

ANNUAL REPORT OF THE BOARD OF DIRECTORS

AKÇANSA

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

JANUARY 1 - DECEMBER 31, 2024 BOARD OF DIRECTORS' ANNUAL REPORT



CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Akçansa Çimento Sanayi A.Ş

1. Opinion

We have audited the annual report of Akçansa Çimento Sanayi A.Ş (the "Company") for the 1 October - 31 December 2024 period.

In our opinion, the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements regarding the Company's position in the Board of Directors' Annual Report are consistent and presented fairly, in all material respects, with the audited full set financial statements and with the information obtained in the course of independent audit.

2. Basis for Opinion

Our independent audit was conducted in accordance with the Independent Standards on Auditing that are part of the Turkish Standards on Auditing (the "TSA") adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities in the Audit of the Board of Directors' Annual Report section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA and the regulations of the Capital Markets Board and other relevant legislation that are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Our Audit Opinion on the Full Set Financial Statements

We expressed an unqualified opinion in the auditor's report dated 14 February 2025 on the full set financial statements for the 1 October - 31 December 2024 period.

4. Board of Director's Responsibility for the Annual Report

Company management's responsibilities related to the annual report according to Articles 514 and 516 of Turkish Commercial Code ("TCC") No. 6102 and Capital Markets Board's ("CMB") Communiqué Serial II, No:14.1, "Principles of Financial Reporting in Capital Markets" (the "Communiqué") are as follows:

- a) to prepare the annual report within the first three months following the balance sheet date and present it to the General Assembly;

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- b) to prepare the annual report to reflect the Company's operations in that year and the financial position in a true, complete, straightforward, fair and proper manner in all respects. In this report financial position is assessed in accordance with the financial statements. Also in the report, developments and possible risks which the Company may encounter are clearly indicated. The assessments of the Board of Directors in regards to these matters are also included in the report.
- c) to include the matters below in the annual report:
- events of particular importance that occurred in the Company after the operating year,
 - the Company's research and development activities,
 - financial benefits such as salaries, bonuses, premiums and allowances, travel, accommodation and representation expenses, benefits in cash and in kind, insurance and similar guarantees paid to members of the Board of Directors and senior management.

When preparing the annual report, the Board of Directors considers secondary legislation arrangements enacted by the Ministry of Trade and other relevant institutions.

5. Independent Auditor's Responsibility in the Audit of the Annual Report

Our aim is to express an opinion and issue a report comprising our opinion within the framework of TCC and Communiqué provisions regarding whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited financial statements of the Company and with the information we obtained in the course of independent audit.

Our audit was conducted in accordance with the TSAs. These standards require that ethical requirements are complied with and that the independent audit is planned and performed in a way to obtain reasonable assurance of whether or not the financial information and the analysis made by the Board of Directors by using the information included in the audited financial statements in the annual report are consistent and presented fairly with the audited[consolidated] financial statements and with the information obtained in the course of audit.

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Baki Erdal, SMMM
Independent Auditor

Istanbul, 14 February 2025

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A) General Information

Company Title	Akçansa Çimento Sanayi ve Ticaret A.Ş.
Company Head Office Address	Barbaros Mahallesi Kardelen Sokak No:2 D.124-125 Palladium Tower Ataşehir /İstanbul
Company Head Office Phone -Fax	0216 571 30 00-0216 571 30 31
Company Trade Registry Number	Trade Registry Office of İstanbul / 206671
Mersis No	0229-0003-9470-0017
Company Web Site	www.akcansa.com.tr
Company Capital	The Company is subject to the registered capital system, with a registered capital ceiling of TRY 500,000,000 and an issued capital of TRY 191,447,068.25.
Reporting Period	January 1, 2024-December 31, 2024
Sector of Company Operations	Akçansa Çimento Sanayi ve Ticaret A.Ş. (hereinafter referred to as "Akçansa" or the "Company") operates in the production of cement, clinker, ready-mixed concrete, and aggregates.

Shareholding Structure:

	SHARE AMOUNT (THOUSAND TRY)	SHARE PERCENTAGE %	NUMBER OF SHARES (THOUSAND)
HACI ÖMER SABANCI HOLDİNG A.Ş.	76,035	39.72	7,603,514
HEIDELBERG MATERIALS AG	76,035	39.72	7,603,514
PUBLIC SHARES	39,377	20.56	3,937,678
GENERAL TOTAL	191,447	100.00	19,144,706

The shareholding structure represents individuals or entities that directly hold 5% or more of the capital.

Information on Preferred Shares

The Company has no preferred shares.

Board

Burak Orhun, Chairman	04.04.2024-04.04.2027
Hakan Gürdal, Vice Chairman	04.04.2024-04.04.2027
Şebnem Önder, Member	04.04.2024-04.04.2027
Rene Aldach, Member	04.04.2024-04.04.2027
Bülent Bozdoğan, Independent Member	04.04.2024-04.04.2027
Ali Aynacı, Independent Member	04.04.2024-04.04.2027

The Company's General Assembly has granted permission to the Board Members to engage in transactions specified under Articles 395 and 396 of the Turkish Commercial Code.

At the Ordinary General Assembly Meeting held on April 4, 2024, the Company's Board Members were elected for a three-year term.

The election of Board Members complies with the Turkish Commercial Code, Capital Markets regulations, and the Articles of Association. The Board consists of a minimum of six and a maximum of eight members, elected by the General Assembly for a maximum term of three years. Members whose terms expire may be re-elected. Among the Board Members elected by the General Assembly, there are two independent members. Independent Board Member candidates are selected from individuals who submit a declaration of independence and are recommended by the Corporate Governance Committee. To ensure the effective fulfillment of duties and responsibilities, the Board has established the following committees: Audit Committee, Early Detection of Risk Committee, and Corporate Governance Committee.

Authorities and Responsibilities of the Board Members and Managers

The management rights and representation authority of the Company's Board of Directors are defined in the Articles of Association. The authorities and responsibilities of the managers are not stated in Company Core Contract. However, the mentioned authorities and responsibilities are determined by the Board of Directors.

Operating Principles of the Board of Directors

During the period from January 1, 2024, to December 31, 2024, the Company's Board of Directors convened a total of 41 meetings, including 4 in-person meetings and 37 meetings conducted through written approval in accordance with the provisions of the TCC and the Articles of Association. Throughout this period, the Board adopted 68 resolutions. The agenda of the Company's Board of Directors meetings, including the communication of critical matters, is determined by the Chairman of the Board following consultations with the current Board Members and the General Manager. The finalized agenda and the contents of the items therein are submitted in writing to the Board Members at least two weeks in advance by the Pre-Briefing Committee to allow sufficient time for review and preparation.

Between January 1, 2024, and December 31, 2024, no dissenting opinions were expressed by Board Members regarding any of the resolutions adopted during the meetings.

All members without a valid excuse actively participated in the Board meetings. Since there were no questions raised by Board Members on these matters, no additional records were kept. Furthermore, no weighted voting rights or veto rights have been granted to any Board Member regarding the resolutions. A regular annual performance evaluation of the Board of Directors is conducted.

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Committees Established Within the Board of Directors: Structure, Composition, and Independence

In accordance with Capital Markets Board (CMB) Corporate Governance Principles and other relevant regulations, the Board of Directors has established the following committees: Audit Committee, Corporate Governance Committee, and Early Detection of Risk Committee. The Corporate Governance Committee also assumes the responsibilities of the Nomination Committee and the Remuneration Committee. These committees operate in accordance with their respective internal charters. During the period from January 1, 2024, to December 31, 2024, no conflicts of interest arose within the Audit Committee due to its existing member structure.

