public.		X				Environmental targets have been included in performance incentive systems within the scope of Competency-Based Performance Evaluation in 2024. However, information on these award criteria has not been disclosed to the public.	-	
B5. It has been disclosed to the public how primarily identified environmental problems are integrated into business goals and strategies.	X					In line with the prioritization analysis carried out with the participation of stakeholders, the Bati Anadolu Group of Companies has associated environmental priorities with its business goals and strategies, and the said information has been shared with the public in the Sustainability Report.	2023 Bati Anadolu Sustainability Report, Pg: 31-35 "SUSTAINABILITY STRATEGY and PRIORITIES"	

SUSTAINABILITY COMPLIANCE REPORT	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIALLY	NO	INDIFFERENT		
B. ENVIRONMENTAL PRINCIPLES						
B 7. It has been disclosed to the public how environmental issues are managed and integrated into business goals and strategies, including suppliers and customers throughout the partnership value chain, including the operation process.	X				Information on the environmental management approach, business goals and strategies of the Bati Anadolu Group of Companies, which covers its suppliers and stakeholders throughout the value chain, is explained in the Sustainability Report.	2023 Bati Anadolu Sustainability Report Pg: 70,71 "SUPPLY CHAIN MANAGEMENT"
B8. Whether the relevant organizations and non-governmental organizations are involved in the policy-making processes on the environment and the collaborations with these institutions and organizations have been disclosed to the public.	X				Bati Anadolu Group of Companies shares its cooperation with the relevant institutions and non-governmental organizations and the participation of these organizations in the policy-making processes in its senior management reports and discloses them to the public through the Sustainability Report.	2023 Bati Anadolu Sustainability Report; Pg: 33 "STAKEHOLDER COMMUNICATION"; Pg: 85 "MEMBERSHIPS"
B9. Environmental indicators (Greenhouse gas emissions (Scope-1 (Direct), Scope-2 (Energy indirect), Scope-3 (Other indirect), air quality, energy management, water and wastewater management, waste management, biodiversity effects)) have been disclosed to the public in a periodically comparable way.	X				Direct (Category 1) and indirect emissions from corporate activities (Categories 2, 3, 4, 5 and 6) are calculated under the ISO 14064 Greenhouse Gas Calculation and Reporting Standard. The emissions for the years 2022 and 2023 have been verified by a third-party independent verifier certified by TURKAK within the framework of the ISO 14064-1 Greenhouse Gas Emissions Verification and Reporting Standard. It has been disclosed to the public with the Sustainability Report.	2023 Bati Anadolu Sustainability Report; Pg: 59 "GREENHOUSE GAS and OTHER AIR EMISSIONS"
B10. The details of the standard, protocol, methodology and base year used to collect and calculate the data have been disclosed to the public.	X				The collection of information about the data and the calculations are made within the framework of the relevant legal legislation and standards. It has been disclosed to the public with the Sustainability Report.	2023 Bati Anadolu Sustainability Report; Pg: 59 "GREENHOUSE GAS and OTHER AIR EMISSIONS"
B11. The increase or decrease in environmental indicators for the report year compared to previous years has been disclosed to the public.	X				Environmental Indicators have been disclosed to the public with the Sustainability Report compared to previous years.	2023 Bati Anadolu Sustainability Report; Pg: 59 "GREENHOUSE GAS and OTHER AIR EMISSIONS"; Pg: 89-91 "ENVIRONMENTAL INDICATORS"
B12. Short and long-term goals have been determined to reduce environmental impacts, and these goals and progress according to the goals determined in previous years have been announced to the public.		X			Progress in previous years has been explained. Short and long-term targets will be announced to the Public with the Sustainability Report to be published in 2025.	2023 Bati Anadolu Sustainability Report; Pg: 89-91 "ENVIRONMENTAL INDICATORS"
B13. A strategy to combat the climate crisis has been established and the planned actions have been announced to the public.	X				The strategy to combat the climate crisis has been determined and the planned actions have been announced to the public in the Sustainability Report.	2023 Bati Anadolu Sustainability Report; Pages 56-70 "RESPECT FOR THE PLANET"
B14. Programs or procedures have been created and disclosed to the public in order to prevent or minimize the potential negative impact of products and/or services on the environment.	X				In line with its sustainability strategic priorities, the Bati Anadolu Group of Companies focuses on the protection of natural resources with innovative products and operational improvements and develops programs to reduce its environmental footprint. It is disclosed to the public with the Sustainability Report.	2023 Western Anatolia Sustainability Report; Pages 56-70 "RESPECT FOR THE PLANET"
B14. Actions have been taken to reduce the greenhouse gas emissions of third parties (e.g. suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.	X				Promotional studies are carried out to reduce greenhouse gas emissions of third parties and are disclosed to the public with the Sustainability Report.	2023 Bati Anadolu Sustainability Report Pg: 70.71 "SUPPLY CHAIN MANAGEMENT"
B15. Environmental benefits/gains and cost savings provided by initiatives and projects to reduce environmental impacts have been disclosed to the public.	X				In order to reduce the environmental impact, the environmental benefits and gains provided by the initiatives and projects have been disclosed to the public with the Sustainability Report published in 2024.	2023 Bati Anadolu Sustainability Report; Pages 56-70 "RESPECT FOR THE PLANET"



SUSTAINABILITY COMPLIANCE REPORT	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIALLY	NO	INDIFFERENT		
B. ENVIRONMENTAL PRINCIPLES						
B16. Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data have been disclosed to the public as Scope-1 and Scope-2.	X				It has been disclosed to the public with the Sustainability Report.	2023 Batı Anadolu Sustainability Report; Pg; 59 "GREENHOUSE GAS and OTHER AIR EMISSIONS"; Pg; 89-91 "ENVIRONMENTAL INDICATORS"
B17. The public has been informed about the electricity, heat, steam and cooling produced in the reporting year.	X				Electricity production in the waste heat plant is constantly monitored and reported to the management. It has been disclosed to the public with the Sustainability Report.	2023 Batı Anadolu Sustainability Report; Pg; 64,65 "ENERGY MANAGEMENT and ALTERNATIVE FUELS"
B18. Studies have been carried out to increase the use of renewable energy and to switch to zero or low-carbon electricity and have been disclosed to the public.	X				Green energy produced in the waste heat facility has been registered with the IREC and has been disclosed to the public with the Sustainability Report.	2023 Batı Anadolu Sustainability Report; Pg; 64,65 "ENERGY MANAGEMENT and ALTERNATIVE FUELS"
B19. Renewable energy production and use data have been disclosed to the public.	X				Green energy produced in the waste heat plant is registered with IREC and disclosed to the public.	2023 Batı Anadolu Sustainability Report; pp; 64,65 "ENERGY MANAGEMENT and ALTERNATIVE FUELS"; pp; 89-91 "ENVIRONMENTAL INDICATORS"
B20. Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction obtained through energy efficiency projects have been disclosed to	X				Details of energy efficiency projects and energy consumption and emission reduction amounts have been disclosed to the public with the published Sustainability Report.	2023 Batı Anadolu Sustainability Report; Pg; 60-65 "TOWARDS ZERO CARBON"
B21. Water consumption, amounts of water withdrawn, recycled and discharged from underground or above ground, if any, sources and procedures have been disclosed to the public.	X				The studies, objectives and annual performance-based data of the Batı Anadolu Group of Companies in the field of water management have been disclosed to the public in the Sustainability Report.	2023 Batı Anadolu Sustainability Report; Pg; 68 "water and WASTEWATER MANAGEMENT"; Pg; 89-91 "ENVIRONMENTAL INDICATORS"
B22. It has been disclosed to the public whether operations or activities are included in any carbon pricing system (Emission Trading System, Cap & Trade or Carbon Tax).				X	In our country, the legal regulation processes regarding the carbon pricing system have not been completed yet.	-
B23. Carbon credit information accumulated or purchased during the reporting period has been disclosed to the public.		X			In our company, carbon credits accumulated with the energy produced from waste heat are certified with VCS. It has been disclosed to the public with the Sustainability Report.	2023 Batı Anadolu Sustainability Report; Pg; ,65 "ENERGY MANAGEMENT and ALTERNATIVE FUELS"
B24. If carbon pricing is applied within the partnership, its details have been disclosed to the public.				X	In our country, the legal regulation processes regarding the carbon pricing system have not been completed yet.	-
B25. The platforms where the partnership discloses its environmental information have been disclosed to the public.	X				Disclosed to the public in the Sustainability Report.	2023 Batı Anadolu Sustainability Report; Pg 89-91 " ENVIRONMENTAL INDICATORS"
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.1. The Corporate Human Rights and Employee Rights Policy has been established to cover the Universal Declaration of Human Rights, ILO Conventions approved by Turkey and other relevant legislation, and those responsible for the implementation of the policy have been determined and the policy and those responsible have been	X				Batı Anadolu Group of Companies Human Rights Policy is available. It is publicly disclosed on the website and in the Sustainability Report.	<a href="https://www.batianadolu.com/upload/pdf/sosyal/politika/insan-haklari-politikasi.pdf">https://www.batianadolu.com/upload/pdf/sosyal/politika/insan-haklari-politikasi.pdf</a> Batı Anadolu 2023 Sustainability Report; Pg; 36-56; "PEOPLE FIRST"

SUSTAINABILITY COMPLIANCE REPORT	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIALLY	NO	INDIFFERENT		
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.2. Fair workforce, improvement of working standards, women's employment and inclusion (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc.) are included in the policy.	X				Bati Anadolu Group of Companies has a "Sustainable Procurement and Responsible Procurement Policy" and a "Human Rights Policy" and is published on its website and made available to the public.	<a href="https://www.batianadolu.com/upload/pdf/policies/surdurulebilir_tedarik_ve_sorumlu_satin_alma_politikasi.pdf">https://www.batianadolu.com/upload/pdf/policies/surdurulebilir_tedarik_ve_sorumlu_satin_alma_politikasi.pdf</a> <a href="https://www.batianadolu.com/upload/pdf/sosyal/politika/insan-haklari-politikasi.pdf">https://www.batianadolu.com/upload/pdf/sosyal/politika/insan-haklari-politikasi.pdf</a>
C1.3. The measures taken throughout the value chain have been disclosed to the public regarding the observation of certain economic, environmental, social factors sensitive segments (low-income segments, women, etc.) or minority rights/equal opportunities.	X				Bati Anadolu Group of Companies observes human rights in all its activities by adopting the "Sustainable Procurement and Responsible Procurement Policy", "Diversity, Equality and Inclusion Policy" and "Human Rights Policy". With these policies, "Business Ethics and Working Principles" are published on the website and made available to the public. In addition, the contact information of the Ethics Committee is also available on the website. All these practices are included in the Sustainability Report.	Bati Anadolu 2023 Sustainability Report; Pg: 36-56 "PEOPLE FIRST"; Pg: 83 "BUSINESS ETHICS" <a href="https://www.batianadolu.com/upload/pdf/policies/bati_anadolu_grubu_cesitlilik_esitlik_ve_kapsayicilik_politikasi.pdf">https://www.batianadolu.com/upload/pdf/policies/bati_anadolu_grubu_cesitlilik_esitlik_ve_kapsayicilik_politikasi.pdf</a> <a href="https://www.batianadolu.com/surdurulebilirlik/ethics_principles">https://www.batianadolu.com/surdurulebilirlik/ethics_principles</a> <a href="https://www.batianadolu.com/upload/pdf/social/policy/insan-haklari-politikasi.pdf">https://www.batianadolu.com/upload/pdf/social/policy/insan-haklari-politikasi.pdf</a> <a href="https://www.batianadolu.com/upload/pdf/policies/surdurulebilir_tedarik_ve_sorumlu_satin_alma_politikasi.pdf">https://www.batianadolu.com/upload/pdf/policies/surdurulebilir_tedarik_ve_sorumlu_satin_alma_politikasi.pdf</a>
C1.4. Developments related to practices that prevent and correct discrimination, inequality, human rights violations, forced labor and child labor have been disclosed to the public.	X				Bati Anadolu Group of Companies protects human rights in all its activities by adopting the "Sustainable Procurement and Responsible Procurement Policy", "Diversity, Equality and Inclusion Policy" and "Human Rights Policy". With these policies, "Business Ethics and Working Principles" have been published on the website and made available to the public. In addition, the contact information of the Ethics Committee is also available on the website. All these practices are included in the Sustainability Report.	"Bati Anadolu 2023 Sustainability Report; Pg: 36-56 "" HUMAN FIRST ""; Pg: 83 ""BUSINESS ETHICS""  <a href="https://www.batianadolu.com/upload/pdf/policies/bati_anadolu_grubu_cesitlilik_esitlik_ve_kapsayicilik_politikasi.pdf">https://www.batianadolu.com/upload/pdf/policies/bati_anadolu_grubu_cesitlilik_esitlik_ve_kapsayicilik_politikasi.pdf</a> <a href="https://www.batianadolu.com/surdurulebilirlik/etik_ilkeler">https://www.batianadolu.com/surdurulebilirlik/etik_ilkeler</a> <a href="https://www.batianadolu.com/upload/pdf/sosyal/politika/insan-haklari-politikasi.pdf">https://www.batianadolu.com/upload/pdf/sosyal/politika/insan-haklari-politikasi.pdf</a> <a href="https://www.batianadolu.com/upload/pdf/policies/surdurulebilir_tedarik_ve_sorumlu_satin_alma_politikasi.pdf">https://www.batianadolu.com/upload/pdf/policies/surdurulebilir_tedarik_ve_sorumlu_satin_alma_politikasi.pdf</a>
C1.5. Investment (training, development policies), compensation, benefits, right to unionization, work/ life balance solutions and talent management issues are included in the employee rights policy.	X				Bati Anadolu Group of Companies protects human rights in all its activities by adopting the "Human Rights Policy". With these policies, "Business Ethics and Working Principles" have been published on the website and made available to the public. In addition, competency-based performance evaluation studies are carried out on talent management. All these practices are included in the Sustainability Report.	"Bati Anadolu 2023 Sustainability Report; Pg: 36-56 "" HUMAN FIRST "" Pg: 83 ""BUSINESS ETHICS"" <a href="https://www.batianadolu.com/upload/pdf/sosyal/politika/insan-haklari-politikasi.pdf">https://www.batianadolu.com/upload/pdf/sosyal/politika/insan-haklari-politikasi.pdf</a> <a href="https://www.batianadolu.com/surdurulebilirlik/etik_ilkeler">https://www.batianadolu.com/surdurulebilirlik/etik_ilkeler</a>

SUSTAINABILITY COMPLIANCE REPORT	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY
	YES	PARTIALLY	NO	INDIFFERENT		
C. SOCIAL PRINCIPLES						
C1. Human Rights and Employee Rights						
C1.5. Dispute resolution processes have been determined by creating mechanisms for employee complaints and dispute resolution.	X				Solution processes have been determined in Business Ethics and Working Principles. In addition, a platform has been created through the "Solution Center Process" website communication section on the website where all employees, customers, business partners and visitors can submit complaints, opinions, suggestions, satisfaction and solution requests. All notifications are integrated into the Corporate Management Software Program and the process is managed through the system. This process ensures that incoming notifications are automatically forwarded to the relevant unit managers through the system. The relevant directors are obliged to take action within 24 hours of receiving the notice. The process also allows users to report anonymously, allowing feedback to be shared in privacy.	Batı Anadolu 2023 Sustainability Report; Pg: 83 "BUSINESS ETHICS" <a href="https://www.batianadolu.com/sustainability/ethics_principle">https://www.batianadolu.com/sustainability/ethics_principle</a> <a href="https://www.baticim.com.tr/contact">https://www.baticim.com.tr/contact</a>
C1.5. Activities carried out within the reported period to ensure employee satisfaction have been disclosed to the public.		X			Employee satisfaction, employee feedback and individual interviews are followed up and instant actions are taken when necessary. In 2024, an Employee Engagement survey was conducted with an independent research company in order to measure employee engagement. It will be made public with the Sustainability Report to be published in 2025.	-
C1.6. Occupational health and safety policies have been created and disclosed to the public.	X				It has been published on the website within the scope of the Integrated Management System Policy. It publishes its activities in this field in the Sustainability Report.	Batı Anadolu 2023 Sustainability Report; Pg: 36-56 "PEOPLE FIRST" <a href="https://www.batianadolu.com/upload/pdf/yonetisim/politikalar-belgeler/entegre-yonetim-sistemleri.pdf">https://www.batianadolu.com/upload/pdf/yonetisim/politikalar-belgeler/entegre-yonetim-sistemleri.pdf</a>
C1.6. Measures taken to prevent occupational accidents and protect health and accident statistics have been disclosed to the public.	X				Batı Anadolu Group of Companies awareness studies conducted to prevent occupational accidents and protect health are published on various platforms (such as meetings, digital platform). Accident statistics are monitored and presented in management reports. The number of days without an accident is published on the digital panel at the entrance of the facility. It publishes its activities and statistical information in this field in the Sustainability Report.	Batı Anadolu 2023 Sustainability Report; Pg: 36-56 "PEOPLE FIRST"; Pg: 92-93 "SOCIAL PERFORMANCE"
C1.7. Personal data protection and data security policies have been established and disclosed to the public.	X				Batı Anadolu Group of Companies has created "Information Security Policy" and "Personal Data Protection and Privacy Policy" in the field of personal data protection and data security and made them available to the public. The activities carried out in this area are published through Sustainability Reports.	Batı Anadolu 2023 Sustainability Report; Pg: 76 "INFORMATION TECHNOLOGIES" <a href="https://www.batianadolu.com/upload/pdf/yonetisim/politikalar-belgeler/bilgi-guvenligi-politikas%C4%B1.pdf">https://www.batianadolu.com/upload/pdf/yonetisim/politikalar-belgeler/bilgi-guvenligi-politikas%C4%B1.pdf</a> <a href="https://www.baticim.com.tr/ya-sal-bilgi-pros/personal-data-pr">https://www.baticim.com.tr/ya-sal-bilgi-pros/personal-data-pr</a>
C1.8. Ethics policy has been established and disclosed to the public.	X				Batı Anadolu Group of Companies Business Ethics and Working Principles are available and Ethics committee contact information is available on the website. Disclosed to the public in the Sustainability Report.	Batı Anadolu 2023 Sustainability Report; Pg: 83 "BUSINESS ETHICS" <a href="https://www.batianadolu.com/surdurulebilirlik/etik_ilkeler">https://www.batianadolu.com/surdurulebilirlik/etik_ilkeler</a>
C1.9. Studies within the scope of social investment, social responsibility, financial inclusion and access to financing are explained.	X				It publishes its activities in this field in its Sustainability reports.	Batı Anadolu 2023 Sustainability Report; Pg: 36-56 "PEOPLE FIRST"
C1.10. Informative meetings and training programs have been organized for employees on ESG policies and practices.	X				It publishes its activities in this field in its Sustainability reports.	Batı Anadolu 2023 Sustainability Report; Pg: 36-56 "PEOPLE FIRST"

SUSTAINABILITY COMPLIANCE REPORT	COMPLIANCE STATUS				DESCRIPTION	REPORT INFORMATION ON PUBLICLY DISCLOSED INFORMATION
	YES	PARTIAL LY	NO	INDIFF ERENT		
C. SOCIAL PRINCIPLES						
C2. Stakeholders, International Standards and Initiatives						
C2.1. Customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed to the public.	X				It manages customer satisfaction within the framework of the Batı Anadolu Group of Companies Integrated Management Systems Policy. Research and practices that increase customer satisfaction are carried out within the scope of the customer complaint evaluation instruction. In addition, measurement and evaluation are carried out within the scope of the customer satisfaction survey instruction. The relevant process is followed up in the management reports. In addition, a platform has been created through the "Solution Center Process" website communication section on the website where all employees, customers, business partners and visitors can submit complaints, opinions, suggestions, satisfaction and solution requests. All notifications are integrated into the Corporate Management Software Program and the process is managed through the system. This process ensures that incoming notifications are automatically forwarded to the relevant unit managers through the	Bati Anadolu 2023 Sustainability Report; Pg:33 "STAKEHOLDER COMMUNICATION" <a href="https://www.batianadolu.com/upload/pdf/yonetisim/politikalar-belgeler/entegre-yonetim-sistemleri.pdf">https://www.batianadolu.com/upload/pdf/yonetisim/politikalar-belgeler/entegre-yonetim-sistemleri.pdf</a> <a href="https://www.baticim.com.tr/contact">https://www.baticim.com.tr/contact</a>
C2.2. Information about the communication with the stakeholders (which stakeholder, subject and frequency) has been disclosed to the public.	X				Within the scope of the Sustainability Report, detailed information was provided about the communication with the stakeholders.	Bati Anadolu 2023 Sustainability Report; Pg:33 "STAKEHOLDER COMMUNICATION"
C2.3. International reporting standards adopted in reporting are explained.	X				Bati Anadolu Group of Companies publishes the 'Sustainability Report' in accordance with the 2021 version of the GRI Standards.	Bati Anadolu 2023 Sustainability Report; Pg:3 "ABOUT THE REPORT"
C2.4. The principles adopted regarding sustainability, the international organizations, committees and principles to which it is a signatory or member have been disclosed to the	X				The responsibility undertaken and the activities carried out by the Bati Anadolu Group of Companies are explained to the public in the Sustainability Report.	Bati Anadolu 2023 Sustainability Report; Pg:3 "ABOUT THE REPORT"
C2.5. Improvements have been made and studies have been carried out to take part in the sustainability indices of Borsa Istanbul and/ or international index providers.			X		Studies will be started in 2025.	-
D. CORPORATE GOVERNANCE PRINCIPLES						
D1. The opinions of stakeholders were consulted in determining measures and strategies in the field of sustainability.	X				Bati Anadolu Group of Companies collected stakeholder opinions with the online significance survey for the prioritization matrix, which forms the basis of the determination of sustainability strategies with selected stakeholder groups. Strategies in the field of sustainability have been determined by conducting a company prioritization matrix study.	Bati Anadolu 2023 Sustainability Report; Pg: 31,32 "SUSTAINABILITY STRATEGY and PRIORITIES"
D2. Studies have been carried out to raise awareness about social responsibility projects, awareness activities and trainings and the issue of sustainability and its importance.	X				It publishes its activities in this field in its Sustainability reports.	Bati Anadolu 2023 Sustainability Report; Pg: 36-56 "PEOPLE FIRST"



## DECLARATION OF INDEPENDENCE

### *To the Corporate Governance Committee of Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi;*

I declare that I have read and understood the "Capital Markets Board Corporate Governance Principles" annexed to the Corporate Governance Communiqué II-17.1 of the Capital Markets Board due to my application on 31.03.2023, as an independent member candidate and that I meet all the criteria for Independent Board Membership listed in the principle 4.3.6 below within the framework of the relevant legislation.