The Audit Committee meets at least four times a year, at intervals of no more than three months, and submits written reports on its decisions to the Board of Directors. The Corporate Governance Committee convenes at least four times a year, at intervals of no more than three months, and reports its findings to the Board of Directors. The Early Detection of Risk Committee meets at least six times a year, at two-month intervals. The reports containing information on the committees' activities and meeting outcomes are submitted to the Company's Board of Directors after being approved by the Committee Members.

The committee working principles are published on the Company's website.

Additionally, the Pre-Briefing Committee conducts detailed research and prepares comprehensive presentations on matters to be presented to the Board of Directors before each meeting. The Internal Audit Director submits reports on Corporate Governance Principles and other relevant topics to the Audit Committee.

Committees

Audit Committee

Bülent Bozdoğan, Chairman
Ali Aynacı, Member

Corporate Governance Committee

Bülent Bozdoğan, Chairman
Ali Aynacı, Member
Dinçer Bulan, Member

Early Risk Detection Committee

Ali Aynacı, Chairman
Bülent Bozdoğan, Member

Auditor

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Statement on Conflicts of Interest Between the Company and Service Providers

The Company adheres to the relevant capital markets regulations when selecting service providers and implements the necessary measures to prevent potential conflicts of interest. No conflicts of interest have arisen between the Company and the aforementioned service providers during or after the service period.

Changes in Senior Management During the Year and Current Executives' Names, Surnames, and Professional Experience

By the decision of our Board of Directors dated June 24, 2024, Mr. Akın HASBAY has been appointed as Cement Sales and Marketing Director. During the period, Mr. Jason SOUTH, who was serving as Vice General Manager of Finance, left the Company, and Mr. Thomas GERSTENHAUER has been appointed to this vacant position as of November 1, 2024.

Furthermore, pursuant to the resolution of the Board of Directors dated November 25, 2024, Mr. Gergely BOROSI, who served as Vice General Manager of Operations, departed from the Company, and Mr. Ömer GENÇ has been appointed to the position effective January 1, 2025.

As of the reporting date, the members of the Executive Committee are as follows.

Vecih YILMAZ / General Manager

Vecih Yılmaz graduated from Middle East Technical University (METU) Business Administration in 2005, while simultaneously completing a minor degree in Political Science and Public Administration at the same university. In 2012, he earned a Master's degree in Financial Economics from Galatasaray University. He began his career in 2005 as an Auditor at Deloitte. In 2009, he joined Sabancı Group, where he served as Manager of Financial Planning, Analysis, and Investor Relations at Sabancı Holding from 2009 to 2013, followed by a role as Financial Control and Risk Manager at Enerjisa Enerji from 2013 to 2015. Between 2015 and 2017, he held the positions of CFO at Assan Panel and Director of Financial Affairs at Kibar Holding within Kibar Group. In 2017, he rejoined Sabancı Group as Finance Director at Sabancı Holding, a position he held until April 2019, while also serving as a Board Member at Kordsa and Yünsa. As of 2023, From April 2019 to December 2022, he served as Vice General Manager of Finance and Financial Affairs at Çimsa. As of December 1, 2022, he has been serving as General Manager.

Ülgen ERYÜREK ASLAN / Vice General Manager – Human Resources

Ülgen Eryürek Aslan graduated from Boğaziçi University, Department of Economics, in 1998. She began her professional career as a Management Trainee in the Finance Group Presidency at Bayındır Holding, later working as a Budget Planning Supervisor at HEAŞ. In 2004, she completed her Master's degree in Finance and Accounting at Marmara University, Faculty of Business Administration (English Program) and joined Akçansa Çimento A.Ş. in February 2004 as a Financial Reporting and Analysis Specialist. Since then, she has held several managerial positions, including: Financial Planning and Analysis Manager, Financial Planning, Analysis, Reporting, and Investor Relations Manager, Strategy and Business Development Manager, Cement and Ready-Mix Concrete Sales Planning and Marketing Group Manager, and Strategy and Corporate Performance Group Manager as of February 1, 2023. Effective December 15, 2023, she has been appointed Vice General Manager – Human Resources at Akçansa.

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Thomas GERSTENHAUER / Vice General Manager – Finance

Thomas Gerstenhauer holds a Bachelor's degree in European Business Administration from the International Partnership of Business Schools (Reutlingen/London) and an Executive MBA from Friedrich Schiller University (Jena). He started his professional career in 1998 at Schroder Salomon Smith Barney in London, subsequently assuming roles in Melbourne and New York. From September 2003 to 2007, he served as Vice General Manager of the Finance Department at HSH Nordbank. Between November 2007 and December 2009, he was a Senior Vice President at Sal. Oppenheim Jr. & Cie. Kga. From April 2011 to September 2014, he operated his own corporate finance advisory business and served as a member of the creditors' committee of IVG Immobilien AG. In September 2014, he joined Heidelberg Materials as Finance Manager, later taking on the role of CFO and Vice General Manager at Mibau Stema Group. Effective November 1, 2024, he has been appointed Vice General Manager – Finance.

Ömer Sinan GENÇ / Vice General Manager – Operations

After graduating from Ege University with a degree in Chemical Engineering, Ömer Sinan Genç completed his Master's degree in Chemical Engineering at Izmir Institute of Technology. Since 2007, he has held various positions at our company, including Production Engineer at Ladik Plant, Semi-Finished Products Chief at Büyükçekmece Plant, Production Manager at Büyükçekmece Plant, Ladik Plant Manager, and Çanakkale Plant Manager. Effective January 1, 2025, he has been appointed as Vice General Manager – Operations.

İlker KOÇ / Vice General Manager – Ready-Mix Concrete, Aggregates Sales & Marketing

İlker Koç earned his Bachelor's degree in Civil Engineering from Middle East Technical University (METU) and later completed an Executive MBA at Sabancı University. He began his career in 1994 as a Site Engineer at Rizzani de Eccher and later served as a Site Manager at Astaldi and Sinta between 1995 and 1998. In September 1998, he joined Akçansa as a Specialist in Marketing Planning and Sales. From 2008 to 2012, he worked as a Senior Engineer at HeidelbergCement Technology Center in Germany, after which he returned to Akçansa in various leadership roles, including Quality and R&D Manager, Marketing and Special Products Manager, and Technical Sales Support & Special Products Manager. Between December 2020 and November 2021, he served as Company Manager at Karçimsa. Since December 1, 2021, he has been serving as Vice General Manager – Ready-Mix Concrete, Aggregates Sales & Marketing.

Sinan İNAÇ / Vice General Manager – Procurement & Logistics

Sinan İnaç graduated from Dokuz Eylül University with a degree in Business Administration (English Program) in 1999. He began his professional career in 2003 at Çimentaş, where he held various finance and planning roles, including Budget & Cost Control Specialist (2003–2007), Planning, Budget & Control Chief (2007–2011), Planning, Budget & Control Manager (2011–2015), Strategy & Marketing Manager for Cement & Ready-Mix (2015–2017), Planning, Budget & Control Eastern Mediterranean Regional Leader (2017–2019), and Planning, Budget & Control Director. Between 2017 and 2019, he served as Cement Sales Director at Oyak Cement (Denizli Plant). Since 2019, he has continued his career at Akçansa as Ready-Mix Concrete Regional Manager (Northern & Eastern Marmara) and Cement Sales Group Manager. Effective December 1, 2021, he has been appointed Akçansa Assistant General Manager - Procurement and Logistics.