**a)** The company, the partnerships in which the company has management control or significant influence and the partners who have management control of the company or have significant influence in the company and the legal persons in which these partners have management control and themselves, their spouses and their blood and marriage relatives up to the second degree; there is no employment relationship in the managerial position that will undertake important duties and responsibilities in the last five years, more than 5% of the capital or voting rights or privileged shares are not owned together or alone or no significant commercial relationship has been established,

**b)** In the last five years, in the companies where the company has purchased or sold services or products significantly within the framework of the agreements made, especially in the audit (including tax audit, statutory audit, internal audit), rating and consultancy of the company, in the periods when the service or product is purchased or sold, the partner (5% and above) is not an employee or a member of the board of directors in a managerial position to undertake important duties and responsibilities,

**c)** Since he/she is an independent board member, he/she has the vocational training, knowledge and experience to fulfill his/her duties properly,

**ç)** Not working full-time in public institutions and organizations after being elected as a member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

**d)** According to the Income Tax Law (Income Tax Law) dated 31/12/1960 and numbered 193, it is deemed to be settled in Turkey,

**e)** It has strong ethical standards, professional reputation and experience that can contribute positively to the activities of the company, maintain its impartiality in conflicts of interest between the company and the shareholders, and decide freely by taking into account the rights of the stakeholders,

**f)** Being able to devote time to the company's business to the extent that he/she can follow the operation of the company's activities and fully fulfill the requirements of the duties he/she undertakes,

**g)** He/she has not been a member of the board of directors of the company for more than six years in the last ten years,

**ğ)** More than three of the companies in which the company or the partners holding the management control of the company have management control and more than five of the companies listed on the stock exchange in total are not serving as independent board members,

**h)** Not being registered and announced on behalf of the legal person elected as a member of the board of directors.

### *To the Corporate Governance Committee of Batıçim Batı Anadolu Çimento Sanayii Anonim Şirketi;*

I declare that I have read and understood the "Capital Markets Board Corporate Governance Principles" annexed to the Corporate Governance Communiqué II-17.1 of the Capital Markets Board due to my application on 17.04.2024, as an independent member candidate and that I meet all the criteria for Independent Board Membership listed in the principle 4.3.6 below within the framework of the relevant legislation.

**a)** The company, the partnerships in which the company has management control or significant influence and the partners who have management control of the company or have significant influence in the company and the legal persons in which these partners have management control and themselves, their spouses and their blood and marriage relatives up to the second degree; there is no employment relationship in the managerial position that will undertake important duties and responsibilities in the last five years, more than 5% of the capital or voting rights or privileged shares are not owned together or alone or no significant commercial relationship has been established,

**b)** In the last five years, in the companies where the company has purchased or sold services or products significantly within the framework of the agreements made, especially in the audit (including tax audit, statutory audit, internal audit), rating and consultancy of the company, in the periods when the service or product is purchased or sold, the partner (5% and above) is not an employee or a member of the board of directors in a managerial position to undertake important duties and responsibilities,

**c)** Since he/she is an independent board member, he/she has the vocational training, knowledge and experience to fulfill his/her duties properly,

**ç)** Not working full-time in public institutions and organizations after being elected as a member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

**d)** According to the Income Tax Law (Income Tax Law) dated 31/12/1960 and numbered 193, it is deemed to be settled in Turkey,

**e)** It has strong ethical standards, professional reputation and experience that can contribute positively to the activities of the company, maintain its impartiality in conflicts of interest between the company and the shareholders, and decide freely by taking into account the rights of the stakeholders,

**f)** Being able to devote time to the company's business to the extent that he/she can follow the operation of the company's activities and fully fulfill the requirements of the duties he/she undertakes,

**g)** He/she has not been a member of the board of directors of the company for more than six years in the last ten years,

**ğ)** More than three of the companies in which the company or the partners holding the management control of the company have management control and more than five of the companies listed on the stock exchange in total are not serving as independent board members,

**h)** Not being registered and announced on behalf of the legal person elected as a member of the board of directors.

**To the Corporate Governance Committee of Batıçım Batı Anadolu Çimento Sanayii Anonim Şirketi;**

I declare that I have read and understood the "Capital Markets Board Corporate Governance Principles" annexed to the Corporate Governance Communiqué II-17.1 of the Capital Markets Board due to my application on 21.08.2024, as an independent member candidate and that I meet all the criteria for Independent Board Membership listed in the principle 4.3.6 below within the framework of the relevant legislation.

**a)** The company, the partnerships in which the company has management control or significant influence and the partners who have management control of the company or have significant influence in the company and the legal persons in which these partners have management control and themselves, their spouses and their blood and marriage relatives up to the second degree; there is no employment relationship in the managerial position that will undertake important duties and responsibilities in the last five years, more than 5% of the capital or voting rights or privileged shares are not owned together or alone or no significant commercial relationship has been established,

**b)** In the last five years, in the companies where the company has purchased or sold services or products significantly within the framework of the agreements made, especially in the audit (including tax audit, statutory audit, internal audit), rating and consultancy of the company, in the periods when the service or product is purchased or sold, the partner (5% and above) is not an employee or a member of the board of directors in a managerial position to undertake important duties and responsibilities,

**c)** Since he/she is an independent board member, he/she has the vocational training, knowledge and experience to fulfill his/her duties properly,

**ç)** Not working full-time in public institutions and organizations after being elected as a member, except for university faculty membership, provided that it is in accordance with the legislation to which they are affiliated,

**d)** According to the Income Tax Law (Income Tax Law) dated 31/12/1960 and numbered 193, it is deemed to be settled in Turkey,

**e)** It has strong ethical standards, professional reputation and experience that can contribute positively to the activities of the company, maintain its impartiality in conflicts of interest between the company and the shareholders, and decide freely by taking into account the rights of the stakeholders,

**f)** Being able to devote time to the company's business to the extent that he/she can follow the operation of the company's activities and fully fulfill the requirements of the duties he/she undertakes,

**g)** He/she has not been a member of the board of directors of the company for more than six years in the last ten years,

**ğ)** More than three of the companies in which the company or the partners holding the management control of the company have management control and more than five of the companies listed on the stock exchange in total are not serving as independent board members,

**h)** Not being registered and announced on behalf of the legal person elected as a member of the board of directors.



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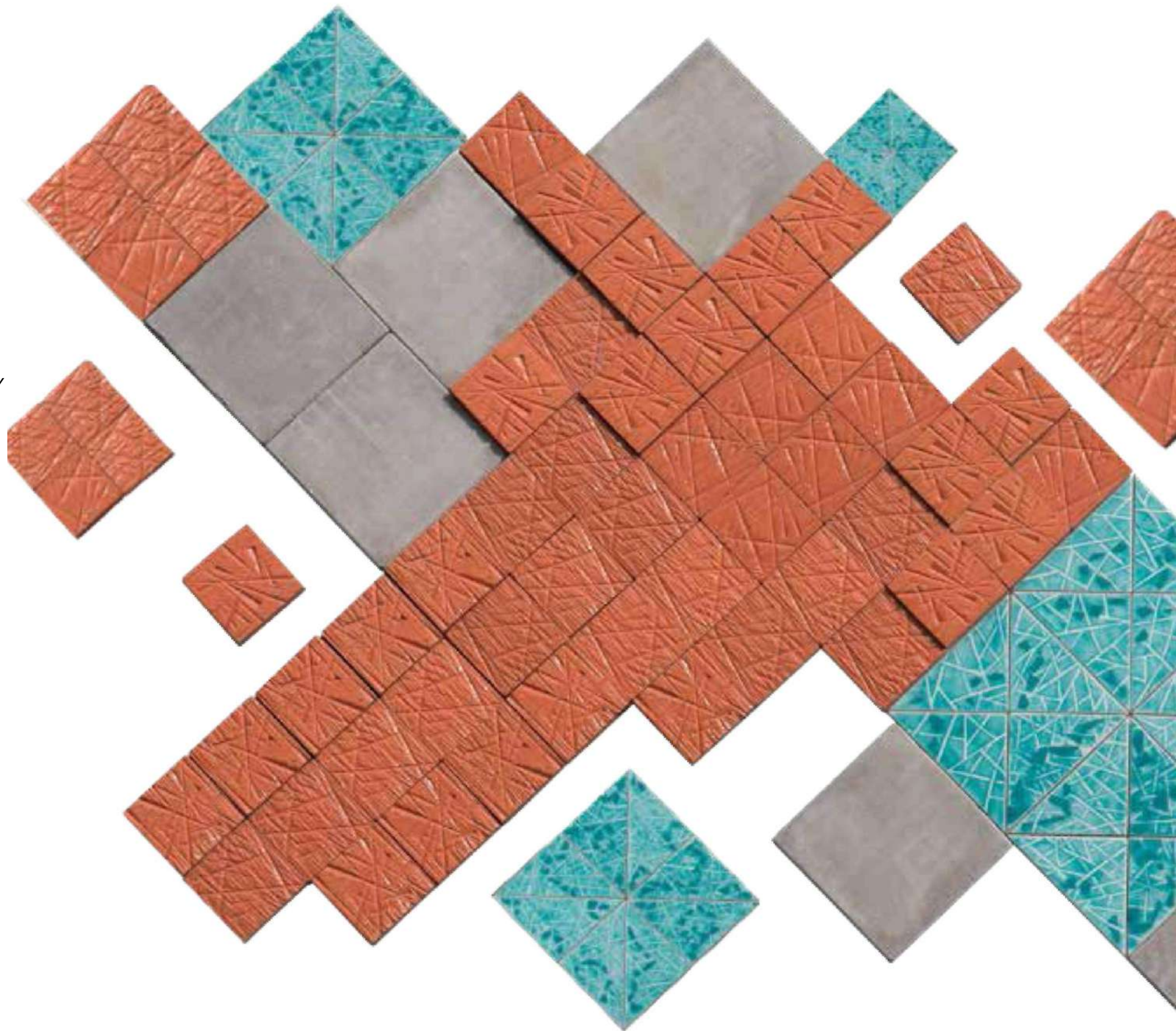
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BATIÇİM BATI ANADOLU ÇİMENTO  
SANAYİİ ANONİM ŞİRKETİ GENERAL  
ASSEMBLY;

A) INDEPENDENT AUDIT OF CONSOLIDATED  
FINANCIAL STATEMENTS

1)Limited Positive Opinion

We have audited the consolidated financial statements of Batıçım Batı Anadolu Çimento Sanayii A.Ş. ("Company") dated 31 December 2024 and the consolidated financial statements for the accounting period ending on the same date consisting of profit or loss and other comprehensive income statement, consolidated equity change statement and consolidated cash flow statement and the consolidated financial statement footnotes including the summary of significant accounting policies.

In our opinion, except for the effect of the matter described in the Basis for Limited Positive Opinion paragraph below on the consolidated financial statements, it presents the consolidated financial position of the Group as of 31 December 2024 and its consolidated financial performance and consolidated cash flows for the accounting period ending on the same date in accordance with Turkish Financial Reporting Standards (TFRs) in all material respects in a fair manner.

2)Basis for Limited Positive Opinion

It is necessary to evaluate whether there is an impairment of the Group' s tangible and intangible fixed assets in accordance with the TAS 36 "Impairment of Assets" standard. Studies on the determination of the recoverable amounts of intangible assets subject to concession with a net book value of TL 1,036,631 specified in Note 13 of Kovada I and Kovada II hydroelectric power plants owned by Batıçım Enerji Elektrik Üretim A.Ş., one of the subsidiaries of the Group, are ongoing as of the date of this report. Therefore, it has not been determined whether any adjustment is required about the possible effect of the adjustments that may be deemed necessary as a result of the comparison of the recoverable amounts of these assets with the indexed cost value on the attached consolidated financial statements, including the deferred tax effect.

The independent audit we conducted was carried out in accordance with the Independent Auditing Standards (IASs), which are part of the Turkish Auditing Standards adopted within the framework of the regulations of the Capital Markets Board and published by the Public Oversight, Accounting and Auditing Standards Authority (POA). Our responsibilities under these Standards are described in detail in the Independent Auditor's Responsibilities for the Independent Audit of the Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) published by the POA and the ethical provisions in the Capital Markets Board legislation and other relevant legislation regarding the independent audit of financial statements. Other responsibilities related to ethics within the scope of the Code of Ethics and legislation have also been fulfilled by us. We believe that the independent audit evidence we obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3) Key Audit Issues

According to our professional judgment, key audit issues are the most important issues in the independent audit of the financial statements for the current period. Key audit issues have been addressed within the framework of the independent audit of the financial statements as a whole and in forming our opinion on the financial statements, and we do not express a separate opinion on these issues.

Key Audit Issue How this issue was addressed in the audit	
<p><b>Recognition of Tangible Fixed Assets by Revaluation Method</b></p> <p>In its consolidated financial statements dated 31 December 2024, the Group measured lands and plots and machinery, facilities and devices at their fair values based on the results of the valuation studies carried out by an independent valuation institution authorized by the CMB as of 31 December 2024, and the value increase of TL 998,502 after the tax effect related to the related assets was recognized in the tangible fixed asset revaluation increases accounts under other comprehensive income accounts.</p> <p>It is important for our audit that the processes and valuation studies in the recognition of these transactions in the financial statements contain significant expertise, reasoning and assumptions and therefore, it has been determined by us as a key audit subject.</p> <p>Detailed explanations about tangible fixed assets are given in Note 2 and Note 12.</p>	<ul style="list-style-type: none"><li>• During our audit, the following audit procedures have been applied for the measurement of tangible fixed assets in accordance with the revaluation model:</li><li>• Regarding the revaluation studies of tangible fixed assets, the competencies, competencies and impartiality of the real estate appraisers appointed by the management have been evaluated by us. In our audit, the appropriateness of the methods used by the valuation experts in the said valuation reports, which constitute the basis for the fair values of the relevant tangible fixed assets measured according to the revaluation model, has been evaluated.</li><li>• An external expert has been included with the studies of the valuation experts of another organization in order to check the suitability of the assumptions used by the independent valuation experts during the valuation with market data. In this context, as a result of the studies and examinations carried out by the experts on the said real estate valuation calculations, we have evaluated whether the fair value appreciated by the valuation experts is within an acceptable range.</li><li>• The suitability of the valuation method used has been evaluated and checked together with the intended use of the relevant machinery and devices.</li><li>• In addition , we have questioned the suitability of the information in the financial statements and explanatory footnotes in accordance with TAS 16 within the scope of the above-mentioned special accounting.</li></ul>

4) Other Issues

The consolidated financial statements of Batıçım Batı Anadolu Çimento Sanayii A.Ş. for the accounting period ended on 31 December 2023 were audited by another independent audit firm and a positive opinion was given on these financial statements on 20 May 2024.

5) Responsibilities of the Management and Those Responsible for Senior  
Management regarding Financial Statements

Group management is responsible for the preparation of consolidated financial statements in accordance with TFRs, the presentation of them in a truthful manner and the internal control it deems necessary to ensure that they are prepared in a manner that does not contain any material misstatement due to error or fraud.



While preparing the consolidated financial statements, the management is responsible for evaluating the Group's ability to maintain its continuity, explaining the issues related to continuity when necessary, and using the principle of continuity of the business unless it has the intention or obligation to liquidate the Group or terminate the commercial activity.

Those responsible for senior management are responsible for overseeing the Group's financial reporting process.

## 6) Responsibilities of the Independent Auditor Regarding the Independent Audit of Financial Statements

In an independent audit, we, the independent auditors, have the following responsibilities:

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole contain material misstatement due to error or fraud and to prepare an independent auditor's report containing our opinion. Reasonable assurance given as a result of an independent audit carried out in accordance with the regulations of the Capital Markets Board and the IASs is a high level of assurance, but does not guarantee that a significant error will always be detected. Errors can be caused by error or fraud. These errors are considered significant if it is reasonably expected that the errors, alone or collectively, will affect the economic decisions of the users of the financial statements based on these statements.

As a requirement of an independent audit carried out in accordance with the regulations of the Capital Markets Board and the IASs, we use our professional judgment and maintain our professional skepticism throughout the independent audit. Accordingly, by us:

- The risks of "material misstatement" arising from errors or fraud in the consolidated financial statements are identified and evaluated; audit procedures are designed and implemented to respond to these risks and sufficient and appropriate audit evidence is obtained to provide a basis for our opinion (The risk of not being able to detect a material misstatement arising from fraud is higher than the risk of not being able to detect a material misstatement arising from errors, as fraud may involve collusion, fraud, intentional negligence, misrepresentation or breach of internal control).
- Audit-related internal control is assessed not to express an opinion on the effectiveness of the Group's internal control, but to design audit procedures that are appropriate to the situation.
- It is evaluated whether the accounting policies used by the management are appropriate and whether the accounting estimates and related explanations are reasonable.
- Based on the audit evidence obtained, it is concluded whether there is a significant uncertainty regarding the events or conditions that may create serious doubts about the Group's ability to maintain its continuity and the appropriateness of management's use of the going concern basis. If we conclude that there is a significant uncertainty, we need to draw attention to the relevant explanations in the financial statements in our report or to give an opinion other than a positive opinion if these explanations are insufficient. Our conclusions are based on the audit evidence obtained until the date of the independent auditor's report. However, future events or circumstances may end the Group's continuity.
- The general presentation, structure and content of the consolidated financial statements, including the disclosures, and whether these statements reflect the underlying transactions and events in a way that provides fair presentation are evaluated.
- In order to give an opinion on the consolidated financial statements, sufficient and appropriate audit evidence is obtained about the financial information related to the entities or operating segments within the Group. We are responsible for guiding, overseeing and conducting the group audit. We are solely responsible for the audit opinion we give.

Among other things, we report the planned scope and timing of the independent audit and the significant audit findings to the senior management, including the significant internal control deficiencies we found during the audit.

We have informed those responsible for senior management that we have complied with the ethical provisions regarding independence. In addition, we have communicated all relations and other issues that can be considered to have an effect on independence and, if any, the relevant measures to those responsible for senior management.

Among the issues reported to the senior management, we identify the most important issues in the independent audit of the financial statements for the current period, namely key audit issues. In cases where the legislation does not allow the subject to be disclosed to the public or in very exceptional cases where it is reasonably expected that the negative consequences of the public disclosure will exceed the public interest of the public disclosure, we may decide not to report the relevant issue in our independent auditor's report.

## B) REPORT ON OTHER OBLIGATIONS ARISING FROM THE LEGISLATION

The Auditor's Report on the Early Risk Detection System and Committee prepared in accordance with the fourth paragraph of Article 398 of the Turkish Commercial Code ("TCC") No. 6102 was submitted to the Board of Directors of the Group on 11 April 2025.

In accordance with the fourth paragraph of Article 402 of the TCC no significant issue has been found that the bookkeeping order and financial statements of the Group in the accounting period of 1 January - 31 December 2024 are not in accordance with the provisions of the TCC and the Company's articles of association regarding financial reporting.

In accordance with the fourth paragraph of Article 402 of the TCC the Board of Directors made the necessary explanations within the scope of the audit and gave the requested documents.

Özgür Öney is the responsible auditor who carried out and concluded this independent audit.

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

**Özgür Öney, CPA**  
Responsible Auditor Izmir, 11 April 2025

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Consolidated statement OF financial position AS OF 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

	NOTE	CURRENT PERIOD	PREVIOUS PERIOD
		INDEPENDENTLY AUDITED	INDEPENDENTLY AUDITED
		31 DECEMBER 2024	31 DECEMBER 2023
Assets			
Current assets			
Cash and cash equivalents	4	326.903	449.678
Financial investments	5	226	-
Trade receivables			
Trade receivables from related parties	7	150	3.467
Trade receivables from non-related parties	8	2.475.091	2.459.260
Other receivables			
Other receivables from related parties	7	-	1.153.353
Other receivables from non-related parties	9	11.31	33.845
Inventories	10	1.175.99	1.674.588
Prepaid expenses	11	215.093	150.463
Assets related to current period tax	25	42.932	2.760
Other current assets	16	327.024	302.452
Total current assets		4.574.727	6.229.866
Fixed assets			
Financial investments	5	1	14
Other receivables			
Other receivables from non-related parties	9	15.71	22.203
Tangible fixed assets	12	21.341.01	21.016.134
Right-of-use assets	13	257.549	207.941
Intangible fixed assets	13	1.165.53	1.200.846
Prepaid expenses	11	20	19.511
Deferred tax assets	25	343.11	243.441
Total non-current assets		23.122.967	22.710.090
Total assets		27.697.694	28.939.956

The following footnotes form an integral part of the consolidated financial statements.

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the consolidated financial statements as of 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

		CURRENT PERIOD	PREVIOUS PERIOD
		INDEPENDENTLY AUDITED	INDEPENDENTLY AUDITED
		31 DECEMBER 2024	31 DECEMBER 2023
NOTE			
Liabilities			
Short-term liabilities			
Short-term borrowings	6	940.912	866.203
Short-term portions of long-term borrowings	6	1.076.087	1.114.248
Liabilities arising from leasing	6	22.256	28.908
Trade payables			
Trade payables to related parties	7	2.756	-
Trade payables to non-related parties	8	1.808.530	2.450.420
Payables under employee benefits	15	58.607	68.305
Other payables			
Other payables to non-related parties	9	26.104	35.587
Deferred income	11	99.421	257.391
Tax liability for profit for the period	25	4.720	378.260
Short-term provisions			
Other short-term provisions	14	16.205	10.984
Other short-term liabilities	16	36.039	21.188
Total short-term liabilities		4.091.637	5.231.494
Long-term liabilities			
Long-term borrowings	6	2.916.468	4.778.672
Other financial liabilities	6	130.028	85.869
Long-term provisions			
Long-term provisions for employee benefits	15	168.909	221.968
Other long-term provisions	14	70.078	70.369
Deferred tax liabilities	25	1.188.049	844.498
Total long-term liabilities		4.473.532	6.001.376
Total liabilities		8.565.169	11.232.870
Equity			
Paid-in capital	17	180.000	180.000
Capital adjustment differences	17	5.109.762	5.109.762
Reversed shares		(1.872)	(1.401)
Premiums on shares (discounts)	17	247.882	238.631
Accumulated other comprehensive income (expenses) not to be reclassified to profit or loss			
Revaluation and measurement gains (losses)			
Increase (decrease) in revaluation of tangible fixed assets	17	2.622.871	2.101.225
Defined benefit plans remeasurement gains (losses)	17	(131.652)	(170.465)
Reserves on retained earnings		639.440	639.440
Retained earnings or losses		8.224.640	5.215.812
Net profit (loss) for the period		(25.329)	2.647.760
Equity of parent company		16.865.742	15.960.764
Non-controlling interests	17	2.266.783	1.746.322
Total equity		19.132.525	17.707.086
Total resources		27.697.694	28.939.956

The following footnotes form an integral part of the consolidated financial statements.



Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Consolidated statement of changes in equity for the period from 1 January TO 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

PROFIT OR LOSS PORTION	NOTE	CURRENT PERIOD INDEPENDENTLY AUDITED 1 JANUARY – 31 DECEMBER 2024	PREVIOUS PERIOD INDEPENDENTLY AUDITED 1 JANUARY – 31 DECEMBER 2023
Revenue	18	13.440.205	16.599.968
Cost of sales	18	(11.840.805)	(14.230.156)
Gross profit from business activities		1.599.400	2.369.812
Gross profit		1.599.400	2.369.812
General administrative expenses	19	(492.413)	(449.007)
Marketing expenses	19	(579.925)	(509.057)
Other income from main operations	21	425.803	789.879
Other expenses from main operations	21	(384.857)	(1.177.366)
Operating profit		568.008	1.024.261
Income from investment activities	22	194.067	29.535
Expenses from investment activities	22	(8)	(91.431)
Operating profit before financing income		762.067	962.365
Financing income	23	71.086	174.769
Financing expenses	24	(1.919.086)	(4.109.816)
Net monetary gain	30	1.351.485	4.062.309
Profit before tax from continuing operations		265.552	1.089.627
Tax (expense) income from continuing operations			
Tax expense for the period	25	(194.914)	(352.550)
Deferred tax income	25	5.491	2.229.988
Profit for the period from continuing operations		76.129	2.967.065
Distribution of profit for the period			
Non-controlling interests		101.458	319.305
Parent company shares		(25.329)	2.647.760
Earnings per share	26	(0.1407)	14.7098
Other comprehensive income (expense) part			
They will not be reclassified to profit or loss			
Increase (decrease) in revaluation of tangible fixed assets	12	1.233.391	2.240.919
Increase (decrease) in revaluation of tangible fixed assets, tax effect	25	(234.889)	(499.783)
Defined benefit plans remeasurement gains (losses)		57.899	(79.955)
Defined benefit plans remeasurement gains (losses), tax effect	25	(14.475)	19.989
Other comprehensive income		1.041.926	1.681.170
Total comprehensive income		1.118.055	4.648.235
Distribution of total comprehensive income			
Non-controlling interests		213.287	470.612
Parent company shares		904.768	4.177.623

The following footnotes form an integral part of the consolidated financial statements.



Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Consolidated statement of changes in equity for the period from 1 January TO 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

Accumulated other comprehensive income or expenses not to be reclassified to profit or loss									Accumulated profits				
	Paid-in Capital	Capital adjustment differences	Reversed shares	Mutual Affiliate capital adjustment	Share issuance premiums/ discounts	Increase/ decrease in revaluation of tangible fixed assets	Defined benefit plans remeasurement gains (losses)	Reserves on retained earnings	Retained earnings (losses)	Net profit (loss) for the period	Equity of parent company	Non-controlling interests	Total equity
Balance as of 1 January 2023 (beginning of period)	180.000	5.109.762	(1.401)	(605.291)	3.367	574.288	(116.869)	667.881	4.062.969	911.826	10.786.532	918.502	11.705.034
Transfers	-	-	-	-	-	(51.513)	-	-	965.555	(911.826)	2.216	(2.216)	-
Total comprehensive income	-	-	-	-	-	1.583.652	(53.789)	-	-	2.647.760	4.177.623	470.612	4.648.235
Profit for the period	-	-	-	-	-	-	-	-	-	2.647.760	2.647.760	319.305	2.967.065
Other comprehensive income	-	-	-	-	-	1.583.652	(53.789)	-	-	-	1.529.863	151.307	1.681.170
Increase (decrease) due to changes in share ratio in subsidiaries that do not result in loss of control	-	-	-	-	-	(5.202)	193	(28.441)	187.288	-	153.838	-	153.838
Increase (decrease) due to repurchase transactions of shares	-	-	-	605.291	235.264	-	-	-	-	-	840.555	359.424	1.199.979
Balance as of 31 December 2023 (end of period)	180.000	5.109.762	(1.401)	-	238.631	2.101.225	(170.465)	639.440	5.215.812	2.647.760	15.960.764	1.746.322	17.707.086
Balance as of January 1, 2024 (beginning of period)	180.000	5.109.762	(1.401)	-	238.631	2.101.225	(170.465)	639.440	5.215.812	2.647.760	15.960.764	1.746.322	17.707.086
Transfers	-	-	-	-	-	(369.638)	-	-	3.019.028	(2.647.760)	1.630	(1.630)	-
Total comprehensive income	-	-	-	-	-	891.284	38.813	-	-	(25.329)	904.768	213.287	1.118.055
Profit (loss) for the period	-	-	-	-	-	-	-	-	-	(25.329)	(25.329)	101.458	76.129
Other comprehensive income	-	-	-	-	-	891.284	38.813	-	-	-	930.097	111.829	1.041.926
Increase (decrease) due to other changes	-	-	(471)	-	9.251	-	-	-	-	-	8.780	308.804	317.584
Dividend payment	-	-	-	-	-	-	-	-	(10.200)	-	(10.200)	-	(10.200)
Balance as of 31 December 2024 (end of period)	180.000	5.109.762	(1.872)	-	247.882	2.622.871	(131.652)	639.440	8.224.640	(25.329)	16.865.742	2.266.783	19.132.525

(\*) The relevant amount is due to the capital increase of Batisöke Söke Çimento Sanayii T.A.Ş., which is a subsidiary of the Company, during the year.

The following footnotes form an integral part of the consolidated financial statements.



Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries  
Consolidated cash flow statement for the accounting period from 1 January to 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless

	NOTE	CURRENT PERIOD	PREVIOUS PERIOD
		INDEPENDENTLY AUDITED	INDEPENDENTLY AUDITED
		1 January 31 December 2024	1 January 31 December 2023
A. Cash flows from operating activities, net		158.261	1.657.315
Profit (loss) for the period			
Profit (loss) for the period from continuing operations (I)		76.129	2.967.065
Adjustments related to reconciliation of net profit (loss) for the period (II)		1.034.346	85.287
Adjustments related to depreciation and amortization expense	12.13	1.071.948	993.523
Adjustments related to impairment (cancellation)			
Adjustments related to impairment (cancellation) of receivables	8	215	3.962
Adjustments related to inventory impairment (cancellation)	10	15.925	(43.503)
Adjustments related to impairment (cancellation) of tangible fixed assets	12, 21	44.875	-
Adjustments related to provisions			
Adjustments related to (cancellation of) provisions for employee benefits	15	75.701	130.240
Adjustments related to litigation and/or penalty provisions (cancellations)		4.037	(30.312)
Adjustments related to other provisions (cancellations)	14	24.493	40.347
Adjustments related to interest (income) and expenses			
Adjustments related to interest income	22	(225.218)	(71.801)
Adjustments related to interest expenses	24	803.480	1.481.213
Unearned finance income from term sales	21	(128.377)	(510.168)
Deferred financing expense from term purchases	21	80.349	556.782
Adjustments related to unrealized foreign currency translation differences		1.016.665	2.514.122
Adjustments related to tax (income) expense	25	189.423	(1.877.438)
Adjustments related to losses (gains) arising from disposal of non-current assets			
Adjustments related to losses (gains) arising from the disposal of tangible fixed assets	22	8	90.918
Adjustments related to monetary loss / (gain)		(1.939.178)	(3.192.598)
Changes in working capital (III)		(599.423)	(996.009)
Adjustments related to decrease (increase) in trade receivables		(91.322)	(1.224.729)
Adjustments related to decreases (increases) in inventories	10	287.175	329.371
Decrease (increase) in prepaid expenses	11	(45.139)	86.461
Adjustments related to increase (decrease) in trade payables		(510.757)	22.127
Increase (decrease) in payables within the scope of employee benefits		(9.698)	15.654
Adjustments related to decrease / (increase) in other operating receivables			
Decrease / (increase) in other operating receivables from non-related parties	9	22.535	-
Adjustments related to increase (decrease) in other operating payables			
Increase (decrease) in other operating payables to related parties	7	(9.484)	(26)
Increase (decrease) in other operating payables to non-related parties		-	13.157
Adjustments related to other increase (decrease) in working capital			
Decrease (increase) in other operating assets		(63.278)	77.539
Increase (decrease) in other liabilities related to activities		(21.485)	(17.643)
Increase (decrease) in deferred income		(157.970)	15.886
Other cash inflows (outflows)		-	(313.806)
Cash flows from operations (I+II+III)		511.052	2.056.343
Payments made within the scope of provisions for employee benefits	15	(12.615)	(163.828)
Tax refunds (payouts)	25	(340.176)	(235.200)

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries  
Consolidated cash flow statement for the accounting period from 1 January to 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

	NOTE	CURRENT PERIOD	Previous period
		INDEPENDENTLY AUDITED	INDEPENDENTLY AUDITED
		1 January 31 December 2024	1 January 31 December 2023
B. Cash flows from investing activities, net		1.055.366	324.775
Cash inflows from sales that do not result in loss of control of subsidiaries	7	1.411.845	508.423
Cash inflows from sale of tangible and intangible fixed assets			
Cash inflows from sale of tangible fixed assets		8.530	18.930
Cash inflows from sale of intangible fixed assets		-	448.259
Cash outflows from acquisition of tangible and intangible fixed assets			
Cash outflows from acquisition of tangible fixed assets	12	(361.438)	(650.282)
Cash outflows from acquisition of intangible fixed assets	13	(3.571)	(555)
C. Cash flows from financing activities		(1.236.840)	(1.718.980)
Cash inflows from borrowing			
Cash inflows from loans	6	2.313.118	2.067.225
Cash outflows related to debt payments			
Cash outflows related to loan repayments	6	(3.046.997)	(2.355.266)
Interest paid	6	(815.194)	(1.455.510)
Dividend payment		(10.200)	-
Other cash inflows	17	317.584	-
Cash outflows from leasing	6	(26.302)	(18.208)
Interest received		31.151	42.779
D. Monetary gain (loss) effect on cash and cash equivalents		(107.169)	(124.888)
E. Effect of foreign currency translation differences on cash and cash equivalents		7.607	4.902
Net increase (decrease) in cash and cash equivalents (A+B+C+D+E)		(122.775)	143.124
F. Cash and cash equivalents at the beginning of the period	4	449.678	306.554
Cash and cash equivalents at the end of the period )(A+B + C + D+E+F)	4	326.903	449.678

The following footnotes form an integral part of the consolidated financial statements.



Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the consolidated financial statements as of 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

1. ORGANIZATION AND FIELD OF ACTIVITY OF THE GROUP

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi ("Grup" or "Batiçim") was established in 1966 in İzmir, Turkey in accordance with the provisions of the Turkish Commercial Code.

The Group's head office address is Ankara Caddesi No: 335 Bornova, İzmir; its main activity center is located at the same address.

The Group is registered with the Capital Markets Board ("CMB") and its shares have been traded in Borsa İstanbul Anonim Şirketi ("Borsa İstanbul") since 1995.

The shareholding structure of the Group according to historical values is as follows:

Partners	Share rate (%)	31 December 2024 Share amount (Thousand TL)	Share rate (%)	31 December 2023 Share amount (Thousand TL)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş.	39.72	71.503	45.43	81,769
Istanbul Portfolio Management Inc. Pre-IPO Venture Capital Investment Fund	11.96	21.534	12.00	21,594
Istanbul Portfolio Second Hedge Fund	6.75	12.141	5.50	9,891
KTLP Limited	5.7	10.267	-	-
Other	35.87	64.555	37.07	66,746
Nominal capital	100.00	180.000	100.00	180,000

The members of the Board of Directors of the Group are as follows:

Chairman: Sabit Aydın  
Deputy Chairman: Gülant Candaş  
Member in Charge: Ömer Çağdaş Selvi  
Member: COŞKUN KILIÇ  
Independent Member: Mehmet Şahne  
Independent Member: Ufuk Bala Yücel  
Independent Member: Enis Turan Erdoğan

As of 31 December 2024, the details of the Group's subsidiaries are given below:

Subsidiaries	Exchanges where they are traded	Main fields of activity
Batisöke Söke Çimento Sanayii T.A.Ş. ("Batisöke")	Borsa İstanbul	Clinker and cement production and sales
ASH Plus Yapı Malzemeleri Sanayi ve Ticaret A.Ş. ("ASH Plus")	-	Production and sale of ash
Batiçim Enerji Elektrik Üretim A.Ş. ("Batiçim Enerji")	-	Electricity generation and sales
Batibeton Sanayi A.Ş. ("BATIBeton")	-	Production and sale of Ready-Mixed Concrete
Batılıman Liman İşletmeleri A.Ş. ("Batılıman")	-	Port Management
Batiçim Enerji Toptan Satış A.Ş. ("Batiçim Enerji Toptan")	-	Sales and distribution

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries

Notes to the consolidated financial statements as of 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

1. ORGANIZATION AND FIELD OF ACTIVITY OF THE GROUP (CONTINUED)

The field of activity of the Company and its subsidiaries (together the "Group") described above is the production and marketing of cement, ready-mixed concrete, aggregate, clinker, port management, electrical energy production and sales. Reporting by departments is included under Note 3.

The number of employees of the Group by categories is as follows:

	31.12.2024	31.12. 2023
Manager	34	33
Officer	192	182
Worker	794	791
	1.020	1.006

2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic principles of presentation

The Group and its subsidiaries keep and prepare their legal books and legal financial statements in accordance with the accounting principles determined by the Turkish Commercial Code ("TCC") and tax legislation.

The accompanying consolidated financial statements have been prepared in accordance with the provisions of the "Communiqué on Principles Regarding Financial Reporting in Capital Markets" ("Communiqué") Series II, No. 14.1, published in the Official Gazette dated 13 June 2013 and numbered 28676 of the Capital Markets Board ("CMB"), Turkish Financial Reporting Standards ("TFRs"), which were put into effect by the Public Oversight Accounting and Auditing Standards Authority ("POA"), were taken as basis. In addition, it was presented in accordance with the TMS taxonomy published by the POA on July 3, 2024.

Companies reporting in accordance with CMB legislation apply the Turkish Accounting Standards/ Turkish Financial Reporting Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") and their annexes and interpretations ("TAS/TFRs") in accordance with Article 5 of the Communiqué.

In accordance with the TAS 16 revaluation model, the Group's consolidated financial statements are prepared on a historical cost basis, except for the lands/plots and machinery, equipment and equipment that are accounted for at their fair value. In determining the historical cost, the fair value of the amount paid for the assets is generally taken as a basis.

Functional and reporting presentation currency

The Group and its subsidiaries determine the currency (functional currency) valid in the basic economic environment in which they operate in accordance with the Effects of TAS 21 Exchange Rate Change in the preparation of their individual financial statements and prepare their financial statements according to that currency. The functional currency of each business of the Group is determined as Turkish Lira. The Group's financial position and operating results are expressed in TL, which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries  
Notes to the consolidated financial statements as of 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries  
Notes to the consolidated financial statements as of 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic principles of the presentation (continued)

Adjustment of financial statements in periods of high inflation

The financial statements and the related amounts for the previous periods are restated for the changes in the general purchasing power of the functional currency and as a result, they are expressed in the unit of measurement valid at the end of the reporting period in accordance with TAS 29 "Financial Reporting in High Inflation Economies" standard.

TAS 29 is applied to the financial statements of each entity whose functional currency is the currency of a high inflation economy, including the financial statements. In the event of high inflation in an economy, TAS 29 requires the financial statements of an entity whose functional currency is the currency of a high-inflation economy to be expressed in the unit of measurement in force at the end of the reporting period.

As of the reporting date, since the cumulative change in the overall purchasing power of the last three years according to the Consumer Price Index ("CPI") figure is over 100%, enterprises operating in Turkey

In the reporting periods ending on or after 31 December 2023, they are required to apply the TAS 29 "Financial Reporting in High Inflation Economies" standard.

Within the scope of the Announcement on the Adjustment of the Financial Statements of the Companies Subject to Independent Audit published by the POA on 23 November 2023, it has been stated that the financial statements of the enterprises applying the Turkish Financial Reporting Standards for the annual reporting period ending on or after 31 December 2023 should be adjusted and presented in accordance with the relevant accounting principles in TAS 29.

However, in accordance with the CMB' s decision dated 28 December 2023 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29, starting from the annual financial reports of the accounting periods ending as of 31 December 2023.

In this context, the financial statements dated 31 December 2024 are presented by adjusting them according to the inflation effect within the scope of the accounting principles specified in TAS 29.

The following table shows the inflation rates for the relevant years calculated by taking into account the Consumer Price Indices published by the Turkish Statistical Institute ("TURKSTAT"):

Date	Index	Correction coefficient	Three-year cumulative inflation rates
31.12.2024	2.684.55	1.00000	291%
31.12. 2023	1.859,38	1.44379	268%
December 31, 2022	1.128,45	2.37897	156%

2.1 Basic principles of the presentation (continued)

The outlines of TAS 29 indexing transactions are as follows:

- As of the reporting date, all items other than those expressed in current purchasing power are indexed using the relevant correction coefficients. The amounts of previous years were also indexed in the same way.
- Monetary assets and liabilities are not indexed because they are expressed in current purchasing power at the date of the statement of financial position. Monetary items are items to be received or paid in cash and cash.
- Fixed assets, affiliates and similar assets are indexed at their historical costs, provided that they do not exceed their market values. Depreciations were similarly adjusted. The amounts included in the equity are rearranged as a result of the application of general price indices in the periods when these amounts are included in the Company or within the Company.
- All the items in the profit or loss statement, except those that have an effect on the profit or loss statement of the profit or loss statement affected by the indexation of the non-monetary items in the financial statement, are indexed with the coefficients calculated over the periods when the income and expense accounts are reflected in the financial statements for the first time.
- Gains or losses arising from general inflation in the net monetary position are the difference of the adjustments made in non-monetary assets, equity items and profit or loss statement accounts. These gains or losses on the net monetary position are included in the profit or loss.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the net monetary position gains/(losses) account in the profit or loss statement (Note 30).

The effect of the implementation of the TAS 29 "Financial Reporting in High Inflation Economies" standard is summarized below:

Reorganization of the Statement of Financial Position

The amounts in the financial statement that are not expressed in the valid measurement unit at the end of the reporting period are rearranged. Accordingly, monetary items are not restated because they are expressed in the current currency at the end of the reporting period. Non-monetary items are required to be rearranged unless they are shown at the end of the reporting period over their current amounts.

The gain or loss on the net monetary position arising from the reorganization of non-monetary items is included in the profit or loss and is presented separately in the profit or loss and other comprehensive income statement.

Reorganization of the Profit or Loss Statement

All items in the profit or loss statement are expressed in the unit of measurement in force at the end of the reporting period. Therefore, all amounts have been rearranged by applying the changes in the monthly general price index.

The cost of sold inventories was adjusted using the rearranged inventory balance.



**Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries**  
**Notes to the consolidated financial statements as of 31 December 2024**

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

## 2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

### 2.1 Basic principles of the presentation (continued)

Depreciation and amortization expenses are adjusted by using rearranged balances of tangible fixed assets, intangible fixed assets and right of use assets.

#### **Rearrangement of Cash Flow Statement**

All items in the cash flow statement are expressed in units of measurement valid at the end of the reporting period.

Non-monetary items acquired or undertaken before January 1, 2005, when the definition of the Turkish lira as the currency of a high-inflation economy was terminated, and equities put into operation or formed before this date were subject to adjustment in the CPI according to the change from January 1, 2005 to December 31, 2024.

In addition, during the reporting period when TAS 29 is applied for the first time, the provisions of the Standard are applied by assuming that there is always high inflation in the relevant economy. Therefore, the opening balance sheet dated 1 January 2022 at the beginning of the comparative earliest period has been adjusted for inflation in order to form the basis for the subsequent reporting periods. The inflation-adjusted amount of the previous years' profits/losses item in the statement of financial position dated 1 January 2022 is obtained from the balance sheet equation that should be after the adjustment of the other items of the said statement according to inflation.

#### **Business continuity:**

As of 31 December 2024, its current assets in its consolidated financial statements are sufficient to meet short-term liabilities and its total equity has reached 19.132.525 TL, including the total comprehensive income of 1.118.055 TL according to the consolidated results for the current year ending on the same date.

However, as of December 31, 2024, the Group's subsidiary Batisöke's current liabilities (TL 1.884.737 of which consists of non-trade payables to related parties) exceeded its current assets by TL 1.470.903 and its total shareholders' equity, including total comprehensive income amounting to TL 598.585 for the current year ended on the same date, reached TL 7.615.082. The Company's management has taken a Board of Directors' Decision to use its receivables from Batisöke in the amount of 2.099.979 TL, including the principal and interest amounts for 2025 and 1.878.701 TL from its non-commercial receivables to related parties as of 31 December 2024, in the capital increase to be carried out before Batisöke (paid capital increase or allocated capital increase) and to follow them under equity as capital advance, to use all of the pre-emptive rights within the scope of the shares it has in the capital increase and to purchase all the issued shares with the allocated sales method. In this context, the said amount was taken under equity as capital advance in Batisöke records in 2025. After this transaction, Batisöke's current assets will be 407,798 TL more than its short-term liabilities.

The total equity of the company, which has reached a positive level as a result of the implementation of TAS 29 inflation accounting, which entered into force in ' 2023, and the measures taken in 2024 to ensure the sustainable continuity of the significant cash flow obtained in 2024 and the business plans for the next period are given below.

In 2024, the Group reduced clinker exports by approximately 22% on a quantity (ton) basis compared to the previous year, taking into account customer profitability along with production and stock management, and increased cement exports by approximately 6% on a ton basis compared to the previous year.

**Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries**  
**Notes to the consolidated financial statements as of 31 December 2024**

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

## 2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

### 2.1 Basic principles of the presentation (continued)

However, the Group plans to close its clinker exports at the level of the amount (tons) it has completed at the end of 2024 with a similar strategy in 2025, but will be able to update its strategy in case of positive changes in profitability and the market.

In 2025, it is aimed to increase the sales of cement in the domestic market, which has a higher profit margin, and to increase export revenues with a ton-based increase over the previous year in cement exports and to penetrate the American and European markets.

Although the Group does not foresee any risk in the realization of principal and interest payments due in 2025 within the framework of EBITDA and cash flow to be created from its main activities within the framework of the projection it has made for 2025; the transactions whose processes have been completed or ongoing as of the date of approval of the 2024 year-end financial statements and which it has completed and aims to complete in the light of the explanations made in the KAP are as follows:

■ Batisöke Söke Çimento Sanayii T.A.Ş., a group company, has provided a total fund of TL 1,209,250,900 TL, TL 895,482,158 TL offset and TL 313,768,742 cash inflow, in relation to increasing its issued capital of TL 400,000,000 TL to TL 1,600,000,000 TL (300%) by increasing it to TL 1,200,000,000 TL (300%) by using the pre-emptive rights of the existing shareholders within the registered capital ceiling of TL 2,000,000,000,000 TL. The fund provided by cash inflow has been used in financial debt payments.

■ As previously announced to the public, a process has been initiated for Batılman Liman İşletmeleri A.Ş., which is a group company, to offer its shares to the public by capital increase and/or joint sale method, and in this context, the application regarding the transition to the registered capital system was submitted to the Capital Markets Board on 30 December 2024. Within the framework of the cash flow to be formed after the public offering transactions, some of the public offering income is considered to be used in the early payment of the refinancing loan or other loans available in the Group within the framework of the above-mentioned purpose. It is aimed to reduce the exchange rate difference and interest expenses that may occur due to foreign currency in the future by reducing the loan debt.

■ The company management predicts that it will be sufficient in fulfilling short-term obligations and reducing the refinancing loan before maturity, considering the net cash flows and cash flows to be created outside the above-mentioned activity, which are envisaged to be obtained within the framework of consolidated business plans and cash flow projections except for the energy segment prepared for the Batiçim Group by independent expert institutions appointed by the lenders as a requirement of the refinancing contract.

■ The Group made the principal and current period interest payments on time regarding the refinancing loan signed to include the financial borrowings of Batisöke, which is a subsidiary, and also preferred to make early loan repayments of USD 25,433,287 in July 2024 before the maturity date regarding the refinancing loan.

■ As of 31 December 2024, it is seen that the debt service coverage ratio ratio, which the Group has committed to fulfill in accordance with the refinancing agreement, has been provided and it shows that the Group as a whole will not have problems in making the relevant payments on time regarding the financial indebtedness that will become due within 12 (twelve) months of the net cash flow in 2024 in terms of the forward-looking commitment in the same agreement.

Within the framework of all these evaluations, the consolidated financial statements of the Group dated 31 December 2024 have been prepared in accordance with the principle of continuity of the business.

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries  
Notes to the consolidated financial statements as of 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basic principles of the presentation (continued)

Approval of financial statements:

The financial statements have been approved by the Board of Directors and authorized to be published on April 11, 2025. The General Assembly has the authority to amend the financial statements.

Principles regarding consolidation

Consolidated financial statements cover the financial statements of the entities controlled by the Group and the Group's subsidiaries. Control is ensured by the Group meeting the following conditions:

- Having control over the invested group / asset;
- It is open to or entitled to variable returns from the invested group / asset; and
- Being able to use his/her power in a way that can have an effect on returns.

In the event of a situation or event that may cause any change in at least one of the criteria listed above, the Company reassesses whether it has control over its investment.