Akın HASBAY / Cement Sales and Marketing Director

Akın Hasbay graduated from Dokuz Eylül University with a degree in Civil Engineering in 1999. He began his career as a Civil Engineer at Ülker İnşaat (2000–2003) before joining Akçansa in 2003, where he held various roles, including Customer Representative – İzmir, Ready-Mix Concrete Sales & Marketing Specialist – İzmir, Cement Sales Planning Specialist – İstanbul, Sales Chief – Northern Region, Cement Marketing Specialist, Ready-Mix Concrete Regional Manager – Eastern Marmara, and Cement Sales Regional Manager – Eastern Marmara. Between 2017 and 2019, he served as the Denizli Cement Sales Director at Oyak Cement. Since 2019, he has continued his career at Akçansa, successively holding positions as Ready-Mix Concrete Regional Manager – Northern and Eastern Marmara and Cement Sales Group Manager. As of June 26, 2024, Akın Hasbay has been appointed as the Cement Sales and Marketing Director.

Employee and Worker Movements, Collective Bargaining Agreements, and Employee Benefits

As of December 31, 2024, the number of employees at Akçansa is 1,007.

he two-year collective bargaining agreement covering the period from January 1, 2022, to December 31, 2023, expired on December 31, 2023. Subsequently, negotiations for a new agreement covering January 1, 2024, to December 31, 2025, between the Cement Industry Employers' Association (ÇEİS) and the Çimse-İş Union concluded successfully. The new-term collective bargaining negotiations between the Cement Industry Employers' Association (ÇEİS), of which we are a member, and the T. Çimse-İş Union were concluded on January 31, 2024, with a two-year agreement between the parties.

The summary of the agreement results is as follows:

- In the first year of the agreement, as of January 1, 2024, the base hourly wages of employees working at the workplace and whose employment contracts are still in effect as of the date of signing the collective bargaining agreement will be increased by 60%, effective from January 1, 2024, based on their wages as of December 31, 2023.
- In the second year of the agreement, as of January 1, 2025, the base hourly wages of employees working at the workplace and whose employment contracts are still in effect will be increased by CPI + 3%, based on their wages as of December 31, 2024.

Additionally, a seniority incentive bonus is paid to employees in the months corresponding to every five years of seniority.

Obligation to Conduct Transactions with the Company and Non-Compete

At the Ordinary General Assembly Meeting of our Company held on April 4, 2024, the necessary authorization was granted to the Members of the Board of Directors in accordance with Articles 395 and 396 of the TCC.

B) Financial Rights

Between January 1, 2024, and December 31, 2024, the Company has not provided any loans or credit to any Member of the Board of Directors, has not extended the terms of existing loans or credits, has not improved their conditions, and has not facilitated personal loans through third parties or provided guarantees such as sureties on their behalf. At the Ordinary General Assembly Meeting held on April 4, 2024, it was resolved that Independent Board Members would receive a gross monthly payment of TRY 90,000, while no remuneration would be paid to other Board Members.

The Company has established a Compensation Policy for the Members of the Board of Directors and Senior Executives, which has been publicly disclosed on its website.

Total remuneration and benefits of the senior management team

	January 1 - December 31, 2024 Thousand TRY
Short-term benefits provided to the senior management team	68,026
Post-employment benefits	6,279
Other long-term benefits	3,160
Total earnings	77,465
SSI employer share	3,206

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C) Research and Development Activities

At Akçansa, our R&D and innovation efforts focus on integrating advanced technologies into our production systems to minimize environmental impact while contributing to both our company and the industry through a "co-development" approach. We optimize business processes in line with customer needs and market expectations, ensuring that production and quality remain aligned with key performance parameters while developing innovative and value-added products.

Our R&D activities encompass new product development and optimization, pre-sales and post-sales technical support, academic collaboration through lectures and seminars on cement and concrete technologies, technical site visits for university students, support for research initiatives in cement and concrete, and contributions to national and international scientific publications. These efforts are carried out in collaboration with universities, public institutions, industry associations, and Heidelberg Materials' Global R&D division.

As part of our commitment to responsible operations, we prioritize the transition to a low-carbon economy. In line with our 2030 Sustainability Targets, we manage all R&D and innovation investments with a strong focus on sustainability, guided by our CO₂ Roadmap and the Low-Carbon/Low-Clinker New Product Development Plan.

In 2024, we conducted research on the application of Carbon Capture, Utilization, and Storage (CCUS) technologies in the building materials sector. Leveraging advanced data analytics, we successfully completed studies aimed at predicting key quality control parameters in cement and concrete production. Additionally, we assessed the potential of construction and demolition waste (CDW) in concrete production and construction applications, with our analysis yielding positive results.

Furthermore, our ongoing R&D projects focus on the utilization of alternative mineral additives in cement and concrete production and the exploration of low-carbon manufacturing technologies. We are actively investigating the upcycling of construction and demolition waste as a carbon-sequestering material in cement and concrete production, alongside feasibility studies on the use of hydrogen and oxygen in fuel blending.

Our "CIRCULATE" project, which aims to repurpose construction and demolition waste into building materials, was recognized among the top 10 projects in the CFA Türkiye program. We subsequently continued the project's detailed feasibility studies in collaboration with Yıldız Technical University and İSTAÇ. As part of this process, we collected samples from two different regions representing construction and demolition waste expected to emerge during Istanbul's urban transformation and successfully completed our characterization analysis. We have completed the laboratory-phase experiments of our R&D study on the separation of concrete waste from construction and demolition debris and its subsequent upcycling for use in cement and concrete production, achieving highly successful results. Following this, our project will continue with industrial-scale trials.

Completed Key R&D Projects:

Projects Conducted Under TÜBİTAK TEYDEB Support:

- Investigation of the use of mineralizers in clinker production
- Determination of usage criteria for products recovered from construction and demolition waste
- Research on the use of microalgae as an auxiliary fuel and CO₂ absorber in the cement production process

Projects Conducted in Collaboration with Universities:

- Investigation of hydration reactions and their effects in cement – Sabancı University
- Use of activated natural materials (Calcined Clay) as a cement substitute – Sabancı University
- Macro synthetic fiber-reinforced roller-compacted concrete road project – Boğaziçi University & Kordsa
- Evaluation of construction and demolition waste in concrete production and construction applications – Yıldız Technical University

Projects Conducted as Part of Mega Projects:

- Development of high-performance and long-lasting cement and concrete products (100+ Cement and 100+ Concrete) for the Yavuz Sultan Selim Bridge Project
- Development of high-performance cement and concrete products with a minimum service life of 100 years ("1803 Cement" and "1803 Concrete") for the 1915 Çanakkale Bridge Project
- Real-time digital monitoring (via tablet or smartphone) of concrete strength using smart sensors through the "Smart Concrete" product developed for the 1915 Çanakkale Bridge Project

Product Development and Optimization Projects:

- Development of high-consistency and high-performance cement and concrete products for large-scale infrastructure projects
- Development of high-consistency and high-performance concrete products for high-rise buildings
- Design of cement and concrete products with enhanced thermal properties
- Development of highly durable concrete products (Solidmix) to meet the requirements of sulfate-resistant and long-lasting infrastructure projects
- Development of a waterproof concrete product (Hidromix) that meets the structural waterproofing method requirements specified in waterproofing regulations