In cases where the Group does not have a majority voting right on the invested group / asset, it has control over the invested company/asset if it has sufficient voting rights to direct/manage the activities of the relevant investment alone. The Group considers all relevant events and conditions in the assessment of whether the majority of the votes in the relevant investment is sufficient to provide control power, including the following elements:

- Comparison of the voting rights of the Group with the voting rights of other shareholders;
- Potential voting rights held by the Group and other shareholders;
- Rights arising from other contractual agreements; and
- Other events and conditions that may indicate whether the Group has the current power to manage the relevant activities (including the votes held in the general assembly meetings in the previous periods) where a decision needs to be made.

Including a subsidiary in the scope of consolidation starts with the Group's control over the subsidiary and ends with the loss of control. The income and expenses of the subsidiaries purchased or disposed of during the year are included in the consolidated profit or loss and other comprehensive income statement from the date of purchase to the date of disposal.

Each item of profit or loss and other comprehensive income belongs to the shareholders of the parent company and non-controlling interests. Even if the non-controlling interests result in a reverse balance, the total comprehensive income of the subsidiaries is transferred to the main shareholders and non-controlling interests. If necessary, adjustments have been made to the accounting policies of the subsidiaries in order to be the same as the accounting policies followed by the Group. All intra-group assets and liabilities, equity, income and expenses and cash flows related to transactions between Group companies are eliminated in consolidation.

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries  
Notes to the consolidated financial statements as of 31 December 2024

(All amounts are shown as Thousand TL on the basis of the purchasing power of the Turkish Lira ("TL") as of 31 December 2024 unless otherwise stated.)

2.1 Basic principles of the presentation (continued)

As of 31 December 2024 and 2023, the details of the Group's subsidiaries are as follows:

Subsidiary	Establishment and place of activity	December 31, 2024		December 31, 2023	
		Direct shareholding ratio	Indirect shareholding ratio	Direct shareholding ratio	Indirect shareholding ratio
Batisöke	Aydin, Turkey	74.62%	74.62%	74.62%	74.62%
BATÇİM ENERJİ	Izmir, Turkey	100%	100%	100%	100%
Batiçim Enerji Toptan	Izmir, Turkey	-	100%	-	100%
Batibeton	Izmir, Turkey	100%	100%	100%	100%
Batılıman	Izmir, Turkey	90%	90%	90%	90%
ASH Plus	Manisa, Turkey	100%	100%	100%	100%

(\*) As of December 26, 2023, 578.345.800 shares with a total nominal value of TL 5.783.458, representing 10% of the share capital, owned by the Group's subsidiary Batılıman Liman İşletmeleri A.Ş. were transferred to İstanbul Portföy Yönetimi A.Ş. PRE-IPO Venture Capital Investment Fund in consideration of USD 12.000.000 and the dividend payable for the shares subject to the transfer in 2023, if distributed.

2.2 Changes in accounting and reporting standards

New and revised standards and interpretations

The accounting policies taken as a basis in the preparation of the consolidated financial statements for the period ended 31 December 2024 have been applied consistently with those used in the previous year, except for the new and amended TFRs and TFRs interpretations effective as of 1 January 2024, which are summarized below. The effects of these standards and interpretations on the Group's financial position and performance are described in the relevant paragraphs.

i) New standards in force as of 31 December 2024 and amendments and interpretations to existing previous standards

TAS 1 (Amendments)	Classification of Liabilities as Short or Long Term
TFRs 16 (Amendments)	Lease Obligation in Sale and Lease Back Transaction
TAS 1 (Amendments)	Long-Term Liabilities Including Loan Agreement Terms
TAS 7 and TFRs 7 (Amendments)	Supplier Financing Agreements
TSRS 1	General Requirements for Disclosure of Financial Information Related to Sustainability
TSRS 2	Climate Remarks

(1) Effective from accounting periods beginning after January 1, 2024.

The Group is within the scope of application as it meets the criteria specified in the Board decision. For the companies within the scope, there is no obligation to provide comparative information in the first reporting period and the sustainability report of the first year may be published after the financial reports for that period. It is aimed to publish the Group's full TSRS-compliant report in August 2025, as it is obliged to be declared within 2025, provided that it does not exceed nine months.



2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.2 Changes in accounting and reporting standards (continued)

The Group has implemented the above-mentioned new standards and amendments, and these new standards and amendments do not have a significant effect on the current period and comparative previous periods. For this reason, the comparative financial statements of the previous period have not been rearranged in accordance with the principle of materiality.

ii) Standards and amendments published as of 31 December 2024 but not yet effective

The Group has not yet implemented the following amendments and interpretations to the existing previous standards with the following standards that have not yet entered into force:

TFRS 17	Insurance Contracts(2)
TFRs 17 (Amendments)	First Application of TFRs 17 and TFRs 9 with Insurance Contracts – Comparative
TAS 21 (Amendments)	Lack of Barterability(1)

(1)Effective from accounting periods beginning after January 1, 2025.  
(2)Effective from accounting periods beginning after January 1, 2026.

The Group will evaluate the effects of the above-mentioned changes on its operations and apply them from the effective date. The effect of the application of the above standards and interpretations on the Group's consolidated financial statements in future periods is evaluated.

2.3 Comparative information and preparation of previous period financial statements

In order to enable the determination of financial position and performance trends, the Group's consolidated financial position statement dated 31 December 2023 and the consolidated profit or loss and other comprehensive income statement ending on 31 December 2023, the consolidated equity change statement and the consolidated cash flow statement were prepared comparatively with the consolidated profit or loss and other comprehensive income statement ending on 31 December 2023, the consolidated equity change statement and the consolidated cash flow statement.

2.4 Changes and errors in accounting policies, estimates

Accounting policy changes arising from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transition provisions. Changes that do not include any transitional provisions, significant changes in accounting policy or accounting errors detected are applied retrospectively and the previous period's consolidated financial statements are rearranged.

If the changes in accounting estimates are for only one period, they are applied prospectively in the current period in which the change is made, and if they are for future periods, both in the period in which the change is made and in future periods. Significant accounting errors detected are applied retrospectively and the previous period's consolidated financial statements are rearranged.

2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of key accounting policies

Revenue

Revenues are measured at the fair value of the amount of the receivable that has been or will be collected. Net sales are shown by deducting the estimated and realized return, discount, commission, turnover premiums and sales-related taxes from the sales amount of the goods.

Sale of goods

Revenue related to performance obligations in the nature of a commitment to transfer goods or services is recognized as it fulfills its performance obligation by transferring goods or services to its customer. In the sale of goods, when the control of the asset is in the hands of the customers, the asset is transferred and the revenue is recognized. This usually happens when the asset is delivered to the customer. However, in cases where an asset with alternative use is not created for the Group and the Group has a legally enforceable right of collection on the payment to be made for the act completed until that day, the Group transfers the control of the goods over time and records the revenue over time as the production takes place.

When evaluating the transfer of control of the goods or services sold to the customer,

- a) The Group's right to collect goods or services,
- b) Ownership of the customer's legal ownership of goods or services,
- c) Transfer of possession of goods or services,
- d) The ownership of significant risks and rewards arising from the ownership of goods or services by the customer,
- e) It takes into account the conditions of the customer's acceptance of the goods or service.

At the beginning of the contract, the Group evaluates whether there are different performance obligations that need to be allocated. There is no significant service component identified in the Group's customer contracts.

If there is an important financing element in the revenue, the revenue value is determined by reducing the future collections with the interest rate included in the financing element. The difference is recorded in the relevant periods as other income from main operations on the basis of accrual.

Service delivery

The income from the service provision contract is recognized according to the completion stage of the contract. The stage of completion of the contract is determined as follows:

- The income from contracts related to the time spent is recognized over the contract fees as the working hours and direct expenses occur.

Dividend and interest income

Dividend income from equity investments is recognised when shareholders are entitled to receive dividends (as long as the Group will receive economic benefits and it is possible to measure income reliably) and is recognised under income from investing activities.

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**2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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

Interest income from financial assets is recorded as long as the Group obtains economic benefits and it is possible to measure the income reliably. Interest income is accrued in the relevant period at the effective interest rate that reduces the remaining principal balance and the estimated cash inflows from the relevant financial asset during the expected life to the carrying value of the asset in question and is recognized under income from investment activities.

**Related parties**

Related parties are the person or entity associated with the entity (reporting entity) that prepares its consolidated financial statements.

(a) A person or a close member of that person's family is considered to be associated with the reporting entity if:

The person in question,

- i. In the event that the reporting entity has control or joint control power over it,
- ii. If it has a significant impact on the reporting entity,
- iii. In the event that the reporting entity or a parent of the reporting entity is a member of the key executive personnel.

(b) If any of the following conditions exists, the entity is considered to be associated with the reporting entity:

- i. the entity and the reporting entity are members of the same group,
- ii. If the entity is a subsidiary or joint venture of the other entity (or a member of a group to which the other entity is a member),
- iii. If both businesses are joint ventures of the same third party,
- iv. If one of the enterprises is a joint venture of a third enterprise and the other enterprise is a subsidiary of the said third enterprise,
- v. If there are post-employment benefit plans for the employees of the entity, the reporting entity or an entity related to the reporting entity, if the reporting entity itself has such a plan, the sponsoring employers are also related to the reporting entity.
- vi. If the entity is controlled or jointly controlled by a person defined in article (a),
- vii. In the event that a person defined in subparagraph (i) of Article (a) has a significant influence on the entity or is a member of the key executive personnel of the entity (or the parent of this entity).

related party transactions are transactions in which resources, services and liabilities are transferred between related parties, regardless of whether they are for a price. In the consolidated financial statements, the shareholders of the Group, the companies owned by them, their managers and other groups known to be related are defined as related companies. It is assumed that the registered values of the receivables from related parties and the payables to related parties are equivalent to the fair value of the assets and payables.

**Inventories**

Inventories are measured by the adjusted cost of TL expressed in purchasing power on 31 December 2024 or the lower of its net realizable value. Costs, including some of the fixed and variable general production expenses, are valued according to the method suitable for the class to which the inventories are affiliated and mostly according to the weighted average method. Net realizable value is obtained by deducting the estimated completion cost from the estimated sales price in ordinary commercial activity and the sum of the estimated costs to be incurred to realize the sale.

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**2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)**

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

When the net realizable value of the inventories falls below its cost, the inventories are reduced to their net realizable value and reflected as an expense in the profit or loss statement in the year when the impairment occurs. In cases where the conditions that previously caused inventories to be reduced to net realizable value lose their validity or it is proven that there is an increase in net realizable value due to changing economic conditions, the allocated impairment provision is canceled. The canceled amount is limited to the previously allocated impairment amount.

**Right-of-use assets**

The Group recognises right-of-use assets at the date of commencement of the lease agreement (for example, as of the date on which the relevant asset is available for use). Right of use assets are calculated by deducting accumulated depreciation and impairment losses from the cost.

In case of revaluation of financial lease payables, this figure is also corrected.

The cost of the right-of-use asset includes the following:

- (a) the first measurement amount of the lease obligation,
- (b) the amount obtained by deducting all rental incentives received from all rental payments made on or before the date the rental actually started, and
- (c) All initial direct costs incurred by the Group.

Unless the transfer of ownership of the underlying asset to the Group at the end of the lease period is reasonably finalized, the Group depreciates the right of use asset from the date the lease commences until the end of the useful life of the underlying asset.

Right-of-use assets are subject to impairment assessment.

**Lease liabilities**

The Group measures the lease obligation at the present value of the lease payments that were unpaid on the date the lease commenced.

The lease payments included in the measurement of the lease liability at the date of the actual commencement of the lease consist of the following payments to be made for the right of use of the underlying asset during the lease term, which are outstanding at the date of the actual commencement of the lease:

- (a) Fixed payments,
- (b) variable rental payments based on an index or ratio, the first measurement of which is made using an index or ratio on the date the rental actually started,
- (c) Amounts expected to be paid by the Group under residual value commitments
- (d) The exercise price of the call option if the Group is reasonably confident that it will exercise the call option; and
- (e) Penalty payments for termination of the lease if the lease term indicates that the Group will exercise an option to terminate the lease.

Variable lease payments that are not linked to an index or rate are recorded as expenses in the period in which the event or condition that triggered the payment occurs.



2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of significant accounting policies (continued)

The Group determines the revised discount rate for the remainder of the lease period as this rate if the implied interest rate in the lease can be easily determined; and as the Group's alternative borrowing interest rate on the date of re-evaluation if it cannot be easily determined.

After the actual start date of the group lease, it measures the lease liability as follows:

- (a) Increases the book value to reflect the interest on the rental obligation, and
- (b) It reduces the book value to reflect the rental payments made.

In addition, in the event of a change in the lease term, a change in the fixed lease payments in essence, or a change in the evaluation of the underlying asset purchase option, the value of the financial lease liabilities is re-measured.

Tangible fixed assets

Tangible fixed assets are shown at their carrying amounts after the accumulated depreciation and accumulated impairment losses are deducted from the adjusted acquisition cost values of TL expressed with the purchasing power on 31 December 2024, except for land and land for use and machinery/equipment measured at their fair value in accordance with the TAS 16 revaluation model. The cost value of the tangible asset consists of the purchase price, import taxes and non-refundable taxes/fees, and the expenses incurred to make the tangible asset ready for use.

Lands and parcels are not depreciated. Assets under construction for administrative purposes or other purposes not already determined are shown by deducting the impairment loss, if any, from their cost values. Assets that require a significant amount of time to be made ready for use and sale are defined as qualifying assets, and the borrowing costs incurred until the said qualifying assets are ready for use are capitalized. When the construction of these assets is completed and they are ready for use, they are classified in the relevant tangible asset item.

Such assets are depreciated when they are ready for use, as in the depreciation method used for other fixed assets.

With effect from 31 December 2017, the Group decided to apply the revaluation model for its land and plots under tangible fixed assets and changed its accounting policy prospectively under TFRs. However, the Group has changed its accounting policy to be a revaluation model within the machinery and equipment asset group as of September 30, 2022. The fair value studies of the tangible fixed assets measured in accordance with the Group's revaluation model were carried out by a licensed real estate valuation company authorized by the CMB. As of 31 December 2024, the Group has renewed the revaluation measurements of its lands and plots and machinery and equipment. These assets have been reflected in the financial statements dated 31 December 2024 based on their fair values in the current valuation reports prepared by a real estate valuation company authorized by the CMB.

In accordance with the revaluation model, the valuation differences between the adjusted cost value expressed in the purchasing power of TL on 31 December 2024 and its fair value are recognized as net of the deferred tax effect in the "Tangible fixed asset revaluation and measurement gains (losses)" account under the equity through other comprehensive income/expense accounts. In the event of the disposal of a revalued asset, the portion of the revaluation fund related to the sold asset is transferred directly to the loss of the previous year. On the other hand, as a part of the increase in value is used by the entity, it is transferred to the profit/loss of the previous year.

2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Expenses such as repair and maintenance incurred after the use of the tangible fixed asset are recorded as expenses in the period in which they are incurred. If the expenditures made provide an economic value increase in the future use of the relevant tangible fixed asset, these expenditures are added to the cost of the asset and depreciated during the remaining economic life.

The frequency of revaluations depends on the indicators that there is a significant change in the tangible fixed asset items subject to revaluation.

If the carrying amount of an asset has increased as a result of revaluation, this increase is recognized in other comprehensive income and is recognized directly in the equity account group under the name of revaluation increase in value. However, a revaluation value increase is recognized in the profit or loss statement to the extent that the same asset reverses the revaluation value decrease previously associated with profit or loss.

If the carrying amount of an asset has decreased as a result of revaluation, this decrease is recognized as an expense. However, this decrease is recognized in other comprehensive income in relation to this asset to the extent of the scope of all kinds of receivables balance in revaluation surplus. This decrease recognized in other comprehensive income reduces the amount accumulated in equity under the heading of revaluation surplus.

When a tangible asset is disposed of or its use or sale is not expected to provide economic benefit in the future, it is excluded from the statement of financial position. When these assets are sold or disposed of, income (expenses) from investment activities are recognized in the income statement of profit or loss arising from the net carrying amount of the relevant tangible asset.

Except for land and plots and investments made, the cost amounts of tangible fixed assets are depreciated using the linear depreciation method according to their expected useful lives. Expected useful life, residual value and depreciation method are reviewed every year for the possible effects of changes in estimates and are recognized prospectively if there is a change in estimates.

The estimated economic lives of tangible fixed assets for depreciation are as follows:

	Duration (Year)
Underground and aboveground layouts	15-30
Buildings	10-50
Flooring and fixtures	2-20
Plant, machinery and equipment	2-25
Vehicles	4-10
Other tangible fixed assets (mining assets)	10-30

Intangible fixed assets

Intangible fixed assets consist of computer software purchased. The cost of these assets consists of the purchase price and the costs incurred during the purchase.

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2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Of the intangible fixed assets purchased, those with a limited life are shown by the amount after deducting accumulated amortization and accumulated impairment from their cost values. These assets are amortized using the linear depreciation method according to their expected useful lives. Expected useful life residual value and depreciation method are reviewed every year for the possible effects of changes in estimates and are recognized prospectively if there is a change in estimates. Those with an unlimited life from the purchased intangible assets are shown with the amount after deducting the accumulated impairment from the cost values.

When an intangible asset is disposed of or used or sold, it is excluded from the statement of financial position if no economic benefit is expected in the future. Profit or loss arising from the exclusion of an intangible asset from the statement of financial position is calculated as the difference between the net collections from the disposal of assets and their carrying amounts, if any. This difference is recognized in the profit or loss statement when the relevant asset is excluded from the statement of financial position.

The estimated economic lives of tangible and intangible fixed assets for depreciation are as follows:

	Duration (Year)
Rights	3-15
Assets subject to special depletion	5

Impairment of intangible fixed assets other than tangible fixed assets and goodwill

The Group examines the book value of its tangible and intangible fixed assets to determine whether there is an impairment in its assets at each reporting date. In the event of impairment of assets, the recoverable amount of the assets, if any, is measured in order to determine the amount of impairment. In cases where the recoverable amount of an asset cannot be measured, the Group measures the recoverable amount of the cash-generating unit related to the asset. If a reasonable and consistent allocation basis is determined, Group assets are distributed to cash-generating units. Where this is not possible, Group assets are distributed to the smallest cash-generating units to determine a reasonable and consistent allocation basis.

In cases where the recoverable amount of an asset (or cash-generating unit) is lower than its book value, the book value of the asset (or cash-generating unit) is reduced to its recoverable amount. In cases where the relevant asset is not measured with the revalued amount, impairment loss is recognized directly in profit or loss. In this case, impairment loss is considered as revaluation value decrease.

In the event of cancellation of the impairment loss in the following periods, the book value of the asset (or the relevant cash-generating unit) is increased to correspond to the updated estimated amount for the recoverable amount. The increased book value should not exceed the book value that will be reached if the impairment loss for the asset (or the relevant cash-generating unit) in the previous periods has not been allocated. Unless the asset is shown at a revalued amount, the reversal of impairment loss is recognized directly in profit or loss. Cancellation of impairment loss of a revalued asset is considered as revaluation increase.

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2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Borrowing costs

In the case of assets that require a significant amount of time to be made ready for use and sale (qualifying assets), the borrowing costs directly associated with the purchase, construction or production are included in the cost of the asset until the relevant asset is made ready for use or sale.

Borrowing costs consist of other financing costs incurred depending on borrowing, especially interest. When the Group borrows outside its own functional currency TL for general purposes and some of these funds are used for the financing of a qualifying asset, the amount of borrowing costs that can be capitalized is determined with the help of a borrowing rate to be used to determine the real borrowing costs that will arise if the expenditures made on the relevant asset are made in TL. The borrowing rate in question refers to the borrowing cost that will arise if the borrowing is in TL under the same maturity and conditions as an alternative to the borrowings made for the construction of special assets. Financial investment income obtained by temporarily evaluating the unspent part of the investment-related loan in financial investments is deducted from the borrowing costs eligible for capitalization. All other borrowing costs together with the part determined not to be capitalizable are recorded as financing expenses in the profit or loss statement in the period in which they occur.

Financial instruments

A financial instrument is all contracts that reveal both the financial asset of a business and the financial liability or equity instrument of another business.

A financial asset:

- Cash,
- A contractual right to receive cash or other financial assets from another business,
- A contractual right to exchange financial instruments from another business under possible favorable conditions,
- All assets that are the equity instruments of another business. A financial liability:
- Providing cash or other financial assets to another business, or
- It is an obligation based on a contract regarding the exchange of financial assets with another company under possible adverse conditions.

When a financial asset or liability is first recognised, it is measured at the fair value cost of the consideration given (for the asset) or received (for the liability) for the relevant asset or liability.

Effective interest method

It is the method of valuation of financial instruments with amortized cost and distribution of the relevant interest income to the related period. Effective interest rate is the rate that reduces the estimated cash to be collected in the future during the expected life of the financial instrument or, if appropriate, in a shorter period of time, to the net present value of the relevant financial asset.







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The Group recognizes its financial assets as "recognized at amortized cost". Classification is made on the basis of the business model used by the business for the management of financial assets and the characteristics of the contractual cash flows of the financial asset. The Group makes the Classification of its financial assets on the date of their purchase.

Except in cases where the business model used by the Group in the management of financial assets changes, financial assets are not reclassified after their initial recognition; In the case of a business model change, financial assets are reclassified on the first day of the following reporting period after the change.

**Recognition and Measurement**

"financial assets measured at amortized cost" are non-derivative financial assets held within the scope of a business model aimed at collecting contractual cash flows and containing cash flows that include interest payments arising only from the principal and principal balance on certain dates in the contract terms. The Group's financial assets recognized at amortized cost include "cash and cash equivalents", "trade receivables", "other receivables" and "financial investments". The relevant assets are measured at their fair values at their initial recognition in the consolidated financial statements; In subsequent recognitions, they are measured at their discounted prices using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at their amortized cost are recognized in the income statement.

**Exclusion from the Financial Statement**

The Group removes the financial asset from its records when its rights related to the cash flows arising under the contract related to financial assets expire or when it transfers the ownership of all its rights, risks and returns related to this financial asset with a trading transaction. Any rights created or held in respect of financial assets transferred by the Group are recognised as a separate asset or liability.

**Impairment**

Impairment of financial assets and contract assets is calculated with the "Expected Credit Loss" (ECL) model. The impairment model is applied to amortized cost financial assets and contract assets.

Provisions for losses are measured on the following basis;

- 12-month ECLs: are ECLs arising from possible default events within 12 months after the reporting date.
- Lifetime ECLs: are ECLs arising from all possible default events during the expected life of a financial instrument.

Lifetime ECL measurement is applied if the credit risk associated with a financial asset at the reporting date increases significantly after the initial recognition moment. In all other cases where the relevant increase is not experienced, the 12-month BC calculation has been applied.

The Group may determine that if the credit risk of the financial asset has a low credit risk at the reporting date, the credit risk of the financial asset has not increased significantly. However, the lifetime SEE measurement (simplified approach) is always valid for trade receivables and contract assets without an important financing element.

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Cash and cash equivalents are cash on hand, demand deposits and other short-term investments of high liquidity with maturities of 3 months or less, which can be easily converted into cash and do not carry the risk of significant value changes.

**Financial liabilities**

Financial liabilities are classified as measured at amortized cost and reflected in fair value difference profit or loss. A financial liability is classified as at fair value through profit or loss if it meets the definition of held for trading. Financial liabilities are classified as financial liabilities held for trading if they are derivative instruments or are defined as such at the time of their first recognition. Financial liabilities whose fair value is reflected in profit or loss are measured at their fair values and net gains and losses, including interest expenses, are recognized in profit or loss. Other financial liabilities are measured by deducting impairment losses over the effective interest rates and amortized cost values of future principal and interest cash flows following their initial recognition. Interest expenses and exchange differences are recognized in profit or loss. Gains or losses arising from the removal of these liabilities from the records are recognized in profit or loss.

**Effects of exchange rate change**

The Group's financial position and operating results are expressed in TL, which is the Group's functional currency and the presentation unit for the consolidated financial statements.