Process-Oriented Projects:

- Conducting life cycle analysis (LCA) for standard and special ready-mixed concrete products and obtaining Environmental Product Declarations (EPD)
- Monitoring quality control parameters in cement production through the E-Factory Quality Application
- Prediction of quality control parameters in cement and concrete production using advanced data analytics
- Development of a tool to calculate the load-bearing capacity and equivalent reinforcement of macro synthetic fiber-reinforced ground concrete (Kratobeton)
- RFID tagging and tracking of concrete samples in collaboration with Ankaref and Vuruşkan companies
- Performance analysis of cement grinding additives
- Research on the application of Carbon Capture, Utilization, and Storage (CCUS) technologies in construction materials as part of the Sabancı X-Teams Project

Ongoing Key R&D Projects:

- Research on the use of alternative mineral additives (pozzolans) in cement and concrete production, as well as low-carbon/low-clinker production technologies
- Investigation of the usage of construction and demolition waste as carbon-capturing material in cement and concrete production (in collaboration with the Turkish Technology Development Foundation (TTGV) and Özyeğin University)
- Feasibility study on the use of hydrogen and oxygen in fuel mixing (as part of the South Marmara Development Agency (GMKA) – Hydrogen Valley Platform)
- Research on the use of hydrogen in combination with CO₂ from cement plant flue gas for ethanol/methanol production (as part of the GMKA – Hydrogen Valley Platform, in collaboration with the Turkish-German University)

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D) Company Activities and Key Developments

Industry Trends and Fundamental Influencing Factors

As of the first 11 months of 2024, cement production increased by 4.8% compared to the same period in the previous year. During this period, approximately 15% of the total cement production was exported. While domestic sales grew by 10.1%, cement exports declined by 15.1%.

According to TÜİK data, the countries with the highest increase in cement and clinker exports in the first 11 months of 2024 were Georgia, Italy, and the Turkish Republic of Northern Cyprus (TRNC). Additionally, exports were made to the United States, Italy, Syria, Albania, and Romania during this period.

In Q3 2024, building permits issued by municipalities decreased compared to the same period of the previous year as follows: 18.8% decline in the number of buildings, 18.9% decrease in total construction area, and 17.0% reduction in the number of residential units. Meanwhile, occupancy permits issued by municipalities showed a 2.9% increase in the number of buildings but declined by 5.3% in total construction area and 3.1% in the number of residential units. Housing sales in 2024 totaled 1,265,388 units, reflecting a 16.4% increase compared to the same period in the previous year.

Production Capacities

The production capacities of our factories and facilities are summarized in the table below.

Production Site	Production Capacities of Our Factories and Plants			Terminal Operating Capacity
	Thousand tons/year			Thousand tons/year
	Cement	Clinker	Aggregates	Operation
İstanbul (Büyükcemece)	2,528	1,943	-	-
Çanakkale	5,500	4,450	-	-
Samsun (Ladik)	1,014	644	-	-
Bursa	-	-	840	-
Tekirdağ (Saray)	-	-	897	-
Edremit	-	-	996	-
Yalova	-	-	-	384
İzmir (Aliağa)	-	-	-	225
İstanbul (Ambarlı)	-	-	-	745
Yarımca	-	-	-	700

Industry Overview and Akçansa's Position in the Sector

As one of Türkiye's leading building materials companies, Akçansa continues its operations with full momentum. According to data from the Central Anatolian Exporters' Association, Türkiye's total cement sector exports in 2024 amounted to 19.01 million tons, generating \$1.094 billion in revenue. Akçansa contributed to this figure with total exports of 2.48 million tons, securing a 13% market share in the sector.

In addition to its cement operations, Akçansa has maintained a strong presence in the port operations sector under the Akçansa Port brand. In 2024, the company continued to provide high-quality, efficient, and timely services at Ambarlı Port, catering to both its own logistics needs and those of external customers.

Driven by its vision to be Türkiye's most sustainable building materials company, Akçansa has garnered significant recognition for its achievements. In the 2023 "Türkiye's Top 500 Industrial Enterprises" study conducted by the Istanbul Chamber of Industry (ISO), Akçansa ranked 84th, securing a position among Türkiye's top 100 industrial companies. In line with its commitment to sustainability, Akçansa published the first monitoring report for its Marmara Islands Artificial Reef Project in 2024. Initial findings indicate increased marine life around the reefs, with 33 different species—including 10 fish species—identified within the first year of the project.

Akçansa also became the first Turkish cement company to sign the CEO Water Mandate, an initiative of the United Nations Global Compact (UNGC), in 2024. Furthermore, its Bursa Aggregate Plant was certified as Türkiye's first and only platinum-level CSC-certified aggregate plant, ranking among only 12 such plants worldwide. As part of its circular economy approach, Akçansa signed a collaboration agreement with ODAŞ to repurpose fly ash from the Çan 2 Thermal Power Plant, reintegrating it into the economy through sustainable processes. During this period, the company also realized a valuable cooperation in the port business line that will expand its range of services globally. Additionally, Akçansa Port brand expanded its service portfolio internationally by partnering with Grimaldi Group, a global leader in Ro-Ro shipping, to provide international Ro-Ro services. Beyond business operations, Akçansa remains committed to making a positive social impact. Under its "Gönüllü Yolculuğum" (My Volunteer Journey) social responsibility initiative, the company continued to support children and young people through STEM Workshops and STEM Talks in 2024.

In environmental compliance, Akçansa utilizes Continuous Emission Monitoring Systems (CEMS) installed at all process stacks to measure combustion gases and dust parameters 24/7. These real-time values are reported directly to the Ministry of Environment, Urbanization, and Climate Change and its affiliated provincial directorates. Additionally, all dust and gas emissions from the company's stacks are regularly monitored through quarterly and annual periodic measurements conducted by accredited organizations and reported to the Ministry of Environment, Urbanization, and Climate Change. Occupational health and safety remain Akçansa's top priority. The company adheres to all legal regulations, implementing comprehensive safety measures across its operations.

Akçansa's ready-mixed concrete brand, Betonsa, continues to share its sectoral expertise through specialized training programs. These programs provide periodic training sessions for customers, construction companies, site engineers, structural inspection firms, government officials, and university students. Topics covered include concrete technology, durability, and the importance of maintenance and curing. Additionally, Betonsa offers targeted training for employees in Sales, Quality, and Field/Operations roles, reinforcing its commitment to industry excellence.

Developments in Investments & Incentives

As of December 31, 2024, the investment incentive certificate dated October 25, 2021 (No. 528875), with a total investment amount of TRY 18.6 million, for the preparation of fuel from end-of-life tires, has been finalized. Additionally, a new investment incentive certificate dated September 11, 2024 (No. 571470) has been issued, covering a total fixed investment of TRY 12.6 million.

As of the same date, the company's total investment expenditures reached TRY 1,167.7 million.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

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E) Corporate Governance and Sustainability Principles

During the January 1, 2024 – December 31, 2024 fiscal period, Akçansa Çimento Sanayi ve Ticaret A.Ş. adhered diligently to the principles outlined in the Corporate Governance Principles published by the Capital Markets Board of Türkiye (CMB). While full compliance with non-mandatory principles was not achieved in certain areas, no conflicts of interest arose between the company and its stakeholders.

Our company is committed to implementing corporate governance principles in shareholder rights, public disclosure and transparency, stakeholder relations, and Board of Directors' decisions and transactions. Ensuring the application and execution of these principles, in alignment with our informational responsibility to all shareholders, remains one of our key objectives.

In accordance with the CMB's January 10, 2019 decision (No. 2/49), Akçansa's 2022 Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF), prepared in line with the updated reporting formats, were published on February 17, 2023, via the Public Disclosure Platform (PDP). The latest status of the announcements regarding the Corporate Governance Compliance Report (URF) and Corporate Governance Information Form (KYBF) can be accessed from the link below:

<https://www.kap.org.tr/tr/sirket-bilgileri/ozet/838-akcansa-cimento-sanayi-ve-ticaret-a-s>

In line with the October 2, 2020 amendments to the Corporate Governance Communiqué issued by the Capital Markets Board, Akçansa aims for 100% compliance with the Sustainability Principles Compliance Framework. Thanks to its long-standing efforts in this area, the company has already achieved significant alignment. Going forward, Akçansa plans to further enhance its compliance with mandatory principles in 2024, prioritizing the interests of shareholders and all other stakeholders. The Sustainability Principles Compliance Report, detailing our adherence to these principles, is available at the web site: <http://www.akcansa.com.tr/surdurulebilirlik/raporlarimiz/> and <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/838-akcansa-cimento-sanayi-ve-ticaret-a-s>.

VISION

With a culture rooted in social, environmental, legal, and ethical values, our goal is;

MISSION

To become the leading building materials company that enhances society's quality of life by creating value for:

- Our customers through innovative products, services, and solutions,
- Our shareholders with superior financial performance,
- Our employees by prioritizing occupational health and safety and providing continuous development opportunities,
- Our environment through alternative fuel and raw material usage, recovery processes, and a commitment to biodiversity, and
- All other stakeholders by upholding sustainability and excellence.

The company's strategic objectives are determined by the Board of Directors. Additionally, annual budgets prepared within the framework of these strategic goals are approved by the Board.

During its meetings, the Board closely monitors the implementation of its decisions through comparative presentations provided by company executives. These presentations include comparisons of the current year's budget versus actual performance, as well as historical data for the same periods in previous years. The Board of Directors reviews this process at least four times a year.

Public Disclosure and Transparency

Public openness means fulfilling the responsibility of disclosure and transparency. In accordance with the principles of public disclosure and transparency, as well as our disclosure policy, investors are provided access to "Information Society Services" through the e-Company application within the Central Securities Depository. Information Society Services can be accessed through the e-Company Corporate Information Portal at www.mkk.com.tr via the Information Society Services section under the Investor Relations section on our company's website at www.akcansa.com.tr.

The Company's registered website is available in the English section of the Company's website at www.akcansa.com.tr. This section is also prepared for the benefit of international investors.

As of the end of 2024, a total of 44 meetings have been held with analysts and capital market participants.

The Company provides its website at www.akcansa.com.tr for the information of shareholders and investors in accordance with the Corporate Governance Principles. The matters specified in the Corporate Governance Principles have been included. Our website provides information on corporate introduction, products and services, management systems, financial indicators, annual reports, investor center, financial statements, disclosure policy, environmental activities, corporate social responsibility initiatives, and human resources policies.

Important headings available on the website are summarized as follows:

- Detailed information regarding corporate identity
- Our Vision and Mission
- Details and information about Board Members and top management
- Company organization and partnership structure
- Company articles of association
- Trade Registry Information
- Financial information
- Press releases
- Material event disclosures
- Information about the date, agenda and agenda topics of the general assembly meeting
- Minutes of the General Assembly meeting and the list of attendees
- Power of attorney sample
- Corporate Governance practices and compliance report
- Dividend distribution policy, history, and capital increases
- Donation and Aid Policy
- Information Policy
- Remuneration policy for board members and senior executives
- Frequently Asked Questions Section

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Dividend Distribution Policy

Company's Dividend Distribution Policy:

Akçansa Cement Industry and Trade Inc. The Dividend Distribution Policy has been determined in accordance with the provisions of the Turkish Commercial Code, Capital Markets Legislation, other relevant regulations, and the article of our Articles of Association regarding dividend distribution. It is established by considering Akçansa Çimento Sanayi ve Ticaret A.Ş.'s medium- and long-term strategies, investment and financial plans, as well as the state of the national economy and the sector, while maintaining a balance between shareholder expectations and the Company's needs.

In accordance with the resolution adopted at the General Assembly, the principle of determining the amount of dividends to be distributed has been established. As a general policy, it has been adopted that a minimum of 50% of the distributable profit shall be distributed to shareholders in the form of cash dividends and/or bonus shares.

Dividends shall be distributed equally to all existing shares, regardless of their issuance and acquisition dates, as soon as possible. However, they will be distributed to shareholders on the date determined by the General Assembly, following its approval, and within the legally prescribed time limits.

In accordance with Article 33 of our Articles of Association, subject to authorization by the General Assembly, the distribution of interim dividends to shareholders may also be possible upon a resolution of the Board of Directors.

The General Assembly may transfer a portion or the entirety of the net profit to extraordinary reserves. If the Board of Directors of Akçansa Çimento Sanayi ve Ticaret A.Ş. proposes to the General Assembly that no dividend be distributed, the reasons for this decision and the intended use of the undistributed profit shall be disclosed to the shareholders during the General Assembly Meeting. Similarly, this information shall also be included in the annual report and published on the company's website to inform the public.

The Dividend Distribution Policy is submitted for the approval of shareholders at the General Assembly Meeting. This policy is reviewed annually by the Board of Directors, taking into account any potential adverse national and global economic conditions, as well as the status of ongoing projects and funds. Any changes to this policy are submitted for the approval of shareholders at the first General Assembly Meeting following the amendment and disclosed to the public on the company's website.

The Dividend Distribution Policy was approved at the Ordinary General Assembly Meeting held on March 26, 2014.

Human Resources Policy

Believing that the key to its success lies in the value placed on human resources and recognizing its employees as the foundation of all its operations, Akçansa is committed to being an exemplary and preferred employer in its industry. Through practices that foster continuous development and high performance, the company aims to attract and retain a highly qualified workforce.

In collaboration with Sabancı Holding and Heidelberg Materials, Akçansa implements modern Human Resources practices, fostering a workplace environment that enhances employee satisfaction and productivity. Rooted in a culture of mutual trust and respect, the company unites its employees under the identity of "Being an Akçansa Member."

While defining its Human Resources strategies and key objectives, Akçansa considers not only its corporate business goals but also the broader national and global economic landscape. Additionally, the company carefully evaluates the specific conditions of the cement, ready-mixed concrete, and aggregates sectors, as well as the dynamics of its port operations.

Akçansa upholds an equitable working environment where employees' attributes, including religion, language, race, sect, gender, physical conditions, and personal preferences, are never subject to inquiry under any circumstances. The company strictly prohibits any practices that could be perceived as discriminatory. There has been no negative feedback from employees regarding discrimination in the company's history.

Following the expiration of the collective bargaining agreement between the Cement Industry Employers' Association and the Çimse-İş Union, which covered the period from January 1, 2022, to December 31, 2023, a new collective bargaining agreement for the period from January 1, 2024, to December 31, 2025, was signed on January 31, 2024.

Risk Management and Internal Control Mechanism

At Akçansa, we handle risks defined under our corporate risk management methodology, utilizing standard practices and best practices in corporate risk management. We take a comprehensive approach to addressing risks in the areas of environmental, social, governance, operational, strategic, financial, and compliance, regularly monitoring and reporting on risks identified as high importance.