During the preparation of the consolidated financial statements, transactions in foreign currencies (currencies other than TRY) are recorded on the basis of the exchange rates at the date of the transaction. Currency-indexed monetary assets and liabilities in the statement of financial position are converted into Turkish Lira using the exchange rates valid at the reporting date. Among the non-monetary items monitored at fair value, those recorded in foreign currency are converted into TL based on the exchange rates at the date of determination of the fair value. Non-monetary items in foreign currency, measured in historical cost, are not subject to re-translation.

Exchange differences are recognized in the profit or loss statement in the period in which they occur, except for exchange differences related to special assets being built for future use and treated as an adjustment to interest costs on payables denominated in foreign currency and included in the cost of such assets.

**Earnings (loss) per share**

Earnings (losses) per share specified in the profit or loss statement are found by dividing the net period profit (loss) by the weighted average number of stocks available in the market during the year.

In Turkey, companies can increase their paid-in capital through "bonus shares" distributed to their shareholders from previous years' profits. Such "bonus share" distributions are considered as issued shares in the calculation of earnings (losses) per share. Therefore, the weighted average number of shares used in these calculations is found by taking into account the retrospective effects of these stock distributions.

When there are changes in the number of paid-for issued shares due to the cash capital increase in the paid-in capital, the weighted average number of issued ordinary shares for the current period to be used in the calculation of earnings (losses) per share is calculated by taking into account the date of the capital increase.



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## 2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

### 2.5 Summary of significant accounting policies (continued)

#### Events after the reporting date

Events after the reporting date include all events between the reporting date and the date of authorization and approval for the publication of the consolidated financial statements, even if they occur after the public disclosure of any announcement or other selected financial information regarding the net profit or loss for the period.

In the event of events requiring adjustment after the reporting date, the Group shall adjust the amounts included in the consolidated financial statements in accordance with this new situation. The issues that arise after the reporting date that does not require correction are explained in the footnotes according to the degree of importance.

#### Provisions, contingent assets and liabilities

Provision is made in the consolidated financial statements if there is a present liability arising from past events, the liability is likely to be satisfied and the amount of such liability can be reliably estimated.

The amount allocated as a provision is calculated by considering the risks and uncertainties related to the liability and estimating the expenditure to be made to fulfill the liability as of the balance sheet date in the most reliable way. When the depreciation of money over time becomes significant, provisions are reflected with the reduced value of possible future expenses at the reporting date. Provisions are reviewed at each reporting date and necessary arrangements are made to reflect the best estimates of the management.

#### Contingent assets and liabilities

Contingent liabilities are current liabilities arising from past events that are not fully under the control of the entity, whose existence can be confirmed by the future occurrence of one or more events that are not of a definite nature, or arising from past events; but which cannot be reflected in the consolidated financial statements for the following reasons:

- (i) In order to fulfill the obligation, resources containing economic benefits are not likely to leave the business, or
- (ii) The amount of the liability cannot be measured reliably enough.

Contingent assets are assets arising from past events and not fully under the control of the enterprise and whose existence will be confirmed by the future occurrence of one or more events that are not of a definite nature.

Since the recognition of contingent assets in the consolidated financial statements may result in the recognition of an income that can never be obtained, the said assets are not included in the consolidated financial statements. However, if the income is almost certain to be obtained, the related asset is not a contingent asset and is reflected in the consolidated financial statements.

#### Provision for mining site rehabilitation

Costs of rehabilitation, rehabilitation and closure of mining sites; It is the reflection of the provision for expenses that are most likely to be spent during the closure and rehabilitation of mines to the financial statements over their cost values as of the reporting date. Changes arising from changes in management estimates used in the calculation of the provision for the rehabilitation, rehabilitation and closure of mining sites are reflected in the costs of the rehabilitation, rehabilitation and closure of mining sites.

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## 2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

### 2.5 Summary of significant accounting policies (continued)

On the other hand, the costs of rehabilitation, rehabilitation and closure of mining sites are amortized using the lower of the depreciation rate found by dividing the remaining economic lives of the relevant mine or the amount of mining on the basis of the amount extracted from the relevant open pit during the period by the reserve amount on the basis of the visible and processable remaining amount of the open pit. Within the scope of the current programs, the costs incurred for the prevention of environmental pollution and the protection of the environment are reflected in the profit or loss statement as an expense in the period in which they occur.

#### Reporting of financial information by departments

It has determined activity sections based on internal reports regularly reviewed by the decision-making authority regarding the activities of the Group. The executive board is the decision-making authority of the Group.

The decision-making authority of the Group examines the results and activities on the basis of product types in order to make decisions about the resources to be allocated to the departments and to evaluate the performance of the departments. The distribution of the Group by product groups is as follows: Products based on stone and soil are ready-mixed concrete, port services and electricity generation.

#### Taxes calculated on corporate earnings

Since the Turkish Tax Legislation does not allow the parent company and its affiliates/subsidiaries to prepare a consolidated tax return, the tax provisions reflect the calculations of the Group, as reflected in the attached consolidated financial statements.

Tax expense covers current period tax expense and deferred tax expense. The tax is included in the income statement, provided that it is not related to a transaction directly recognized under the equity. Otherwise, the tax is also recognized under equity together with the relevant transaction.

#### Current corporate tax

The tax expense for the period is calculated by taking into account the tax laws in force in the countries where the Group operates as of the date of the statement of financial position. According to Turkish tax legislation, corporations whose legal or business centers are located in Turkey are subject to corporate tax. The tax liability for the current year is calculated over the taxable part of the period's profit. Taxable profit differs from the profit included in the income statement because it excludes items that can be taxed or deducted from the tax in other years. The Group's current tax liability is calculated using the legalized or significantly legalized tax rate as of the balance sheet date.

The corporate tax rate in Turkey is 25% (applied as 25% for corporate earnings for the taxation period of 2023). The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductions in accordance with the tax laws to the commercial earnings of the institutions and deducting the exceptions and discounts in the tax laws. The corporate tax is declared until the evening of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment until the end of the relevant month.

Companies calculate a provisional tax at the rate of 25% on their quarterly financial profits and declare it until the 17th day of the second month following that period and pay it until the evening of the 17th day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be given the following year. If there is a paid provisional tax amount despite the deduction, this amount can be refunded in cash or deducted from any other financial debt to the state.

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2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of significant accounting policies (continued)

According to the Corporate Tax Law, the financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Statements and related accounting records can be examined by the tax office within five years.

Dividend payments made to real persons who are resident and non-resident in Turkey and legal persons who are not resident in Turkey, except for those who are not responsible for corporate tax and income tax and those who are exempt, are subject to 10% income tax.

Dividend payments made from companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, income tax is not calculated if the profit is not distributed or added to the capital. As of 31 December 2024 and 2023, the tax provision was allocated within the framework of the current tax legislation.

75% of the earnings arising from the sale of the founding shares, usufructuary shares and pre-emption rights held for more than two years in the assets of the Group and 25% of the earnings arising from the sale of the immovables in their assets for the same period are exempt from tax provided that they are added to the capital as stipulated in the Corporate Tax Law or kept in a special fund account in passive for 5 years.

**Deferred tax**

Deferred tax liability or asset is determined by calculating the temporary differences between the amounts of assets and liabilities shown in the financial statements and the amounts taken into account in the statutory tax base calculation by taking into account the tax effects according to the balance sheet method. Deferred tax liabilities are calculated for all taxable temporary differences, while deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly likely to benefit from these differences by obtaining taxable profit in the future. These assets and liabilities are not recognized if the temporary difference, goodwill or other assets and liabilities related to the transaction that does not affect commercial or financial profit/loss are included in the financial statements for the first time (except for business combinations).

The deferred tax calculation used a 25% tax rate for temporary differences expected to occur/close in 2024 and beyond.

Deferred tax liabilities are calculated for all taxable temporary differences associated with investments in subsidiaries and affiliates and shares in joint ventures, except when the Company can control the disappearance of temporary differences and this difference is unlikely to disappear in the near future. Deferred tax assets arising from taxable temporary differences associated with such investments and shares are calculated on the condition that it is highly likely to benefit from these differences by obtaining sufficient taxable profit in the near future and it is likely that the related differences will disappear in the future.

The registered value of the deferred tax asset is reviewed as of each balance sheet date. The registered value of the deferred tax asset is reduced to the extent that it is unlikely to obtain a financial profit that will allow the benefit of some or all of it to be obtained.

Deferred tax assets and liabilities are calculated over the legalized or significantly legalized tax rates (tax regulations) as of the balance sheet date, which are expected to be valid in the period when the assets will be realized or the obligations will be fulfilled. When calculating deferred tax assets and liabilities, the tax results of the methods estimated by the Company to recover the book value of its assets or fulfill its liabilities as of the balance sheet date are taken into account.

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2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and current tax liabilities, or if these assets and liabilities are associated with income tax collected by the same tax authority or if the Company intends to pay by clarifying the current tax assets and liabilities.

Deferred tax income or expense is included in the profit or loss of the period where the deferred tax is not related to a transaction directly recognized under the equity. If the deferred tax arises from a transaction recognized under equity, it is recognized under the relevant equity item.

While the deferred tax liability is calculated for all taxable temporary differences, deferred tax assets consisting of deductible temporary differences are calculated in the financial statements provided that it is highly likely to benefit from these differences by obtaining taxable profit in the future. If there is sufficient taxable temporary difference and these differences are expected to be closed in the periods when the financial loss arising from tax assets is carried forward, it is considered likely that there will be enough financial profit to benefit from the deductible temporary differences and the related tax assets are included in the financial statements in the period when the deductible tax difference occurs.

Deferred tax assets and deferred tax liabilities are mutually offset, provided that they are subject to the tax legislation of the same country and if there is a legally enforceable right to offset current tax assets from current tax liabilities. Deferred tax assets or liabilities are classified as long-term in the financial statements.

**Employee benefits**

Long-term provisions recognized in the consolidated financial statements regarding the benefits provided to employees consist of severance pay, seniority incentive premium liabilities incurred in accordance with the employment contracts in force for employees and accumulated leave liability provisions.

According to the current laws and collective bargaining agreements in Turkey, severance pay is paid in case of retirement or dismissal. In accordance with TAS 19 Employee Benefits Standard, such payments are considered as defined pension benefit plans. The group calculated the provision for severance pay in the financial statements using the "Projection Method" and based on the experience gained in the past years in completing the company's personnel service period and qualifying for severance pay and recorded its discounted value as of the balance sheet date.

In calculating the provisions for the benefits provided to employees, the group makes various assumptions such as discount rate, inflation rate, real salary increase rate, and the possibility of leaving voluntarily. Actuarial loss/gain arising from the measurement of provisions for severance pay and severance incentive obligations considered as defined benefit plans in accordance with TAS 19 is recognized in the other comprehensive income/expense statement.

Liabilities arising from unused leave rights defined as long-term provisions provided to employees are recognized and recognized in the periods when they are entitled.

**Capital and dividends**

Ordinary shares are classified as equity. Dividends distributed over ordinary shares are recorded by deducting them from the accumulated profit in the period when the dividend decision is taken.



**Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries****Notes to the consolidated financial statements as of 31 December 2024**

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**2.5 Summary of significant accounting policies (continued)****Issuance premiums (discounts) related to shares**

Share premiums represent the difference between the nominal values and the fair values of the shares issued by the Group related to the companies acquired or the difference arising from the sale of the subsidiary or affiliate shares held by the Group at a price higher than the nominal price. The amounts arising during the disposal of the repurchased shares of the Group are recognized under this account.

**Reversed shares**

In the event that the Group buys its own shares, the cost costs, including the parts exceeding the nominal values of these shares, are deducted from the equity and presented as "repurchased shares". The Group's profit or loss from the transactions related to the shares repurchased in this way is also recognized under equity. If the shares are acquired by other entities included in the consolidation, the shares received are presented as "Reciprocal participation capital adjustment" within the scope of TAS 32.

**Cash flow statement**

In the cash flow statement, cash flows for the period are classified and reported based on operating, investment and financing activities. Cash flows from operating (main) activities show the cash flows related to the main operations of the Group. Cash flows related to investment activities represent the cash flows used and obtained by the Group in its investment activities (tangible and intangible fixed assets and financial investments). Cash flows related to financing activities indicate the resources used by the Group in financing activities and the repayments of these resources.

**Clarification**

Financial assets and liabilities are shown by clarifying in the statement of financial position if they have a legal right and sanction power to offset and if they intend to collect/pay or concurrently conclude these assets and liabilities on a net basis.

**2.6 Significant accounting evaluations, estimates and assumptions**

In the preparation of the consolidated financial statements, the Group management is required to make assumptions and estimates that will affect the reported amounts of assets and liabilities, determine the liabilities and commitments that may occur as of the date of the consolidated financial statements and the amounts of income and expenses as of the reporting period. Realized results may differ from estimates. Their estimates are regularly reviewed, necessary corrections are made and reflected in the comprehensive income statement in the period in which they are realized. However, actual results may differ from these results.

Considering the interpretations that may have a significant impact on the amounts reflected in the consolidated financial statements and the main sources of the estimates that exist or may occur in the future at the date of the consolidated financial statements, the assumptions made are as follows:

**Deferred tax**

The Group recognizes deferred tax assets and liabilities for temporary timing differences arising from differences between the statutory financial statements of the taxable TL adjusted for purchasing power on 31 December 2024 and the TFRs financial statements prepared in accordance with TAS 29 in the same way.

**Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries****Notes to the consolidated financial statements as of 31 December 2024**

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**2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)****2.6 Important accounting evaluations, estimates and assumptions (continued)**

Deferred tax liabilities are calculated for all taxable temporary differences, while deferred tax assets consisting of deductible temporary differences are calculated on the condition that it is highly likely to benefit from these differences by obtaining taxable profit in the future.

Deferred tax assets and liabilities are calculated at the legalized tax rates (tax regulations) as of the balance sheet date, which are expected to be valid in the period in which the assets will be realized or the liabilities will be fulfilled. When calculating deferred tax assets and liabilities, the tax results of the methods estimated by the Group to recover the book value of its assets or fulfill its liabilities as of the balance sheet date are taken into account.

The Group has deferred tax assets and liabilities consisting of carried financial losses that can be deducted from future profits, tax assets arising from cash capital increase and other deductible temporary differences. The partially or completely recoverable amount of deferred tax assets is estimated under current conditions. During the evaluation, the 5-year projection prepared by the Company's management as a foreseeable future and the timing of the recovery of taxable temporary differences were taken into account. If the company has taxable temporary differences sufficient to deduct the deductible temporary differences in relation to the same tax administration in the period in which the deductible temporary differences are expected to be reversed or in the periods in which it is possible to use the financial loss due to the deferred tax asset, the related deferred tax asset is recognized in the periods in which the deductible temporary differences arise (Note 25).

**Fair values of tangible fixed assets (land and plots) within the scope of revaluation application**

The Group recognizes the lands and plots and machinery and equipment under tangible fixed assets according to the revaluation model at their fair values within the scope of TAS 16. The Group works with independent valuation companies authorized by the Capital Markets Board in Turkey to determine the fair value of these assets. Relevant revaluation studies for land and lands and machinery and equipment asset groups were carried out on 31 December 2024 and within the framework of the provisions of TAS 29, inflation-adjusted real fair value increases / decreases were recognized in other comprehensive income (expense) accounts in the accompanying consolidated financial statements. During the determination of the fair values of the said tangible fixed assets, evaluations have been made by taking into account the current status of the relevant assets, market conditions and the most efficient use method (Notes 12 and 28).

**Useful lives of tangible and intangible fixed assets**

Group management estimates and regularly reviews the useful economic lives of its depreciable assets described in Note 2.5 at the initial recognition date of the asset. The Group determines the useful life of an asset by considering the estimated benefit of that asset. This assessment is based on the Group's experience with similar assets. When determining the useful life of an asset, the Group also takes into account the situation in which the assets become technically and/or commercially unusable as a result of changes or developments in the market.

**Provision for mining site rehabilitation**

The Group calculates a provision for mining site rehabilitation within the scope of restoring the lands degraded by mining activities based on stone and soil to nature. In the calculation of the provision, he makes assumptions by taking the opinions of the technical personnel.

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2. PRINCIPLES REGARDING THE PRESENTATION OF FINANCIAL STATEMENTS (CONTINUED)

2.6 Significant accounting evaluations, estimates and assumptions (continued)

As a result of these studies, explanations about the provisions for bringing mining sites to nature are given in Note 14. Mine site rehabilitation provisions are re-evaluated within the framework of the works in the fields and the costs envisaged to be incurred in each reporting period, and the provision is recognized in the cost of sales accounts as the cost of restoring the periodic expense incurred while updating it.

Provisions for employee benefits

Severance pay and severance incentive premium obligations are determined by actuarial calculations based on a number of assumptions, including discount rates, future salary increases and employee turnover rates. Because these plans are long-term, these assumptions contain significant uncertainties. Details of provisions for employee benefits are included in Note 15.

3. REPORTING BY DEPARTMENTS

It has determined activity sections based on internal reports regularly reviewed by the decision-making authority regarding the activities of the Group. The executive board is the decision-making authority of the Group. Most of the Group's foreign sales consist of sales to different geographical regions. The details of the revenue are given in Note 18 as domestic and international sales.

The business activities of the Group are managed and organized depending on the content of the products it provides. The distribution of the Group's field of activity is as follows: Stone and soil-based products are ready-mixed concrete, port services and electricity production.

As of 31 December 2024 and 31 December 2023, the department assets, liabilities, investment expenditures, depreciation and amortization, and interest income and expenses are as follows:

31.12.2024	Stone and Soil Based Products	Ready Mixed Concrete	Port Services	Electricity Generation	Total
Total assets	19.251.500	2.965.876	4.090.867	1.389.451	27.697.694
Total liabilities	5.410.656	1.795.559	910.712	448.242	8.565.169
Current period investment	128.133	28.935	207.941	-	365.009
Current period amortization and depreciation	909.561	76.714	50.769	34.904	1.071.948
Interest income	18.876	3.784	2.761	5.730	31.151
Financing expenses	1.644.120	151.097	92.078	31.791	1.919.086
31.12. 2023	Stone and Soil Based Products	Ready Mixed Concrete	Port Services	Electricity Generation	Total
Total assets	20.229.369	2.687.830	4.392.047	1.630.710	28.939.956
Total liabilities	8.711.063	1.465.098	842.173	214.536	11.232.870
Current period investment	192.530	19.127	439.063	117	650.837
Current period amortization and depreciation	809.629	88.776	54.714	40.404	993.523
Interest income	17.401	2.612	44.684	7.104	71.801
Financing expenses	3.944.715	63.595	50.429	51.077	4.109.816

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3. REPORTING BY DEPARTMENTS (CONTINUED)

The section results of the accounting period for the year ended 31 December 2024 are as follows:

1 January – 31 December 2024	Stone and Soil Based Products	Ready Mixed Concrete	Port Services	Electricity Generation	Total
Revenue	7.022.294	3.990.965	896.401	1.530.545	13.440.205
Cost of sales (-)	(6.135.713)	(3.806.314)	(304.872)	(1.593.906)	(11.840.805)
Gross sales profit	886.581	184.651	591.529	(63.361)	1.599.400
General administrative expenses (-)	(372.342)	(55.702)	(50.980)	(13.389)	(492.413)
Marketing expenses (-)	(525.149)	(49.103)	-	(5.673)	(579.925)
Other income from main operations	267.546	68.643	34.981	54.633	425.803
Other expenses from main operations (-)	(247.936)	(82.482)	(27.987)	(26.452)	(384.857)
Real operating profit / (loss)	8.700	66.007	547.543	(54.242)	568.008
Income/loss from investment	-	(8)	194.067	-	194.059
Financing income (expenses), net	(1.581.418)	(146.375)	(88.417)	(31.790)	(1.848.000)
Net monetary gain / (loss)	1.701.765	(27.418)	(304.017)	(18.845)	1.351.485
Profit / (loss) before tax	129.047	(107.794)	349.176	(104.877)	265.552

The section results for the accounting period as of 31 December 2023 are as follows:

1 January – 31 December 2023	Stone and Soil Based Products	Ready Mixed Concrete	Port Services	Electricity Generation	Total
Revenue	8.936.558	3.867.842	1.024.066	2.771.502	16.599.968
Cost of sales (-)	(7.174.884)	(3.887.209)	(414.810)	(2.753.253)	(14.230.156)
Gross sales profit	1.761.674	(19.367)	609.256	18.249	2.369.812
General administrative expenses (-)	(386.445)	(53.908)	-	(8.654)	(449.007)
Marketing expenses (-)	(439.323)	(36.648)	(13.111)	(19.975)	(509.057)
Other income from main operations	516.072	225.664	21.885	26.258	789.879
Other expenses from main operations (-)	(904.249)	(213.884)	(36.399)	(22.834)	(1.177.366)
Real operating profit / (loss)	547.729	(98.143)	581.631	(6.956)	1.024.261
Income from investment activities	28.877	658	-	-	29.535
Expenses from investment activities	-	-	-	(91.431)	(91.431)
Financing income (expenses), net	(3.765.352)	(59.952)	(5.412)	(104.331)	(3.935.047)
Net monetary gain / (loss)	4.012.732	125.066	(14.820)	(60.669)	4.062.309
Profit / (loss) before tax	823.986	(32.371)	561.399	(263.387)	1.089.627



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4. CASH AND CASH EQUIVALENTS

	31.12.2024	31.12. 2023
Cash	32	61
Cash in the bank		
Demand deposits	119.432	42.310
Term deposits	207.439	407.307
	326.903	449.678

Details of time deposits as of 31 December 2024 and 31 December 2023 are as follows:

Currency	Weighted average interest rate	Due date	Original amount of money	31 December 2024 TL equivalent
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TL	48.25%	January 2025	207.439	207.439
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Total				207.439
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Currency	Weighted average interest rate	Due date	Original amount of money	31 December 2023 try equivalent
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TL	33.36%	January 2024	407.307	407.307
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5. FINANCIAL INVESTMENTS

	31.12.2024	31.12. 2023
Short-term		
Other financial assets! *)	226	-
	226	-
Long-term		
Other financial assets	10	14
	10	14

(\*) Short-term financial assets consist of blocked deposits.

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6. FINANCIAL BORROWINGS

	31.12.2024	31.12. 2023
Short-term bank loans	750.565	537.935
Short-term portion of long-term lease liabilities	22.256	28.908
Short-term portion of long-term bank loans	1.076.087	1.114.248
Long-term bank loans	2.916.468	4.778.672
Long-term lease liabilities	130.028	85.869
Letter of credit borrowings	190.347	328.268
	5.085.751	6.873.900

Currency type	Interest Type	Interest rate	Original foreign currency amount	31.12.2024
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Short-term borrowings

US Dollars	Variable	SOFR 6M + %2,70	3.366	118.760
US Dollars	Fixed	8.5% 9.5	5.940	209.610
Euro	Variable	EURIBOR6M + %o2,70	178	6.564
Turkish Lira	Fixed	50%	415.631	415.631

Short-term portion of long-term bank loans

US Dollars	Variable	SOFR 6M + 3.25% 7.93	27.589	973.511
US Dollars	Fixed	8.75%	218	7.675
Euro	Variable	EURIBOR6M + 3.25%	2.281	83.975
Turkish Lira	Fixed	25% 29.50	10.926	10.926

Long-term borrowings

US Dollars	Variable	SOFR 6M + 3.25% 7.93	77.646	2.739.868
US Dollars	Fixed	8.75%	2.686	94.789
Euro	Variable	EURIBOR6M + 3.25%	2.223	81.811

Borrowings related to letter of credit transactions

US Dollars	Fixed	7.18% 7.71	5.404	190.347
				4.933.467

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6. FINANCIAL BORROWINGS (CONTINUED)

				31.12. 2023
Currency type	Type of interest	Interest rate	Original foreign currency amount	TL equivalent
Short-term borrowings				
US Dollars	Fixed	8.75% 11.5	8.535	363.420
US Dollars	Variable	6M Libor +5.5%	4.099	174.515
Short-term portion of long-term bank loans				
US Dollars	Variable	6M Libor + 5.75%	5.627	239.626
US Dollars	Variable	6M Libor + 7.5%	18.350	781.309
US Dollars	Fixed	8.75% 11.5	280	11.920
US Dollars	Variable	6M Libor + 5.5%	803	34.200
Turkish Lira	Fixed	13.80% 29.5	32.687	47.193
Long-term borrowings				
US Dollars	Variable	6M Libor + 5.75%	8.300	353.407
US Dollars	Variable	6M Libor + 7.5%	101.026	4.301.633
US Dollars	Variable	6M Libor + 5.5%	750	31.934
US Dollars	Fixed	8.75%11.5%	1.756	74.755
Turkish Lira	Fixed	13.80% 29.5	11.735	16.943
Borrowings related to letter of credit				
US Dollars	Variable	12M Libor + 5.75%	7.710	328.268
				6.759.123

As of 31 December 2024 and 31 December 2023, the principal repayment plan of long-term bank loans is as follows:

	31.12.2024	31.12. 2023
1-2 years	658.160	807.629
2-3 years	485.212	621.445
3-4 years	475.800	621.445
4-5 years	494.625	621.445
Over 5 years	802.671	2.106.708
	2.916.468	4.778.672

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6. FINANCIAL BORROWINGS (CONTINUED)

The movement statements of the financial borrowings for the years ended as of 31 December 2024 and 2023 are as follows:

	2024	2023
Opening, 1 January	6.873.900	7.794.949
Intraday inflows	2.313.118	2.067.225
Principal payments	(3.046.997)	(2.355.266)
Change in interest accruals	(11.714)	25.703
Financial lease cash outflows	(26.302)	(18.208)
Payables arising from new lease	131.314	251.459
Effect of exchange rate difference	1.024.272	2.514.122
Monetary loss / (gain)	(2.171.840)	(3.406.084)
Closing, December 31	5.085.751	6.873.900

7. RELATED PARTY DISCLOSURES

a) Trade receivables from related parties

	31.12.2024	31.12. 2023
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	150	3.467
	150	3.467

b) Other receivables from related parties

	31.12.2024	31.12. 2023
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1) (*)	-	1.153.353
	-	1.153.353

(\*) Batılıman Liman İşletmeleri A.Ş., the subsidiary of the Company, sold the shares of Batıçım Batı Anadolu Çimento Sanayii A.Ş. to Çiftay İnşaat Taahhüt ve Ticaret A.Ş. on 4 December 2023 for 1,411,845 TL. The said amount was collected in June 2024.

c) Trade payables from related parties

	31.12.2024	31.12. 2023
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	2.756	-
	2.756	-



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7. RELATED PARTY DISCLOSURES (CONTINUED)

d) Transactions with related parties

	Purchases of goods or services	Sales of goods or services	1 January – 31 December 2024 Other income (expense)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	13.228	71.182	226.751
	13.228	71.182	226.751

	Purchases of goods or services	Sales of goods or services	1 January – 31 December 2023 Other income (expense)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş. (1)	795	145.757	42.774
	795	145.757	42.774

(1) Partner

e) Benefits to senior managers

Benefits for senior managers during the period are as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Wages, bonuses, benefits	13.458	13.816
Severance incentive bonus, other benefits and payments	1.307	5.089
	14.765	18,905

8. TRADE RECEIVABLES AND PAYABLES

a) Trade receivables

	31.12.2024	31.12. 2023
Trade receivables	1.494.870	1.626.988
Notes receivable	984.454	841.363
Provision for doubtful trade receivables (-)	(4.083)	(5.624)
	2.475.241	2.462.727

The maturity of trade receivables is 1-2 months on average (31 December 2023: 1-2 months).

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8. TRADE RECEIVABLES AND PAYABLES (CONTINUED)

a) Trade receivables (continued)

As of 31 December 2024, the Group has a trade receivable of 11.818 TL, which is overdue by 30-60 days but has not been impaired (31 December 2023: 116,677 TL).

As of 31 December 2024, the amount of trade receivables is 4,083 TL (31 December 2023: 5.624 TL) has been allocated as a provision for doubtful receivables. The provision for doubtful receivables allocated for trade receivables has been determined based on past experience of non-collection.

The Group's disclosures of guarantees, pledges and mortgages on trade receivables and credit risk are included in Notes 14 and 27, respectively.

As of 31 December 2024 and 2023, the movement table of provision for doubtful trade receivables is as follows:

	2024	2023
Opening balance	5.624	4.163
Current period provision expense / (cancellation)	215	3.962
Monetary loss / (gain)	(1.756)	(2.501)
Closing balance	4.083	5.624

Collaterals received for the Group's trade receivables and credit risk disclosures are included in Notes 14 and 28, respectively.

b) Trade payables:

	31.12.2024	31.12. 2023
Trade payables	1.808.530	2,450,420
Closing balance	1.808.530	2,450,420

As of 31 December 2024, there are letters of credit in the form of guarantees opened with the banks for the purchase of raw materials in the amount of 195.871 Thousand TL corresponding to 5.561 Thousand USD in the commercial payables account (31 December 2023: a total of 447,579 Thousand TL for 8,291 Thousand US Dollars and 1,771 Thousand Euros).

The maturity of trade payables is 1-2 months on average (31 December 2023: 1-2 months).

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9. OTHER RECEIVABLES AND PAYABLES

a) Other short-term receivables

	December 31, 2024	December 31, 2023
Other receivables	11.310	33.845
Closing balance	11.310	33.845

b) Other long-term receivables

	December 31, 2024	December 31, 2023
Deposits and guarantees given	15.717	22.203
Closing balance	15.717	22.203

c) Other short-term payables

	December 31, 2024	December 31, 2023
Taxes and funds payable	25.833	35.259
Deposits and guarantees received	271	328
Closing balance	26.104	35.587

10. INVENTORIES

	December 31, 2024	December 31, 2023
Raw materials and supplies	162.150	241.023
Semi-finished products	391.889	524.317
Finished Goods	9.060	13.014
Other inventories	626.773	896.234
	1.189.872	1.674.588
Provision for inventory impairment (-)	(13.874)	-
	1.175.998	1.674.588

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10. INVENTORIES (CONTINUED)

Other inventories consist of auxiliary, operating consumables and spare parts that can be used in production.

There is approximately 302,251 TL worth of insurance coverage equivalent to 8,581 USD on inventories (31 December 2023: approximately 485.635 TL for 9.534 USD).

The movement table of provision for inventory impairment is as follows:

	2024	2023
January 1	-	43.503
Provisions (allocated)/cancelled during the period	15.925	(43.503)
Monetary gain/loss	(2.051)	-
31 December	13.874	-

11. PREPAID EXPENSES AND DEFERRED INCOME

a) Short-term prepaid expenses

	December 31, 2024	December 31, 2023
Order advances given for stock purchase	184.824	142.464
Expenses for future months	30.087	7.712
Personnel advances	182	287
31 December	215.093	150.463

b) Long-term prepaid expenses

	December 31, 2024	December 31, 2023
Expenses for future years	20	15.482
Advances given for purchase of fixed assets	-	4.029
31 December	20	19.511

c) Deferred income

	December 31, 2024	December 31, 2023
Order advances received	99.421	257.391
Closing balance	99.421	257.391



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12. TANGIBLE FIXED ASSETS

	January 01, 2024	Addition s	Outputs	Transfers (*)	Revaluation value increase	Impairment on revaluation (* *)	December 31, 2024
<b>Cost:</b>							
Lands and parcels	9.003.915	11.254	-	-	1.175.341	(89.795)	10.100.715
Underground and aboveground layouts	1.860.883	18	(69)	49	-	-	1.860.881
Buildings	6.317.386	301	-	-	-	-	6.317.687
Machinery, plant and equipment (*)	6.034.985	36.271	(1.123)	235.904	(513.786)	(417.794)	5.374.457
Vehicles	74.241	4.165	(13.012)	-	-	-	65.394
Flooring and fixtures (*)	1.595.938	8.814	(1.095)	51.146	-	-	1.654.803
Mine assets	30.272	-	-	-	-	-	30.272
Special costs	401.188	-	-	525.174	-	-	926.362
Investments in progress	632.678	300.615	-	(614.732)	-	-	318.561
	25.951.486	361.438	(15.299)	197.541	661.555	(507.589)	26.649.132
<b>Accumulated depreciation:</b>							
Underground and aboveground layouts	(1.381.858)	(56.495)	64	-	-	-	(1.438.289)
Buildings	(2.036.793)	(136.238)	-	-	-	-	(2.173.031)
Machinery, plant and equipment	(5.348)	(572.304)	15	-	571.836	-	(5.801)
Vehicles	(41.454)	(7.086)	5.620	-	-	-	(42.920)
Flooring and fixtures	(1.311.267)	(162.103)	1.062	-	-	-	(1.472.308)
Mine assets	(30.272)	-	-	-	-	-	(30.272)
Special costs	(128.360)	(17.137)	-	-	-	-	(145.497)
	(4.935.352)	(951.363)	6.761	-	571.836	-	(5.308.118)
	21.016.134	266.075	(8.538)	197.541	1.233.391	(507.589)	21.244.044

(\*) Refers to fire bricks in the amount of 151.510 TL and spare parts in the amount of 46.031 TL, which are transferred from stocks to fixed assets and accounted for in the current period.

(\* \*) In the current period, the Group has recorded a total of 1.233.391 TL fixed asset value increase according to the revaluation model. 462.714 TL of the impairment occurred within the scope of revaluation has been deducted from the previously recorded tangible fixed asset revaluation fund and 44.875 TL has been recognized as an expense.

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12. TANGIBLE FIXED ASSETS (CONTINUED)

	January 01, 2023	Additions	Outputs	Transfers	Revaluation effect	December 31, 2023
<b>Cost:</b>						
Lands and parcels	7.913.158	-	-	-	1.090.757	9.003.915
Underground and aboveground layouts	1.854.887	3.871	-	2.125	-	1.860.883
Buildings	6.312.171	5.215	-	-	-	6.317.386
Machinery, plant and equipment	5.836.307	9.174	(5.000)	178.015	16.489	6.034.985
Vehicles	50.118	29.221	(5.098)	-	-	74.241
Flooring and fixtures (*)	1.468.084	24.996	(10.586)	113.444	-	1.595.938
Mine assets	30.272	-	-	-	-	30.272
Special costs	407.915	-	(6.727)	-	-	401.188
Investments in progress	235.013	577.805	-	(180.140)	-	632.678
	24.107.925	650.282	(27.411)	113.444	1.107.246	25.951.486
<b>Accumulated depreciation:</b>						
Underground and aboveground layouts	(1,325,306)	(56,552)	-	-	-	(1,381,858)
Buildings	(1,900,459)	(136,334)	-	-	-	(2,036,793)
Machinery, plant and equipment	(631,033)	(508,960)	972	-	1,133,673	(5,348)
Vehicles	(42,602)	(3,944)	5,092	-	-	(41,454)
Flooring and fixtures	(1,169,028)	(143,915)	1,676	-	-	(1,311,267)
Mine assets	(30,272)	-	-	-	-	(30,272)
Special costs	(114,918)	(14,692)	1,250	-	-	(128,360)
	(5,213,618)	(864,397)	8,990	-	1,133,673	(4,935,352)
	18.894.307		(18.421)		2.240.919	21.016.134
<b>Net book value</b>						

(\*) It consists of fire bricks classified from inventories to tangible fixed assets during the period.

As of 31 December 2024, there is no borrowing cost capitalized in the current period for the investments being made (31 December 2023: None).

The Group has recognized the lands and plots, machinery, facilities and devices measured in accordance with the TAS 16 revaluation model in tangible fixed assets as of 31 December 2024, taking into account the current valuation reports prepared by a licensed valuation company by the CMB.

As of December 31, 2024, the Group has a 1st degree mortgage of USD 400 million and a 2nd degree mortgage of TL 2.6 billion on its tangible fixed assets, respectively (December 31, 2023: 400 Million USD 1. And 2.6 Billion TL 2nd Degree mortgage). Details of the additional guarantees, pledges and mortgages given within the scope of the refinancing agreement signed by the Group on 28 February 2022 are described in Note 14.

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12. TANGIBLE FIXED ASSETS (CONTINUED)

There is an insurance coverage of approximately 5.885.636 TL equivalent to 166.825 USD on tangible fixed assets (31 December 2023: approximately 6.625.862 TL for 166.825 USD).

The distribution of depreciation and amortization is as follows:

	1 January 31 December 2023	1 January 31 December 2024
Tangible fixed assets	951.363	864.397
Intangible fixed assets (Note 13)	38.879	41.620
Right-of-use assets (Note 13)	81.706	87.506
	1.071.948	993.523

13. INTANGIBLE FIXED ASSETS AND RIGHT-OF-USE ASSETS

a) Other intangible fixed assets

	January 01, 2024	Additio	December 31, 2024
Cost:			
Rights	402.575	3.571	406.146
Assets subject to special depletion	12.952	-	12.952
	415.527	3.571	419.098
Accumulated amortization:			
Rights	(267.222)	(10.017)	(277.239)
Assets subject to special depletion	(12.952)	-	(12.952)
	(280.174)	(10.017)	(290.191)
Net book value	135.353		128.907

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13. INTANGIBLE FIXED ASSETS AND RIGHT-OF-USE ASSETS (CONTINUED)

a) Other intangible fixed assets (continued)

	January 01, 2023	Additions	December 31, 2023
Cost:			
Rights	402.020	555	402.575
Assets subject to special depletion	12.952	-	12.952
	414.972	555	415.527
Accumulated amortization:			
Rights	(257.931)	(9.291)	(267.222)
Assets subject to special depletion	(12.952)	-	(12.952)
	(270.883)	(9.291)	(280.174)
Net book value	144.089		135.353

Although the term of use of the "Port Operation License", which is included in the rights and has a cost value of 247.446 TL, is 49 years, it is amortized over 35 years, which is the remaining life of the Group as of the date of transfer. The expiration date of the license is 2041.

b) Intangible fixed assets subject to concession

The movement statements of intangible fixed assets and accumulated amortization for the years ended 31 December 2024 and 31 December 2023 are as follows:

	January 01, 2024	Additions	Outputs	December 31, 2024
Cost:				
Intangible assets subject to concession	1.414.244	-	-	1.414.244
	1.414.244	-	-	1.414.244
Accumulated amortization:				
Intangible assets subject to concession	(348.751)	(28.862)	-	(377.613)
	(348.751)	(28.862)	-	(377.613)
Net book value	1.065.493		-	1.036.631



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13. INTANGIBLE FIXED ASSETS AND  
RIGHT-OF-USE ASSETS (CONTINUED)

b) Intangible fixed assets subject to concession (continued)

	January 01, 2023	Additions	Outputs (*)	December 31, 2023
<b>Cost:</b>				
Intangible assets subject to concession	2.093.768	-	(679.524)	1.414.244
	2.093.768	-	(679.524)	1.414.244
<b>Accumulated amortization:</b>				
Intangible assets subject to concession	(456.256)	(32.329)	139.834	(348.751)
	(456.256)	(32.329)	139.834	(348.751)
<b>Net book value</b>	<b>1.637.512</b>		<b>(539.690)</b>	<b>1.065.493</b>

(\*) The operating right of Hasanlar Hydroelectric Power Plant was transferred to Sim Yenilenebilir Enerji Üretim A.Ş. on April 6, 2023 for 272.392 TL.

With Batıçım Enerji, Privatization Administration and Elektrik Üretim Anonim Şirketi ("EÜAŞ"), one of the subsidiaries of the Group, on December 7, 2011, Group 4: Kovada I and Kovada II Hydroelectric Power Plants;

On March 1, 2013, Group 7: has signed an Operating Right Transfer Agreement for Hasanlar Hydroelectric Power Plant ("Agreement"). According to these contracts, Batıçım Enerji has obtained the operating right of the power plants for 49 years and is responsible for the transfer to EÜAŞ in a full and working condition at the end of the period. Batıçım Enerji is obliged to carry out all necessary maintenance, repair and improvement costs to ensure the suitability of the power plants for production activity and production efficiency during the contract period at its own expense. Batçım Enerji is responsible for all kinds of damages and losses that may occur in the production facilities. Intangible assets related to concession contracts are amortized until the end of the contract period to which they are related.

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13. INTANGIBLE FIXED ASSETS AND  
RIGHT-OF-USE ASSETS (CONTINUED)

c) Right-of-use assets

	January 01, 2024	Additions	Outputs	December 31, 2024
<b>Cost:</b>				
Vehicles	104.557	51.254	-	155.811
Land and buildings	232.214	80.060	(1.337)	310.937
	336.771	131.314	(1.337)	466.748
<b>Accumulated depreciation:</b>				
Vehicles	(65.267)	(35.863)	-	(101.130)
Land and buildings	(63.563)	(45.843)	1.337	(108.069)
	(128.830)	(81.706)	1.337	(209.199)
<b>Net book value</b>	<b>207.941</b>			<b>257.549</b>

	January 01, 2023	Additions	Outputs	December 31, 2023
<b>Cost:</b>				
Vehicles	35.617	68.940	-	104.557
Land, plots and buildings	49.695	182.519	-	232.214
	85.312	251.459	-	336.771
<b>Accumulated depreciation:</b>				
Vehicles	(24.736)	(40.531)	-	(65.267)
Land, plots and buildings	(16.588)	(46.975)	-	(63.563)
	(41.324)	(87.506)	-	(128.830)
<b>Net book value</b>	<b>43.988</b>			<b>207.941</b>

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14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

a) Short-term provisions

	December 31, 2024	December 31, 2023
Provision for lawsuit and penalty	8.475	7.158
Other provisions	7.730	3.826
	16.205	10.984

b) Long-term provisions

The details of the provision for the rehabilitation of the mine site for the years ended as of 31 December 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Provision for mining site rehabilitation	70.078	70.369
	70.078	70.369

The movement table of the mine site rehabilitation provision for the years ended as of 31 December 2024 and 2023 is as follows:

	2024	2023
January 1	70.369	63.954
Current period expense, net	24.493	40.347
Monetary loss / (gain)	(24.784)	(33.932)
	70.078	70.369

The said amount is the provision expense for mine site rehabilitation within the scope of restoring the land degraded by mining activities based on stone and soil to nature. The related period expense is included in the cost of sales as the cost of bringing it to nature.

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14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

Guarantees, pledges and mortgages

As of 31 December 2024 and 31 December 2023, the Group's statements of guarantees are as follows:

	December 31, 2024	December 31, 2023
A. Total amount of guarantees, pledges and mortgages (GPM) given on behalf of its own legal entities	16.063.243	18.488.709
B. Total amount of GPM given in favor of the partnerships included in the scope of full consolidation (* *)	652.742	454.845
C. Total amount of GPM given to secure the debt of other third parties for the purpose of conducting ordinary commercial activities	-	-
D. Total amount of other GPMs given		
i. Total amount of GPMs given in favor of the main partner	-	-
ii. Total amount of GPM given in favor of other group companies not within the scope of Articles B and C	-	-
iii. Total amount of GPMs given in favor of third parties not covered by Article C	-	-
Total GPMs given	16.715.985	18.943.554
Ratio of other GPMs to total equity	0%	0%

(\*) Within the scope of the "Refinancing Agreement" signed with the consortium banks (Emlak Katılım, Halk Bank, İş Bank, TSKB, Vakıf Katılım, Vakıfbank, Ziraat Bank, Ziraat Katılım), a mortgage of 400 Million US Dollars 1st degree and 2.6 Billion TL 2nd degree has been established on the immovables belonging to Batiçim and Batisöke in the capacity of "Borrowers" and Batiliman and Batibeton in the capacity of "Guarantor", respectively, and a commercial movable pledge has been established on the movable properties in the same amount and order.

(\* \*) There is an intra-group guarantee of 652.742 TL given by the Group based on general loan contracts.

The details of the guarantees given by the Group as of 31 December 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Mortgages and pledges given	14.702.850	17.031.671
Letters of guarantee given	1.283.465	1.286.003
Letters of Credit	76.928	171.035
Total	16.063.243	18.488.709



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14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (CONTINUED)

The details of the bank letters of guarantee given by the Group to various financial and non-financial institutions are as follows:

	December 31, 2024	December 31, 2023
Letters of guarantee given in relation to Eximbank loan	1.042.356	1.116.351
Letters of guarantee given to suppliers	113.294	107.232
Letters of guarantee given to public institutions	81.025	41.468
Letters of guarantee given to the tax office	42.922	16.996
Letters of guarantee given to the executive directorate	3.868	3.956
Total	1.283.465	1.286.003

Guarantees received

The collateral breakdown received by the Group as of 31 December 2024 and 2023 is as follows:

	December 31, 2024	December 31, 2023
Letters of guarantee received (*)	1.053.561	1.109.948
	1.053.561	1.109.948

(\*) Consists of bank letters of guarantee received from customers.

15. EMPLOYEE BENEFITS

a) Payables within the scope of employee benefits

	December 31, 2024	December 31, 2023
Social security premiums payable	33.337	43.279
Wages to be paid to personnel	25.270	25.026
	58.607	68.305

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15. EMPLOYEE BENEFITS (CONTINUED)

b) Long-term provisions for employee benefits

	December 31, 2024	December 31, 2023
Provision for severance pay	118.628	89.369
Provision for seniority incentive premium	28.916	114.462
Provision for unused leave pay	21.365	18.137
	168.909	221.968

Provision for severance pay:

According to the Turkish Labor Law, the Group is obliged to pay severance pay to each employee who has completed at least one year of service and retired after 25 years of work (58 years for women and 60 years for men), whose employment relationship has been terminated, who has been called up for military service or who has passed away.

Severance pay as of 31 December 2024, 41.828,42 TL (31 December 2023: 23.489,83 TL). As of 1 January 2025, the ceiling for severance pay has been updated to 46,655.43 TL 1 January 2024: 35.058,58 TL).

The severance pay obligation is not legally subject to any funding. The provision for severance pay is calculated by estimating the present value of the Group's possible future liability amount arising from the retirement of employees. TAS 19 Employee Benefits stipulates that the Group's liabilities are developed using actuarial valuation methods within the scope of defined benefit plans. Accordingly, the actuarial assumptions used in the calculation of total liabilities are as follows:

The main assumption is that the maximum liability amount for each service year will increase in parallel with Inflation. Therefore, the applied discount rate refers to the expected real rate after the correction of future inflation effects. Thus, as of 31 December 2024, provisions in the attached financial statements are calculated by estimating the present value of the possible liability of the employees arising from their retirement. the provisions on the relevant reporting dates were calculated by using the real net discount rate obtained as approximately 2.61% according to the assumptions of 24.75% annual inflation and 28% interest rate (31 December 2023: 2.55%). Optional turnover rates were also taken into account as 2.7% for employees working for 0-15 years and 0% for employees working for more than 0 years.

Movement table of severance pay provision:

	2024	2023
January 1	89.369	206.350
Interest cost	19.109	33.952
Cost of service	29.332	34.348
Actuarial loss	22.679	40.602
Payments during the period	(6.005)	(154.198)
Monetary gain	(35.856)	(71.685)
31 December	118.628	89.369

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15. EMPLOYEE BENEFITS (CONTINUED)

The sensitivity analyses of the important assumptions used in the calculation of the provision for severance pay as of 31 December 2024 are as follows:

Sensitivity level	Net discount rate		Circulation rate related to the likelihood of earning seniority	
	0.5%	0.5% increase	0.5% basis point	0.5% basis point
Rate	2.11	3.11	95.68	96.68
Change in severance pay liability (try)	11.655	(10.374)	(3.134)	3.267

Provision for seniority incentive premium

Severance provision is the benefit provided to employees in line with the Group policy, and the value incurred as of the reporting dates has been recognized by reducing it to its current value with the net discount rate.