Through the Risk Early Detection Committee established in compliance with Article 378 of the Turkish Commercial Code No. 6102, we assess risks that may affect the company's existence, development, and continuity, and take actions aligned with our corporate risk management appetite. We make regular presentations to the relevant committee on risks and the measures taken, providing updates and information.

The Corporate Risk Management Department, reporting to the Risk Early Detection Committee made up of independent board members, carries out its activities by submitting reports on effective risk management and providing recommendations.

The committee assesses the risk reports, offers suggestions for required actions, regularly reviews the risk management processes, and ensures that the implementations within the responsible units align with the committee's decisions.

As part of our risk management processes, we identify and define risks, assess their impact and likelihood, calculate risk scores, determine the measures to be taken, and continuously update them by monitoring the risks. We ensure the effective management of risks in this process by employing a range of analytical techniques and reporting tools.

We approach our corporate reporting with an integrated strategy, incorporating environmental, social, governance (ESG), and sustainability dimensions. We analyze topics such as the transition to a low-carbon economy, evaluation of production activities, environmentally responsible operations, efficient use of natural resources, impacts on water and marine resources, biodiversity and ecosystems, investor relations, gender equality, and a human-centered management culture, concurrently assessing their risk and opportunity potential, in alignment with our financial reporting.

As a signatory of the Task Force on Climate-related Financial Disclosures (TCFD), we track climate risks and other ESG-related risks by integrating them into our corporate risk management, business continuity, and crisis management processes.

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Business Continuity Management

In line with the ISO 22301 Business Continuity Management System Standard, we implement business continuity management throughout the company to ensure the sustainability of our operations at an acceptable level following potential disruptions, aligning with our financial reporting practices. We develop crisis management and business recovery plans, conducting regular drills to enhance the effectiveness of these plans, in alignment with our financial reporting practices.

We integrate our efforts to enhance disaster management and operational resilience into all our processes, with a focus on minimizing the potential impact of risks, in alignment with our financial reporting framework.

To strengthen our risk management culture, we prioritize increasing risk awareness among our employees and continuously enhance this awareness through regular Corporate Risk Management, Crisis Management, Business Continuity, and Insurance training programs, in alignment with our financial reporting practices.

Regarding the internal control mechanism, there is an Internal Audit Department, and its objectives and principles are clearly defined, in alignment with our financial reporting framework. The Internal Audit Department carries out the tasks assigned by the Board of Directors effectively, within the framework of the current Audit Committee Charter, ensuring alignment with our financial reporting practices. The Internal Audit Department presents its reports to the Audit Committee at least four times a year during the committee meetings, in alignment with our financial reporting practices.

The Company's Financing Sources and Risk Management Policies

The company's financing needs are met through short- and medium-to-long-term export-backed loans, denominated in Turkish Lira and foreign currencies, in alignment with the company's export potential and financial reporting practices. Identification and monitoring of all risks that our Company may encounter forms the basis of risk management. The company and our managers have classified the possible risks and the necessary measures are taken. Financial risk encompasses asset-liability risk, creditworthiness, the capital/debt relationship, exchange rate risk, and other risk factors that could directly impact the company's financial position, in alignment with financial reporting practices. Natural risk includes disasters such as fires and earthquakes, as well as any other risks that may affect our performance. All of our plants are insured in accordance with efforts to minimize natural risks. Our company uses the necessary technological infrastructure to monitor operational results in real-time, ensuring that systems are not affected and data is not lost in case of any extraordinary events. By enabling measurement and processing, decision support processes are enhanced, human errors are eliminated, and the effectiveness of the internal control system is improved. Additionally, investments in backup systems are prioritized. Our company tracks credit risk, exchange rate risk, concentration risk, competition, and sales channel efficiency risks on a monthly basis.

Measures Considered for Improving the Company's Financial Structure

Akçansa continues its hedging activities, in line with company procedures, to strengthen working capital when necessary, continuously improve cost structure, balance foreign currency-denominated cash inflows and outflows, and support strong financial capabilities, depending on market conditions.

Information on the Company's Subsidiaries, Affiliates, and Associated Securities

Company	Business locations	Shareholding type	Share percentage [%]
Çimsa Çimento San. ve Tic. A.Ş.	Türkiye	Affiliate	8.98
Altaş Ambarlı Liman Tes. A.Ş.	Türkiye	Affiliate	14
Limn İşletmeleri ve Nakliyecilik San. ve Tic. A.Ş.	Türkiye	Affiliate	15
Arpaş Ambarlı Römorkaj ve Pilotaj Tic. A.Ş.	Türkiye	Affiliate	16
Ambarlı Kılavuzluk A.Ş.	Türkiye	Affiliate	16

The company does not have any reciprocal affiliate relationships.

Characteristics and Amount of Issued Capital Market Instruments If Present

None.

Information on the Own Shares Acquired By The Company

Between January 1, 2024, and December 31, 2024, our company has not acquired its own shares.

Amendments Made to the Core Contract within the Period and Their Causes

No amendments have been made to the Company's Articles of Association between January 1, 2024, and December 31, 2024.

Information on Lawsuits Filed Against the Company

Information on lawsuits filed against the company. These lawsuits are not of a nature that could affect the company's financial position or operations.

Administrative or Judicial Sanctions Imposed on the Company and Its Board Members Due to Practices Contrary to Regulatory Provisions

No administrative or judicial sanctions have been imposed on the company or its board members due to practices contrary to regulatory provisions between January 1, 2024, and December 31, 2024.

Information on Donations Made Throughout the Year

In 2024, a total of TRY 61,406 thousand in donations and charitable contributions were made to various institutions and organizations, primarily educational institutions.

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General Assembly Information

The Ordinary General Assembly Meeting for the fiscal year 2023 was held on April 4, 2024, at Sabancı Center, 4. Levent, Istanbul. The invitation to the meeting was announced within the legal period on the Public Disclosure Platform and in the March 12, 2024, issue (No. 11041) of the Turkish Trade Registry Gazette. The General Assembly Information Documents were made available to shareholders on the company's website, www.akcansa.com.tr, three weeks prior to the meeting date. The meeting agenda included items on the election of board members, the dividend distribution proposal, the selection of the auditor, granting the board of directors the authority to distribute dividend advances, information on donations made during the period, and the determination of the donation and charity upper limit for the next financial period. No agenda proposal was submitted requesting written responses from shareholders. During the Ordinary General Assembly Meeting held in 2024, all shareholders who wished to speak were given the opportunity to do so, and all questions were answered by the Chairman of the General Assembly without any time limitations. In accordance with the Capital Markets Board's "Corporate Governance Principles" (II-17.1) Articles 1.3 and 1.5, the questions asked and the answers provided during the General Assembly Meeting were recorded in the meeting minutes and disclosed to the public through the Company's website. The General Assembly minutes are continuously available to shareholders on the website www.akcansa.com.tr. The Ordinary General Assembly held on April 4, 2024, was registered on April 29, 2024, and published in the Trade Registry Gazette No. 11071 on the same date.

In accordance with Article 28 of the Articles of Association, votes in General Assembly meetings are cast openly by raising hands and/or through electronic participation. However, at the request of shareholders representing the majority of the votes in the General Assembly meetings, it is mandatory to conduct voting through written or secret ballots. During the general assembly, shareholders and their representatives may present their views or proposals on agenda items by submitting motions.

No Extraordinary General Assembly meetings were held during the period.