Movement table for provision for seniority incentive:

	2024	2023
January 1	114.462	79.681
Interest cost	5.130	12.993
Cost of service	12.026	41.864
Actuarial (gain) / loss	(80.578)	39.353
Payments during the period	(6.610)	(9.630)
Monetary gain	(15.514)	(49.799)
31 December	28.916	114.462

The movement table of provision for unused leave pay is as follows:

	2024	2023
Opening, 1 January	18.137	20.756
Cost of service	10.104	7.083
Monetary gain	(6.876)	(9.702)
Closing,, December 31	21.365	118.137

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16. OTHER ASSETS AND LIABILITIES

i) Other assets

a) Other current assets

	December 31, 2024	December 31, 2023
Deferred value added tax ("VAT")	325.429	301.901
Other	1.595	551
	327.024	302.452

ii) Other liabilities

a) Other short-term liabilities:

	December 31, 2024	December 31, 2023
Mining tax accruals	25.301	20.650
Value added tax payable ("VAT")	10.738	538
	36.039	21.188

17. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

a) Paid-in capital

The Group is subject to the registered capital ceiling and the ceiling amount is 800.000 TL as of 31 December 2024 (31 December 2023: 800.000 TL). The Group's capital consists of Group A and Group B shares. 48 TL of the issued capital of 180.000 TL consists of Group A bearer shares and 179.952 TL consists of Group B bearer shares.

The Group's shareholding structure is as follows:

	December 31, 2024		December 31, 2023	
	Share rate	Share amount	Share rate	Share amount
Partners	(%)	(Thousand TL)	(%)	(Thousand TL)
Çiftay İnşaat Taahhüt ve Ticaret A.Ş.	39.72	71.503	45.43	81.769
Istanbul Portfolio Management Inc. Pre-IPO Venture Capital Investment Fund	11.96	21,534	12.00	21,594
Istanbul Portfolio Second Hedge Fund	6.75	12,141	5.50	9,891
KTLP Limited	5.7	10,267	-	-
Other	35.87	64,555	37.07	66,746
Nominal capital	100.00	180,000	100.00	180,000



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17. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)

a) Paid-in capital (continued)

Group A shareholders have the following privileges:

- All members of the Board of Directors shall be elected from among the candidates to be determined by the majority of the shareholders holding A group bearer shares.
- At the General Assembly meetings, each holder of Group A shares is entitled to 15 (fifteen) votes and each holder of Group B shares is entitled to 1 (one) vote.
- Without prejudice to the first dividend, 10% of the pure profit is distributed to group A shareholders in proportion to their shares.
- Article 7 of the Articles of Association and (Except for paragraph 1, which specifies the number of members of the Board of Directors), Articles 8, 9, 10, 15, 18, 19, 24, 25, 27 may be amended, the Group may be terminated, the Company's capital may be increased by issuing more Group A bearer or new Group A registered shares than the number written in Article 6 of the Articles of Association, the types, groups or numbers of Group A bearer shares may be changed, the registered or bearer shares belonging to Group B bearer or any other group or the registered or bearer shares to be issued from now on may be converted into Group A shares or replaced with Group A registered or bearer shares, at least 3/4 (three-quarters) positive votes of the Group A bearer shareholders are required in the decisions to be taken from the General Assembly.

	December 31, 2024	December 31, 2023
Capital inflation adjustment differences	5.109.762	5.109.762
	5.109.762	5.109.762

Series published and enacted in the Official Gazette dated 13 June 2013 and numbered 28676: Pursuant to the "Communiqué on Principles Regarding Financial Reporting in the Capital Market" II-14.1, "Paid-in capital", "Restricted reserves allocated from profit" and "Share premiums" must be shown over the amounts in the legal records. Differences in valuations during the implementation of the said communiqué (such as differences arising from inflation adjustment):

- If it arises from "Paid-in capital" and has not yet been added to the capital, with the "Capital adjustment differences" item to be opened after the "Paid-in capital" item;
- "With previous years' profit/loss" if it arises from "Restricted reserves allocated from profit" and "Share issuance premiums" and has not yet been subject to profit distribution or capital increase, should be associated. Other equity items are shown with their amounts valued within the framework of TAS.

Capital adjustment differences have no use other than being added to the capital.

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17. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)

a) Paid-in capital (continued)

Public companies distribute dividends in accordance with the CMB's Dividend Communiqué II-19.1, which entered into force on February 1, 2014.

Partnerships distribute their profits within the framework of the profit distribution policies to be determined by the general assembly and in accordance with the provisions of the relevant legislation. Within the scope of the aforementioned communiqué, no minimum distribution rate has been determined for publicly traded partnerships. Companies pay dividends as specified in their articles of association or profit distribution policies. In addition, dividends may be paid in equal or different installments and may distribute cash dividend advances over the profit included in the interim consolidated financial statements.

Unless the reserves required to be allocated according to the TCC and the profit share determined for the shareholders in the articles of association or profit distribution policy are allocated; it cannot be decided to allocate another reserve, to transfer the profit to the next year and to distribute a share from the profit to the usufruct holders, members of the board of directors, partnership employees and persons other than the shareholder, and no share from the profit can be distributed to these persons unless the profit share determined for the shareholders is paid in cash.

Equity inflation adjustment differences and the registered values of extraordinary reserves can be used in free capital increase; cash profit distribution or loss offset. However, equity inflation adjustment differences will be subject to corporate tax if they are used in cash profit distribution.

Legal reserves and share issuance premiums in the legal reserve status within the framework of Article 466 of the Turkish Commercial Code are shown with the amounts in the legal records. In this context, differences arising from inflation adjustments that arise in the valuations made within the framework of IFRS principles and are not subject to profit distribution or capital increase as of the report date are associated with previous years' profit/losses.

According to the provision of the first paragraph of Article 519 of the New TCC No. 6102, legal reserves are allocated as I. ordinary legal reserves until 5% of the "profit" reaches 20% of the paid/issued capital. After deducting the amount allocated from the "profit" as the first reserve fund, the first dividend is allocated to the shareholders from the remaining amount. After the first legal reserve and the first dividend are allocated, the General Assembly is authorized to decide on the allocation or distribution of the remaining balance as extraordinary reserve, taking into account the Company's profit distribution policy. II. The legal reserve fund is allocated as one tenth of the amount found after deducting 5% of the profit share of the capital deducted/paid from the part decided to be distributed in accordance with Article 519, paragraph 2, paragraph 3 of the New TCC. If it is decided to distribute free shares through the addition of profit to the capital, II. legal reserves are not allocated.

b) Share issuance premiums / (discounts)

It refers to the difference between the nominal amount of the newly issued shares due to the capital increase and the sales amount. As of 31 December 2024, it is 247,882 TL (31 December 2023: 238.631 TL) (As of 31 December 2023, all of the 772.189.137 Group B shares owned by Batiliman, a subsidiary of the Group, belonging to Batiliman, which corresponds to approximately 4.29% of the Company's capital and has a nominal value of 11.148.772 Turkish Liras, were sold to Çiftay İnşaat Taahhüt ve Ticaret A.Ş., a partner of the Group, on 4 December 2023. The difference of 235.264 TL between the share value carried in the Company's mutual participation capital adjustment account and the sales price is accounted for in the share issuance premiums / (discounts) account within the equity).

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17. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)

c) Other comprehensive income and expenses not to be reclassified to profit or loss

Movement statements for balances under accumulated other comprehensive income or expenses not to be reclassified to profit or loss under the equity of the parent company are as follows:

*Tangible fixed assets revaluation increase (decrease) fund of the parent company:*

	2024	2023
Opening balance, January 1	2.101.225	574.288
Revaluation effect of tangible fixed assets	1.100.298	2.032.946
Deferred tax effect	(209.014)	(449.294)
Transfer	(369.638)	(51.513)
Effect of change in minority interests	-	(5.202)
Closing balance, December 31	2.622.871	2.101.225

*Defined benefit plans actuarial gain (loss) fund of the parent company:*

	2024	2023
Opening balance, January 1	(170.465)	(116.869)
Current period remeasurement effect	51.751	(71.719)
Deferred tax effect	(12.938)	17.930
Effect of change in minority interests	-	193
Closing balance, December 31	(131.652)	(170.465)

d) Retained earnings / (losses):

In accordance with the Tax Procedure Law and the related Communiqué published in the Official Gazette dated December 30, 2023 and numbered 32415 (2nd Repeated), the balance sheet as of December 31, 2023 prepared in accordance with the Tax Procedure Law has been adjusted by using the Producer Price Index (PPI) published by the Turkish Statistical Institute within the scope of inflation accounting. The accompanying financial statements, on the other hand, have been subjected to inflation adjustment by using the Consumer Price Index (CPI) published by the Turkish Statistical Institute in accordance with TAS 29, and finally, the amounts for the current and previous reporting period are expressed in terms of purchasing power as of December 31, 2023. Due to the use of different indices in the application of the Tax Procedure Law and TAS 29 inflation accounting and the fact that the amounts of the previous reporting periods in the application of TAS 29 were corrected and brought to the purchasing power of 31 December 2023; There have been differences between the amounts in the balance sheet prepared in accordance with the Tax Procedure Law regarding the items "Capital Adjustment Differences", "Premiums on Shares (Discounts)", "Restricted Reserves Allocated from Profit" and "Other Reserves" and the amounts in the financial statements prepared in accordance with TAS/ TFRs.

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17. CAPITAL, RESERVES AND OTHER EQUITY ITEMS (CONTINUED)

d) Retained earnings / (losses) (continued) :

*These differences are reflected in the "Accumulated Profits or Losses" item in the TAS/TFRs financial statements and these differences are detailed below:*

	Capital Adjustment Differences	Premiums on Shares	Legal Reserves	Reserves related to repurchased shares	Recorded Commodity Special Provision	Special Reserves	Extraordinary Reserves
According to TAS/TFRs Financial Statements	5.109.762	247.882	639.440	(1.872)	-	-	-
According to the Tax Procedure Law	3.062.750	273.240	2.702.321	-	102.190	111.997	4.462.700
Difference*	2.047.012	(25.358)	(2.062.881)	(1.872)	(102.190)	(111.997)	(4.462.700)

	Capital Adjustment Differences	Premiums on Shares	Legal Reserves	Reserves related to repurchased shares	Recorded Commodity Special Provision	Special Reserves	Extraordinary Reserves
According to TAS/TFRs Financial Statements	5.109.762	238.631	639.440	(1.401)	-	-	-
According to the Tax Procedure Law	5.030.173	205.400	2.078.038	-	79.510	56.291	4.560.618
Difference*	79.589	33.231	(1.438.598)	(1.401)	(79.510)	(56.291)	(4.560.618)

e) Non-controlling interests:

	December 31, 2024	December 31, 2023
Non-controlling interests	2.266.783	1.746.322
Closing balance, December 31	2.266.783	1.746.322

*The movement table of non-controlling interests is as follows:*

	2024	2023
Opening balance, January 1	1.746.322	918.502
Profit (loss) share for the period	101.458	319.305
Share of other comprehensive income (expense)	111.829	151.307
Effect of change in subsidiary share ratio	-	359.424
Other transfers	(1.630)	(2.216)
Capital increase	308.804	-
Closing balance, December 31	2.266.783	1.746.322



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18. REVENUE AND COST OF SALES

a) Revenue

	1 January – 31 December 2024	1 January – 31 December 2023
Domestic sales	10.951.731	12.027.599
Overseas sales	2.624.530	4.637.201
Other revenues	197.058	241.365
Sales returns (-)	(11.230)	(39.376)
Sales discounts (-)	(31.247)	-
Other discounts (-)	(290.637)	(266.821)
Net sales	13.440.205	16.599.968

The Group recognizes revenue by transferring control of all its goods and services by fulfilling its performance obligations to its customers at a certain point in time.

Details of the reportable segments used by the Group in management reporting are given in Note 3.

b) Cost of sales

	1 January – 31 December 2024	1 January – 31 December 2023
Expenses for raw materials and supplies	3.881.606	5.349.760
General production expenses	3.903.572	4.039.086
Electricity generation costs	1.842.312	3.011.926
Personnel expenses	883.428	870.158
Depreciation, amortization and depletion expenses	1.011.616	933.168
Service production cost	393.165	325.311
Provision for severance pay and seniority incentive premium	36.995	61.712
Provision for mine site rehabilitation	24.493	40.347
Change in semi-finished and finished stocks (Note 10)	(136.382)	(401.312)
	11.840.805	14.230.156

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19. GENERAL ADMINISTRATIVE EXPENSES,  
MARKETING, SALES AND DISTRIBUTION EXPENSES

a) General administrative expenses

	1 January – 31 December 2024	1 January – 31 December 2023
Personnel expenses	197.386	175.880
Outsourced benefits and services	160.367	86.613
Property and stamp tax expenses	32.544	79.049
Depreciation, amortization and depletion expenses	54.830	51.246
Provision for severance pay and seniority incentive premium	3.605	10.098
Security expenses	7.144	5.810
Fuel expenses	4.968	4.181
Taxes, duties and charges	10.066	3.171
Other expenses	21.503	32.959
	492.413	449.007

b) Marketing, sales and distribution expenses:

	1 January – 31 December 2024	1 January – 31 December 2023
Transportation and loading expenses	479.341	408.480
Personnel expenses	73.082	47.906
Depreciation, amortization and depletion expenses	5.502	9.109
Provision for severance pay and seniority incentive premium	758	5.281
Other	21.242	38.281
	579.925	509.057

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20. EXPENSES ACCORDING TO THEIR QUALIFICATIONS

	1 January 31 December 2024 2023	1 January 31 December 2024 2023
raw material and supplies expenses	3.881.606	5,349,760
General production expenses	3.903.572	4,039,086
Electricity purchase expenses	1.842.312	3,011,926
Personnel expenses	1.153.896	1,093,944
Depreciation, amortization and depletion expenses	1.071.948	993,523
Change in semi-finished and finished goods inventories	(136.382)	(401.312)
Transportation and loading expenses	479,341	408,480
Service production cost	393,165	325,311
Property and stamp tax expenses	32,544	79,049
Provision for severance pay and seniority incentive premium	41,358	77,091
Outsourced benefits and services	160,367	86,613
Provision expense for mine rehabilitation	24.493	40,347
Security expenses	7.144	5,810
Fuel expenses	4,968	4,181
Taxes, duties and charges	10,066	3,171
Other expenses	42,745	71,240
	12,913,143	15,188,220

21. OTHER INCOME AND / (EXPENSES) FROM MAIN OPERATIONS

a) Other income from main operations

	1 January 31 December 2024	1 January31 December 2023
Deferred financing (maturity difference) income	128.377	510.168
Foreign exchange gain from operations	131.050	256.111
Other	166.376	23.600

b) Other expenses from main operations

	January 31 December 2024	1 January31 December 2023
Foreign exchange loss arising from operations	210.509	556.860
Deferred financing expenses	80.349	556.782
Impairment of tangible fixed assets	44.875	-
Other	49.124	63.724
	384.857	1.177366

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22. INCOME AND EXPENSES FROM INVESTMENT ACTIVITIES

	1 January 31 December 2024 2023	1 January 31 December 2024 2023
Income from investment activities:		
Interest income	194.067	29.022
Tangible fixed asset sales profit	-	513
	194,067	29,535

	1 January 31 December 2024	1 January 31 December 2023
Expenses from investment activities:		
Loss on sale of intangible fixed assets	(8)	(91.431)
	(8)	(91.431)

23. FINANCING INCOME

	1 January 31 December 2024 2023	1 January 31 December 2024 2023
Income from exchange rate difference	39.935	131,990
Interest income	31.151	42.779
	71.086	174.769

24. FINANCING EXPENSES

	1 January 31 December 2024 2023	1 January 31 December 2024 2023
Exchange rate difference expense	1.024.272	2.514.122
Interest expenses	731.736	1.438.132
Interest expenses from leasing transactions	71.744	43.081
Letter of guarantee commission expenses	32.605	22.770
Other	58.729	91.711
	1.919.086	4.109.816



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25. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES)

Corporate tax

The corporate tax rate in Turkey is 25%. (It was applied as 25% for corporate earnings for the taxation period of 2023.) The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductions in accordance with the tax laws to the commercial earnings of the institutions and deducting the exceptions and discounts in the tax laws. The corporate tax is declared until the evening of the thirtieth day of the fourth month following the end of the relevant year and is paid in a single installment until the end of the relevant month. A provisional tax of 25% was calculated on the earnings as of the accounting period ending on 31 December 2024.

	1 January – 31 December 2024	1 January – 31 December 2023
Current tax expense	194.914	352.550
Deferred tax income	(5.491)	(2.229.988)
<b>Tax income / (expense) on profit or loss statement</b>	<b>189.423</b>	<b>(1.877.438)</b>
	1 January – 31 December 2024	1 January – 31 December 2023
Provision for corporate tax for the current period	(194.914)	(352.550)
Prepaid taxes	190.194	202.568
Tax expense recognized in equity for the period	-	(270.020)
Monetary (loss) gain effect	-	41.742
<b>Tax liability for profit for the period</b>	<b>(4.720)</b>	<b>(378.260)</b>
Assets related to current period tax	42.932	2.760
<b>Assets/ (liabilities) related to current period tax, net</b>	<b>38.212</b>	<b>(375.500)</b>

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25. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (CONTINUED)

Deferred tax

As of 31 December 2024, the tax rate was used as 25% in the calculation of deferred tax assets and liabilities.

	Taxable temporary differences		Deferred tax assets (liabilities)	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Tangible and intangible fixed assets	1.933.701	3.394.758	483.425	848.690
Taxable financial losses carried forward	2.606.998	4.066.970	651.749	813.394
Interest incentive for cash capital increase	663.045	776.785	132.609	155.357
Difference between registered values and tax bases of intangible assets subject to concession	(562.786)	924.047	(140.696)	231.012
Investment allowance that can be used	34.484	-	8.621	-
Provision for rehabilitation of mining sites	70.078	70.369	17.519	17.593
Provisions for employee benefits	168.908	221.968	42.227	55.492
Other	(78.712)	216.842	(19.676)	54.441
<b>Deferred tax assets</b>	<b>4.835.716</b>	<b>9.671.739</b>	<b>1.175.778</b>	<b>2.175.979</b>
Land and parcels TAS 16 revaluation effect	(7.976.041)	(6.629.208)	(1.495.508)	(1,242,977)
Inventories	(358.581)	(469,634)	(89,645)	(117,409)
<b>Deferred tax liabilities</b>	<b>(8.334.622)</b>	<b>(7.098.842)</b>	<b>(1.585.153)</b>	<b>(1.360.386)</b>
<b>Deferred tax assets / (liabilities), net</b>	<b>(3.498.906)</b>	<b>2.572.897</b>	<b>(409.375)</b>	<b>815.593</b>
<b>Provision for deferred tax assets</b>			<b>(435.555)</b>	<b>(1.416.650)</b>
<b>Deferred tax assets / (liabilities), net</b>			<b>(844.930)</b>	<b>(601.057)</b>
<b>Deferred tax assets</b>			<b>343.119</b>	<b>243.441</b>
<b>Deferred tax liabilities</b>			<b>(1.188.049)</b>	<b>(844.498)</b>

The partially or completely recoverable amount of deferred tax assets is estimated under current conditions. During the evaluation, the 5-year projection prepared by the Group management as the foreseeable future and the timing of the recovery of taxable temporary differences were taken into account. The Group has not recognized deferred tax for the part that is not recoverable IN the foreseeable period by revising the deferred tax effects arising as of the reporting date regarding the temporary differences arising from inflation accounting according to the provisions of the Tax Procedure Law and the carried financial losses that it envisages to be available in accordance with the financial profit projections prepared for the foreseeable future period.

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25. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (CONTINUED)

Deferred tax (continued)

As of the reporting dates, the maturity distribution and end-use estimates of the nominal financial losses carried forward over which deferred tax assets have been created are as follows:

	December 31, 2024	December 31, 2023
December 31, 2024	-	36.295
December 31, 2025	74.942	-
December 31, 2026	67.332	38.106
December 31, 2027	100.737	640.201
December 31, 2028	239.725	1.392.974
December 31, 2029	382.041	-
	864.777	2.107.576

As of the reporting dates, the maturity distribution and end-use estimates of the nominal financial losses carried forward over which deferred tax assets have not been created are as follows:

	December 31, 2024	December 31, 2023
December 31, 2024	-	265.638
December 31, 2025	294.101	557.647
December 31, 2026	213.410	374.145
December 31, 2027	342.681	-
December 31, 2028	725.080	-
December 31, 2029	166.949	-
	1.742.221	1.197.430

Within the scope of the "Law on the Amendment of Certain Laws and Decrees" published in the Official Gazette dated 7 April 2015, 50% of the amount calculated until the end of the relevant accounting period can be deducted from the corporate tax base, taking into account the weighted annual average interest rate applied to the commercial loans announced by the CBRT over the cash capital increases in the capital companies and the cash covered part of the paid-in capital in the newly established capital companies as of 1 July 2015. The followings should be applied to the 50%, with the decision numbered 2015/7910 published in the Official Gazette dated 31 December 2017;

a. Of the public capital companies whose shares are traded on the stock exchange, as of the last day of the year in which the discount is benefited, the nominal amount of the shares monitored as tradable shares before the Central Registry Agency is 25 points for those whose paid-in or issued capital rate is 50% and less, and 50 points for those above 50%,

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25. INCOME TAXES (INCLUDING DEFERRED ASSETS AND LIABILITIES) (CONTINUED)

Deferred tax (continued)

b. In the event that the capital increased in cash is used in the production and industrial facilities with investment incentive certificate and the machinery and equipment investments of these facilities and/or the land and land investments allocated to the construction of these facilities, the said discount is applied by adding 25 points limited to the fixed investment amount in the investment incentive certificate.

Within the scope of the relevant legislation, the Group has a deferred tax liability of 795.300 TL as of 31 December 2024 within the framework of the taxable profits projection to be obtained in the future periods related to the cash-capital increase interest incentive, which is considered to be indefinite within the scope of the relevant legislation.

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

	2024	2023
1 January balance	(601.057)	(2.351.251)
Deferred tax income recorded in the profit or loss statement	5.491	2.229.988
Tax expense related to other comprehensive income items	(249.364)	(479.794)
31 December	(844.930)	(601.057)

The reconciliation between the tax expense found by applying the legal tax rate to the profit before tax and the tax expense shown in the total income statement, including the deferred tax expense:

	1 January – 31	1 January – 31
Profit (loss) before tax from continuing operations	265.522	1.089.627
Effective legal tax rate in force	25	25
Calculated tax income (expense)	(66.381)	(272.407)
Effect of interest incentive on cash capital increase	(17.329)	24.640
Effect of non-deductible expenses	(19.968)	(163.997)
Non-taxable monetary gain / (loss) effect	(86.046)	2.289.201
Total tax income (expense) reported in the profit or loss statement	(189.423)	1.877.438



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26. EARNINGS / (LOSS) PER SHARE

	1 January – 31 December 2024	1 January – 31 December 2023
Net profit/(loss) of parent company shares	(25.329)	2.647.760
Weighted average number of issued shares	18.000.000	18.000.000
Earnings/(loss) per 100 shares with a nominal value of 1 TL	(0.1407)	14.7098

Earnings / (loss) per share is determined by dividing the net profit by the weighted average number of shares available in the relevant year. Companies may increase their capital by distributing shares to existing shareholders in proportion to their shares from accumulated profits ("Bonus Shares"). When calculating the profit per share, this bonus share is counted as issued shares. Therefore, the weighted number of shares used in the calculation of profit per share is obtained by retrospectively applying the issue of shares free of charge.

27. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

a) Credit risk:

The risk of a financial loss to the Group due to the failure of one of the parties to the financial instrument to fulfill its contractual obligation is defined as credit risk. The Group seeks to mitigate credit risk by conducting its transactions only with creditworthy parties and, where possible, by obtaining adequate collateral. The credit risks to which the Group is exposed are continuously monitored.

Trade receivables cover a large number of customers, especially in the construction sector. Credit evaluations are made continuously on the commercial receivables balances of the customers and guarantees are obtained for the receivables when deemed necessary.

The provision for doubtful receivables for financial assets is determined on the basis of past experience of non-collection.

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27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

As of 31 December 2024 and 2023, the credit risk analysis by types of financial instruments is as follows:

December 31, 2024							
	Receivables				Financial investments	Deposits in banks	Total
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Maximum credit risk exposed as of the reporting date (A+B+C + D+E) (*)	150	2,475,091	-	27,027	226	326,871	2.829.365
The portion of the maximum risk secured by collateral, etc. (* *)	-	1.053.561	-	-	-	-	1.053.561
A. Net book value of financial assets that are not overdue or impaired	150	2.374.540	-	27.027	226	326.871	2.728.814
B. Book value of financial assets whose terms have been renegotiated, which would otherwise be considered overdue or impaired	-	-	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	100.551	-	-	-	-	100.551
D. Net book values of impaired assets	-	-	-	-	-	-	-
Overdue (gross book value)	-	4.083	-	-	-	-	4.083
Impairment (-)	-	(4.083)	-	-	-	-	(4.083)
E. Items with off-balance sheet credit risk	-	-	-	-	-	-	-
December 31, 2023							
	Receivables				Financial investments	Deposits in banks	Total
	Trade receivables		Other receivables				
	Related parties	Other parties	Related parties	Other parties			
Maximum credit risk exposed as of the reporting date (A+B+C + D+E) (*)	3.467	2.459.260	1.153.353	56.048	-	449.617	4.121.745
The portion of the maximum risk secured by collateral, etc. (* *)	-	1.109.948	-	-	-	-	1.109.948
A. Net book value of financial assets that are not overdue or impaired	3.467	2.342.583	1.153.353	56.048	-	449.617	4.005.068
B. Book value of financial assets whose terms have been renegotiated, which would otherwise be considered overdue or impaired	-	-	-	-	-	-	-
C. Net book value of assets that are overdue but not impaired	-	116.677	-	-	-	-	116.677
D. Net book values of impaired assets	-	-	-	-	-	-	-
Overdue (gross book value)	-	5.624	-	-	-	-	5.624
Impairment (-)	-	(5.624)	-	-	-	-	(5.624)
E. Items with off-balance sheet credit risk	-	-	-	-	-	-	-

(\*) In determining the amount, factors that increase credit reliability, such as guarantees received, are not taken into account.

(\* \*) Guarantees consist of letters of quarantine received from customers.

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27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

b) Liquidity risk:

The main responsibility for liquidity risk management belongs to the board of directors. The board of directors has established an appropriate liquidity risk management for the short, medium and long-term funding and liquidity requirements of the Group's management. The Group manages liquidity risk by regularly monitoring its forecast and actual cash flows and ensuring the continuation of adequate funds and borrowing reserves by matching the maturities of financial assets and liabilities.

The table below shows the maturity distribution of the Group's non-derivative financial liabilities. Non-derivative financial liabilities are prepared without discounting and on the basis of the earliest dates to be paid. The interests to be paid on these liabilities are included in the table below.

December 31, 2024

Maturities under the contract	Book value	Total cash outflows in accordance with the contract (I+II+III)	Less than 3 months (I)	Between 3 - 12 months(II)	Between 1 – 5 years and above (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Bank loans	4.743.120	6.367.298	524.519	1.758.394	3.154.899	929.486
Trade payables	1.808.530	1.808.530	1.808.530	-	-	-
Trade payables to related parties	2.756	2.756	2.756	-	-	-
Other payables and liabilities	26.104	26.104	26.104	-	-	-
Leasing obligations	152.284	365.508	18.015	46.735	189.442	111.316
Other financial liabilities	190.347	195.876	195.876	-	-	-
	6.923.141	8.766.072	2.575.800	1.805.129	3.344.341	1.040.802

December 31, 2023

Maturities under the contract	Book value	Total cash outflows in accordance with the contract (I+II+III)	Less than 3 months (I)	Between 3 - 12 months(II)	Between 1 – 5 years and above (III)	More than 5 years (IV)
Non-derivative financial liabilities						
Bank loans	6.430.855	9.463.871	544.421	1.840.855	4.401.290	2.677.305
Trade payables	2.450.420	2.513.255	2.513.255	-	-	-
Other payables and liabilities	35.587	35.587	35.587	-	-	-
Leasing obligations	114.777	280.882	15.268	32.458	93.812	139.344
Other financial liabilities	328.268	340.525	230.202	110.323	-	-
	9.359.907	12.634.120	3.338.733	1.983.636	4.495.102	2.816.649

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27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

c) Market risk:

Exchange rate risk management

The Group is exposed to foreign exchange risk mainly in US Dollars and Euros. The table below shows the Group's sensitivity to the 10% increase and decrease in the US Dollar and Euro exchange rates. The rate of 10% is the rate used to report the exchange rate risk to senior managers within the Group, and this rate refers to the possible change expected by the management in exchange rates. The sensitivity analysis covers only monetary items denominated in open foreign currencies at the end of the year and shows the effects of the 10% exchange rate change of these items at the end of the year. This analysis includes outsourced loans as well as loans outside the functional currency of the parties that receive and use the loan, which are used for foreign activities within the Group. Positive value refers to the increase in profit/loss and other equity items.

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27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

c) Market risk: (continued)

	December 31, 2024			December 31, 2023		
	TL equivalent	US Dollars	Euro	TL equivalent	US Dollars	Euro
1. Trade receivables	234.547	6.321	314	570.025	8.802	4.166
2a. Monetary financial assets (including cash, bank accounts)	111.474	2.630	509	25.211	591	3
2b. Non-monetary financial assets	-	-	-	-	-	-
3. Other	79.447	2.155	93	60.277	1.047	335
4. Current assets (1+2+3)	425.468	11.106	916	655.513	10.440	4.504
5. Trade receivables	-	-	-	-	-	-
6a. Monetary financial assets	-	-	-	-	-	-
6b. Non-monetary financial assets	-	-	-	-	-	-
7. Other	-	-	-	-	-	-
8. Fixed assets (5+6+7)	-	-	-	-	-	-
9. Total assets (4+8)	425.468	11.106	916	655.513	10.440	4.504
10. Trade payables	361.184	9.097	1.078	764.211	15.552	2.166
11. Financial liabilities	1.590.442	42.507	2.459	1.933.258	45.404	-
12a. Other monetary liabilities	294	-	8	377	-	8
12b. Other non-monetary liabilities	-	-	-	-	-	-
13. Short-term liabilities (10+11+12a+12b)	1.951.920	51.604	3.545	2.697.846	60.956	2.174
14. Trade payables	-	-	-	-	-	-
15. Financial liabilities	2.916.468	80.332	2.223	4.761.729	111.832	-
16a. Other monetary liabilities	-	-	-	-	-	-
16b. Other non-monetary liabilities	-	-	-	-	-	-
17. Long-term liabilities (14+15+16a+16b)	2.916.468	80.332	2.223	4.761.729	111.832	-
18. Total liabilities (13+17)	4.868.388	131.936	5.768	7.459.575	172.788	2.174
19. Net asset/ (liability) position of off-balance sheet derivative instruments (19a-19b)	-	-	-	-	-	-
19a. Amount of off-balance sheet foreign currency derivatives with active character	-	-	-	-	-	-
19b. Amount of off-balance sheet foreign currency derivative products with passive character	-	-	-	-	-	-
20. Net foreign currency (liability)/asset position (9-18+19)	(4.442.920)	(120.830)	(4.852)	(6.804.062)	(162.348)	2.330
21. Monetary items net foreign currency (liability/) asset position (TFRS7.B23)	(4.522.367)	(122.985)	(4.945)	(6.864.339)	(163.395)	1.995
22. Total fair value of financial instruments used for foreign currency hedge	-	-	-	-	-	-
23. Amount of hedged portion of foreign currency assets	-	-	-	-	-	-
24. Amount of hedged portion of foreign currency liabilities	-	-	-	-	-	-
25. Export	2.624.530	80.059	-	2.419.588	72.131	14.516
26. Import	251.617	7.910	7.287	802.986	19.047	-

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27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

c) Market risk: (continued)

Exchange rate sensitivity analysis table

Valuation of foreign currency	31.12.2024
Effect of profit (loss) before tax	
Depreciation of foreign currency	
In case of10% appreciation of USD against TL	
US \$1 net asset / liability	(434.068) 434.068
2 Hedged portion from USD risk (-)	- -
3 US Dollars net effect (1 +2)	(434.068) 434.068
In case of10% appreciation of Euro against TL	
4 EUR net asset / liability	(18.169) 18.169
5 Portion hedged from EUR risk (-)	- -
6 EUR net effect (4+5)	(18.169) 18.169
Total (3 + 6 )	(452.237) 452.237

Valuation of foreign currency	31.12. 2023
Effect of profit (loss) before tax	
Depreciation of foreign currency	
In case of10% appreciation of USD against TL	
US \$1 net asset / liability	(697.391) 697.391
2 Hedged portion from USD risk (-)	- -
3 US Dollars net effect (1 +2)	(697.391) 697.391
In case of10% appreciation of Euro against TL	
4 EUR net asset / liability	10.958 (10.958)
5 Portion hedged from EUR risk (-)	- -
6 EUR net effect (4+5)	10.958 (10.958)
Total (3 + 6 )	(686.433) 686.433

Interest risk

The Group's borrowing at fixed and variable interest rates exposes the Group to interest rate risk. The risk in question is managed by the Group. Hedging strategies are regularly evaluated to be compatible with the interest rate expectation and the defined risk. Thus, it is aimed to create an optimal hedging strategy, to review the position of the balance sheet and to keep interest expenditures under control at different interest rates.



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27. NATURE AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS (CONTINUED)

c) Market risk: (continued)

As of 31 December 2024 and 2023, the Group's interest position table is as follows:

	2024	2023
Fixed-interest financial instruments		
Financial assets	207.439	407.307
Financial liabilities	928.978	842.499
Financial instruments with variable interest rates		
Financial liabilities	4.004.489	5.916.624

d) Capital risk management

The group aims to increase its profits by using the balance of debt and equity in the most efficient way while trying to ensure the continuity of its activities in capital management.

The Group's capital structure consists of liabilities, including the loans described in note 6, and equity items, including cash and cash equivalents, issued capital, reserves and retained earnings, respectively.

The Board of Directors of the Group examines the capital structure twice a year. During these reviews, the board evaluates the risks associated with each class of capital together with the cost of capital. Based on the recommendations made by the board, the Group aims to keep the capital structure in balance.

The group examines the capital according to the leverage ratio, which is consistent with other companies in the industry. This ratio is calculated by proportioning the net financial debt to the total equity. Net financial debt is obtained by deducting cash and cash equivalents from total financial borrowings. Total capital is calculated by adding the net debt with the "Equity" item in the statement of financial position.

	31.12.2024	31.12. 2023
Total financial payables	5.085.751	6.873.900
Minus: Cash and cash equivalents and short-term financial investments	(327.129)	(449.678)
Net financial debt	4.758.622	6.424.222
Total equity	16.865.742	15.960.764
Net financial debt / total equity ratio	28.2%	40.3%

Batiçim Batı Anadolu Çimento Sanayii Anonim Şirketi and its Subsidiaries Notes to the consolidated financial statements as of 31 December 2024  
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28. FAIR VALUE DISCLOSURES

Fair value is the amount that a financial instrument can change hands in a current transaction between voluntary parties other than a compulsory sale or liquidation and is best determined by a market price, if any.

The estimated fair values of financial instruments have been determined by the Group using available market information and appropriate valuation methods. However, reasoning is required in the interpretation of market data for the purpose of fair value estimation. Therefore, the estimates used may differ from the values that the Group may obtain in current market transactions.

The following methods and assumptions have been used to estimate the fair values of financial instruments whose fair value can be determined:

Financial assets

It is accepted that the fair values of the balances based on foreign currency translated with the exchange rates formed as of the reporting date approach their recorded values. Cash and cash equivalents are shown at their fair values. It is assumed that the fair values of the receivables from trade and related parties approach their book values because they are short-term.

Financial liabilities

It is estimated that trade payables, payables to related parties and other monetary liabilities are shown at approximately their fair values with their discounted recorded values, and it is accepted that the fair values of the balances based on foreign currency translated with the exchange rates at the reporting date approach their recorded values.

It is predicted that the fair values of short-term bank loans and other monetary debts are close to their recorded values because they are short-term. Since the interest rates of long-term variable-interest bank loans are updated by taking into account changing market conditions, it is thought that the fair values of these loans express the value they carry.

Fair value levels

The Group's Classifications of financial assets and liabilities at fair value are as follows:

- Level 1: Based on recorded (uncorrected) prices in active markets;
- Level 2: Directly (through prices in the active market) or indirectly based on observable data (derived from prices in active markets);
- Level 3: Not based on observable market data.

Non-financial assets

In the real estate valuation reports used to determine the fair values of the immovables measured by the Group according to the revaluation model, the values appreciated by independent and CMB licensed valuation experts were mainly determined according to the peer comparison for lands and plots, market approach and cost model for machinery, facilities and devices.

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28. FAIR VALUE DISCLOSURES (CONTINUED)

It is defined as the determination of the value of the real estate to be valued by using the appropriate comparison criteria and applying the necessary adjustments to the sales prices of the real estate that has been recently sold and will be valued. Those that are comparable with the said real estate are analyzed by comparing them in the context of ownership rights, financing, sales conditions, after-sales expenses, market conditions, location and physical characteristics, respectively. Quantitative and qualitative techniques are applied in the corrections to be made. It is considered the most appropriate approach to determine the value if there is sufficient and reliable data and can be applied in the valuation of all kinds of immovables.

Appraisal was made using the "market approach" and "cost approach" methods in the revaluation of the Group's machinery, facilities and devices. After concluding that there was enough sales data for the assets in the market approach method, the value was evaluated by comparing the sales of similar assets in the open market or the desired prices and offers. In the cost approach method, the costs actually incurred by the enterprise in the purchase or construction of the assets were accepted as replacement value. Over this value, the value losses (depreciations) due to physical wear and tear, functional and economic obsolescence are estimated and the remaining value is appraised as the fair value.

December 31, 2024	Fair value level as of the reporting date		
	1. Level TL	2. Level TL	3. Level TL
Lands and plots	-	10.100.715	-
Machinery, plant and equipment	-	-	5.368.656
	-	10.100.715	5.368.656

December 31, 2023	Fair value level as of the reporting date		
	1. Level TL	2. Level TL	3. Level TL
Lands and plots	-	9.003.915	-
Machinery, plant and equipment	-	-	6.029.637
	-	9.003.915	6.029.637

In accordance with the revaluation model in the financial statements, the real estate valuation reports prepared by the real estate valuation company authorized by the CMB were taken as a basis in determining the fair value of the lands and plots measured with their fair value, and the relevant study was updated as of 31 December 2024.

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28. FAIR VALUE DISCLOSURES (CONTINUED)

The methods used to determine the fair values of the lands and plots measured at fair value and important unobservable assumptions are as follows:

	Valuation method	Significant inputs	Data range	December 31, 2024 Weighted average
Tangible fixed assets				
Lands and plots	Market approach	Precedent sales price (TL/m <sup>2</sup> )	116.6 – 18,091.2	5.706.67

29. FEES FOR SERVICES RECEIVED FROM THE INDEPENDENT AUDITOR/INDEPENDENT AUDIT INSTITUTION

The explanation of the Group regarding the fees for the services provided by the independent audit institutions based on the POA letter dated 19 August 2023, which the POA prepared in accordance with the Board Decision published in the repeated Official Gazette on 30 March 2022, is as follows:

	1 January – 31 December 2024	1 January – 31 December 2023
Independent audit fee for the reporting period	7.311	5.723
Fees for tax consultancy services	4.096	1.224
	11.407	6.947

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30. EXPLANATIONS ON NET MONETARY POSITION GAINS / (LOSSES)

Non-monetary items	December 31, 2024
<b>Statement of Financial Position Items</b>	
Inventories	15.794
Prepaid expenses	7.549
Tangible fixed assets	595.410
Intangible fixed assets	48.531
Right-of-use assets	63.975
Deferred tax asset	184.751
Paid-in capital	(132.581)
Reversed shares	65
Share issuance premiums/ discounts	(73.350)
Reserves on retained earnings	(19.041)
Accumulated Losses	(74.008)
<b>Statement of Profit or Loss Items</b>	
Revenue	(1.960.415)
Cost of sales	2.259.644
General administrative expenses	56.388
Marketing, sales and distribution expenses	85.792
Other income from main operations	(165.809)
Other expenses from main operations	108.140
Financing income	(9.060)
Financing expenses	306.713
Tax expense for the period	27.179
<b>Other comprehensive income statement items</b>	
Defined benefit plans remeasurement gains /(losses	25.818
<b>Net monetary position gains (losses)</b>	<b>1.351.485</b>

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31. EVENTS AFTER THE BALANCE SHEET DATE

In the event that the amount of 2.099.978.521,48 Turkish Lira of the receivable amount from Batisöke Söke Çimento Sanayii T.A.Ş., which is a subsidiary of our company, is used in the capital increase to be carried out before Batisöke Söke Çimento Sanayii T.A.Ş. and the relevant receivable is followed up in the capital advance accounts in the records of our subsidiary Batisöke Söke Çimento Sanayii T.A.Ş., all of the pre-emptive rights are used within the scope of the shares we have before Batisöke Söke Çimento Sanayii T.A.Ş. in the capital increase and the allocated capital increase is made, our Board of Directors has taken a decision to purchase all the shares issued by Batisöke Söke Çimento Sanayii T.A.Ş. with the allocated sales method and notified our affiliated partnership about these matters.

Batisöke Söke Çimento Sanayii T.A.Ş., which is a subsidiary of the Company, has been included in the BIST Participation All, BIST Participation 100, BIST Participation 50, BIST Participation 30 indices for the period of 1 December 2024-30 April 2025 by the Borsa İstanbul General Directorate in accordance with Article 10.3 of the BIST Market Value Weighted Share Indices Rule Set and in the BIST 100 index for the period of 1 January 2025-31 March 2025.

It has been decided to make the necessary preliminary preparations for the merger of Batiçim Enerji Elektrik Üretim A.Ş., which is a subsidiary of our company, by taking over by Batiçim.

Batiçim Enerji Toptan Satış A.Ş., which is a subsidiary of our company, has decided to serve only the group companies within Batı Anadolu Group of Companies as of 2025.

The amendment text of Article 6 titled “Capital and Type of Share Certificates” of the Company's articles of association regarding the increase of the issued capital of Batılıman Liman İşletmeleri A.Ş., a subsidiary of our Company, from 100,000,000 (one hundred million) Turkish Liras to 300,000,000 (three hundred million) Turkish Liras by making a 200% (two hundred percent) bonus issue from internal resources, has been registered by İzmir Trade Registry Directorate on 07.03.2025 and this issue has been announced in the Turkish Trade Registry Gazette dated 10.03.2025 and numbered 11288.

The text of the Capital Markets Board approval of Article 6 of the Company's articles of association titled "Capital of the Company" regarding the increase of the Company's issued capital, which is 180,000,000 (one hundred and eighty million-full TL) Turkish Liras, to 5,580,000,000 (five billion five hundred and eighty million-full TL) Turkish Liras by increasing the capital free of charge from internal sources by 3000% (three thousand percent) was registered by the Izmir Trade Registry Directorate on February 14, 2025, and this issue was announced in the Turkish Trade Registry Gazette dated March 14, 2025 and numbered 11272.

Our application to the Capital Markets Board on February 27, 2025 to increase the Company's registered capital ceiling from 800,000,000 (eight hundred million-full TL) Turkish Liras to 10,000,000,000 (ten billion-full TL) Turkish Liras, effective between 2025 and 2029, and to amend Article 6 of the articles of association titled "Capital of the Company" in this direction, was approved by the Capital Markets Board on February 28, 2025.



## NOTES

BATIÇİM BATI ANADOLU ÇİMENTO SANAYİİ A.Ş. PROFIT DISTRIBUTION TABLE FOR 2024 (TL)			
1	Paid / Issued Capital	5.580.000.000.00	
2	Total Legal Reserves (According to Legal Records)	16.000.000.00	
	If there is a privilege in the distribution of profit in accordance with the articles of association, information about the privilege in question	Without prejudice to the first dividend, 10% of the pure profit is distributed to the privileged shareholders	
		According to CMB	According to Legal Records (L.R)
3	Profit for the Period	265.552.000	1.209.557.509
4	Taxes Payable (-)	189.423.000	87.126.655
5	NET PROFIT FOR THE PERIOD	(25.329.000)	1.122.430.854
6	Accumulated Losses (-)	-	-
7	General Legal Reserves (-)	-	279.000.000
8	NET DISTRIBUTABLE PERIOD PROFIT	(25.329.000)	843.430.854
9	Donations During the Year	1.610.253.13	1.610.253.13
10	NET DISTRIBUTABLE PERIOD PROFIT WITH DONATIONS TO BE CALCULATED FOR THE FIRST DIVIDENT ADDED	(23.718.747)	845.041.107
11	First Dividend to Shareholders	-	-
	Cash	-	-
	Free of charge	-	-
	Total	-	-
12	Dividends Distributed to Preferred Shareholders	-	-
13	Dividends to Board Members, Employees, etc.	-	-
14	Dividends Distributed to Usufructuary Shares Holders	-	-
15	Second Dividend to Shareholders	-	-
16	General Legal Reserves (-)	-	-
17	Statutory Reserves	-	-
18	Special Reserves	-	-
19	EXTRAORDINARY RESERVE	-	843.430.854
20	Other Resources foreseen to be distributed	-	-
	Previous Year's Profit	-	-
	Extraordinary Reserves	-	-
	Cash	-	-
	Free of charge	-	-
	Total	-	-
	Other Distributable Reserves in accordance with the Law and the Articles of Association	-	-

INFORMATION ABOUT THE DIVIDEND RATE DISTRIBUTED DIVIDEND INFORMATION PER SHARE							
GROUP	ON THE PROFIT FOR THE PERIOD		TOTAL DIVIDEND AMOUNT	DIVIDEND CORRESPONDING TO 1 TL NOMINAL VALUE SHARE			
	CASH	FREE OF CHARGE		CASH	FREE OF CHARGE	TOTAL AMOUNT (TL)	RATE (%)
GROSS A (privileged)							
GROSS B							
TOTAL							
NET A (Privileged)							
NET B							
TOTAL							
THE RATIO OF THE DISTRIBUTED PROFIT SHARE TO THE NET DISTRIBUTABLE PERIOD PROFIT WITH DONATIONS ADDED							
DIVIDEND AMOUNT DISTRIBUTED TO SHAREHOLDERS (TL)				THE RATIO OF THE PROFIT SHARE DISTRIBUTED TO THE SHAREHOLDERS TO THE NET DISTRIBUTABLE PROFIT FOR THE PERIOD WITH DONATIONS ADDED (%)			

## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



**BATIÇİM**