Significant decisions, including mergers and acquisitions within the scope of the Turkish Commercial Code and Capital Markets Legislation, are submitted to the General Assembly for approval by the shareholders. There are no provisions in the Articles of Association regarding the limitation of voting rights or voting superiority, and the regulations of the Turkish Commercial Code (TCC), the Capital Markets Board (CMB), and the Articles of Association are adhered to.

Dividend Distribution

At the Company's Ordinary General Assembly Meeting held on April 4, 2024, it was decided to distribute a total dividend of TRY1,150,000 thousand, representing TRY 191,447 thousand of the capital, to the shareholders, based on their legal status, at a rate of 600.69% (gross) and 540.62% (net) from the 2024 profits. The dividend payment was made in cash starting from April 15, 2024, and the distribution process was completed on April 17, 2024. The payment amount, taking into account the impact of inflation accounting, is TRY 1,398,515 thousand based on the purchasing power as of December 31, 2024.

Annual Information

As of the end of 2024, our domestic sales revenue amounted to TRY 17.18 billion, while our international sales revenue reached TRY 4.43 billion.

F) Financial Position

Summary Financial Statements

Financial Position Statement (Thousand TRY)	December 31, 2024
Current Assets	10,857,809
Fixed Assets	17,539,897
Total Assets	28,397,707
Short Term Liabilities	6,771,381
Long-Term Liabilities	1,071,564
Total Liabilities	7,842,945
Shareholders' Equity	20,554,762
Total Resources	28,397,707
Profit or Loss Statement (Thousand TRY)	December 31, 2024
Revenue	21,614,189
Cost of Sales (-)	(18,009,034)
Gross Profit	3,605,155
Real Operating Profit	2,505,101
Operating profit before financing expense	2,616,769
Profit before taxes from on-going operations	2,525,670
Period profit from on-going operations	1,672,507
Period Profit	1,672,507

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LIQUIDITY RATIOS		December 31, 2024
Current Rate	Floating Assets/STA	1.60
Acid test ratio	(Floating Assets-Stocks)/STA	1.30
Stocks/Current Actives	Stocks / Floating Assets	0.19
Operating Capital	Floating Assets (Except cash and stocks)- STL (except credits)	2,040,778
FINANCIAL STRUCTURE RATIOS		
Financial Leverage	(ST+LT Foreign Assets)/Actives	0.28
Fixed Assets/Equity		0.85
Financial Payables/Equity		0.14
Net Financial Position	Liquid Assets-Financial Liabilities	1,690,966
PROFITABILITY RATIOS		
Asset Turnover Rate	Net Sales/Total Assets	0.76
Gross Margin	Gross Sales Profit/Net Sales	0.17
Active Efficiency	Net Profit/Total Actives	0.06
Operating Profit/Sales Revenue		0.12
Net Earnings Per Share		8.74
Cash Assets		4,509,346
Financial Liabilities		2,818,380
Net Financial Position		-1,690,966
Trade Receivables		3,417,579
Other Receivables		863,454
Inventories		2,067,429
Trade Payables		-3,753,338
Other Payables		-554,347
Net Operating Capital		2,040,778

Regarding the Reports Prepared Within the Scope of the Turkish Commercial Code and Capital Markets Legislation**Concluding Section of our Affiliation Report;**

In accordance with Article 199 of the Turkish Commercial Code No. 6102, Akçansa has provided detailed information regarding the terms, pricing methods, and justifications of recurring and continuous goods purchasing and selling transactions with related parties such as Sabancı Holding (Hacı Ömer Sabancı Holding A.Ş.), Heidelberg Materials AG, and their subsidiaries. The report also includes information on the status of these transactions in relation to market conditions.

In the fiscal year from January 1, 2024, to December 31, 2024, all transactions conducted with our parent company and its subsidiaries were carried out in accordance with the principles of integrity and accountability. Based on the known terms and conditions, legal transactions made for the benefit of the parent company or its subsidiaries, as well as measures taken or avoided for the benefit of the parent company or its subsidiaries during the 2024 operating period, have been evaluated and reported.

In the report prepared by the Board of Directors of Akçansa, dated February 14, 2025, it has been observed that all transactions conducted in 2024 with Akçansa's parent company and its subsidiaries were carried out in compliance with the legal requirements outlined in Article 199 of the Turkish Commercial Code No. 6102, and all necessary legal actions and precautions were taken within the scope of the responsibilities entrusted to the board.

The transactions executed are in accordance with the provisions set forth in Article 199 of the Turkish Commercial Code No. 6102 regarding the parent company. Given that these transactions are part of the corporate group, we affirm that no losses have been incurred.

Concluding Section of the Related Party Transactions Report:

In accordance with Article 10 of the Corporate Governance Communiqué (II-17.1) published by the Capital Markets Board on January 3, 2014, in the Official Gazette No. 28871:

- It is anticipated that the electricity purchase transactions from Enerjisa Üretim Santralleri A.Ş. and the coal and petcoke purchase transactions from HM Trading companies will not exceed the 10% threshold for the year 2024; however, these transactions are expected to exceed 10% in 2025.
- It is also anticipated that the sales transactions of cement and clinker to HM Trading companies will exceed 10% of the total sales disclosed in the 2024 financial statements within the same fiscal year and may surpass 10% in 2025.

Therefore, the terms, pricing methods, and justifications for these transactions have been explained in this report, providing detailed information regarding the market conditions and the circumstances of these transactions.

The electricity purchase transactions with Enerjisa Üretim Santralleri A.Ş. and the coal and petcoke purchases, as well as the cement and clinker sales transactions with HM Trading companies in 2024, have been conducted in accordance with market conditions and comparable transactions. Similarly, the transactions with Enerjisa Üretim Santralleri A.Ş. and HM Trading companies in 2025 will be executed in compliance with market standards and the company's budgetary plans.

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General Directorate	: Barbaros Mahallesi Kardelen Sk. No:2 D.124-125 Palladium Tower Ataşehir/İstanbul
Switchboard	: 0 (216) 571 30 00
Fax	: 0 (216) 571 31 11

The addresses of our workplaces other than our head office are as follows.

NO	SALES OFFICES	ADDRESS
1	SAMSUN SALES OFFICE	Güzelyalı Mah. 3003 Sok. No:2 Çamkoru Sitesi Atakum/SAMSUN
2	ÇANAKKALE SALES OFFICE	İnönü Caddesi ÇTSD İş Merkezi No:141 Daire 14-15 Çanakkale
3	İŞIKKENT SALES OFFICE	Egemenlik Mahallesi Işın Caddesi No:3 Bornova/İZMİR
4	BÜYÜKÇEKMECE SALES OFFICE	Mimar Sinan Mah. Sultan Murat Caddesi No:12/1 Büyükçekmece/İstanbul
5	KEMERBURGAZ SALES OFFICE	Mimar Sinan Mah.Cendere Yolu No:29 Eyüp/İstanbul

NO	PLANTS	ADDRESS
1	ÇANAKKALE PLANT	Mahmudiye Beldesi 17640 Ezine / ÇANAKKALE
2	BÜYÜKÇEKMECE PLANT	Mimar Sinan Merkez Mahallesi İçel Caddesi İdari Bina Sitesi No: 13-1/1 Büyükçekmece/İSTANBUL
3	SAMSUN LADİK PLANT	İskaniye mah.Akpınar Mevkii Ladik / SAMSUN

NO	TERMINALS	ADDRESS
1	KARAMÜRSEL/YALOVA TERMINAL	Balcı Mevkii SCA PLANTsı içi Kaytazdere-Altınova / YALOVA
2	ALİAĞA TERMINAL	Nemrut Körfezi Ege Çelik Limanı Aliağa/İzmir
3	AMBARLI TERMINAL	Marmara Mah. Liman Cad. No:45 Beylikdüzü/İstanbul
4	YARIMCA TERMINAL	Atalar Mahallesi Sahil Caddesi Marmara Tersanesi Sitesi Blok No:1 Körfez, Kocaeli

NO	AGGREGATE PLANTS & QUARRIES	ADDRESS
1	SARAY AGGREGATE PLANT	Kavacık köyü Mevkii Saray / TEKİRDAĞ
2	DANAMANDIRA AGGREGATE PLANT	Danamandıra Köyü Silivri/İSTANBUL
3	BURSA AGGREGATE PLANT	Kayapa Mah. Bursa Yolu (580) Cad. No:75 Nilüfer / BURSA
4	ÇANAKKALE BİGA PLANT	B.Çaydere Mevkii Selvi Köyü Biga Çanakkale
5	MURATBEY PLANT	Ferhatpaşa Mah. Esentepe Çıkmazı Sk. No:6 Çatalca İstanbul
6	ÇANAKKALE RAW MATERIAL QUARRIES PLANT	Mahmudiye Köyü Hürriyet Mevkii 8.Sokak Akçansa Müdürlük Blok No:2 Ezine/Çanakkale
7	BALIKESİR HAVRAN PLANT	Kocaseyit Mah. 23037 Sk. No:224 Havran/ Balıkesir
8	YAYLACIK PLANT	Yaylacık Mah. Yağız Çıkmazı Sk. No: 12 Çatalca / İstanbul

NO	READY-MIX CONCRETE PLANTS	ADDRESS
1	ALİAĞA RMC PLANT	18.cd. No:4 Horozgediği Aliağa / İZMİR
2	KEŞAN RMC PLANT	Yeni Muhacir Beldesi Cumhuriyet Mah. İstanbul Yolu Cad. No:33 Keşan/EDİRNE
3	MENEMEN RMC PLANT	Kazımpaşa Mah. 1212 Sok. No:24 Menemen/İZMİR
4	YENİBOSNA RMC PLANT	Yenibosna Merkez Mah. Cemal Ulusoy Cad. No:43/2 Bahçelievler/İstanbul
5	TEKİRDAĞ RMC PLANT	Kayı Mah. Muratlı Cad. No:321 Süleymanpaşa Tekirdağ
6	SİLİVRİ RMC PLANT	Alipaşa Mahallesi Fatih Sultan Mehmet Caddesi No:28 Silivri/İstanbul
7	MERZİFON RMC PLANT	İstanbul Yolu 1.km Alıcık yolu üzeri [26.27.H Pafta-291 Ada-5 nolu Parsel] Merzifon / AMASYA
8	SAMSUN 2 RMC PLANT	Sanayi mahallesi İşcan Caddesi No:2 TEKKEKÖY- SAMSUN
9	TOKAT RMC PLANT	Gökçe Köyü Tombulkaya Mevkii Tokat-Sivas Karayolu 10. km. TOKAT
10	ÇERKEZKÖY RMC PLANT	Beylikçayır Mevkii Veliköy Mahallesi Dere Caddesi No:2/B Çerkezköy / TEKİRDAĞ
11	KEMERBURGAZ RMC PLANT	Mimar Sinan Mah.Cendere Yolu No:29 Eyüp/İstanbul
12	BÜYÜKKARIŞTIRAN RMC PLANT	Yeni Mahalle D 100 Karayolu No:25 Büyükkarıştıran Lüleburgaz/Kırklareli
13	EDREMİT RMC PLANT	Yolören mahallesi 930. Sokak No:4/1 Edremit/Balıkesir
14	BAŞKÖY RMC PLANT	Başköy Mahallesi 493 İsimsiz Sk. No.10 Nilüfer/Bursa
15	NİLÜFER RMC PLANT	Kayapa Mahallesi Bursa Yolu Caddesi No:24/1 Nilüfer Bursa
16	SAMSUN III RMC PLANT	Derecik Mahallesi Ovalar Caddesi 204 Sokak No: 2 İikadım/SAMSUN
17	GEBZE II RMC PLANT	Tavşanlı Mahallesi 4510 sokak No:37/2 Gebze/Kocaeli
18	ÇORLU RMC PLANT	Cumhuriyet Mahallesi Ali Osman Çelebi Bulvarı No:135/A Çorlu Tekirdağ
19	BANDIRMA RMC PLANT	Edincik Mahallesi, Küçükkoru Kümeevler No:10 Bandırma
20	ESENKENT 2 RMC PLANT	Selahaddin Eyyubi Mahallesi 1340. Sk. No: 5 Esenyurt / İstanbul
21	YALOVA RMC PLANT	Taşköprü Beldesi Taşköprü Merkez Mahallesi AK-KİM Sk. No:1/1 Taşköprü Beldesi Çiftlikköy/Yalova
22	MANİSA MURADIYE RMC PLANT	Muradiye Mah. 37 Osb Sokak No:4 Yunusemre Manisa
23	BAŞAKŞEHİR RMC PLANT	Şahintepe Mahallesi Muratdere Caddesi No:134/1 Başakşehir İstanbul
24	BAHÇEŞEHİR RMC PLANT	Bahçeşehir 1.Kısım Mahallesi Aliya İzzet Begoviç Caddesi No:1/1 Başakşehir/İstanbul
25	YARIMBURGAZ RMC PLANT	Yarımburgaz Mahallesi, Nükleer Araştırma Merkezi Yolu Sokak, No:3 Küçükçekmece/İstanbul
26	DEĞİRMENKÖY RMC PLANT	Değirmenköy Fevzipaşa Mahallesi, Çil Sok. No:6/6 Silivri/İstanbul
27	BEYKOZ RMC PLANT	Akbaba Mah. Akbaba Cd. No:151 Beykoz / İstanbul

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
1.1. FACILITATING THE EXERCISE OF SHAREHOLDER RIGHTS						
1.1.2- Up-to-date information and disclosures which may affect the exercise of shareholder rights are available to investors at the corporate website.	√					
1.2. RIGHT TO OBTAIN AND REVIEW INFORMATION						
1.2.1 - Management did not enter into any transaction that would complicate the conduct of special audit.	√					
1.3. GENERAL ASSEMBLY						
1.3.2 - The company ensures the clarity of the General Assembly agenda, and that an item on the agenda does not cover multiple topics.	√					
1.3.7- Insiders with privileged information have informed the board of directors about transactions conducted on their behalf within the scope of the company's activities in order for these transactions to be presented at the General Shareholders' Meeting.					√	No such transaction took place in the year 2024.
1.3.8 - Members of the board of directors who are concerned with specific agenda items, auditors, and other related persons, as well as the officers who are responsible for the preparation of the financial statements were present at the General Shareholders' Meeting.	√					
1.3.10 - The agenda of the General Shareholders' Meeting included a separate item detailing the amounts and beneficiaries of all donations and contributions.	√					
1.3.11 - The General Shareholders' Meeting was held open to the public, including the stakeholders, without having the right to speak.			√			The General Assembly meeting is not held as open to the media for security and time management reasons.
1.4. VOTING RIGHTS						
1.4.1 - There is no restriction preventing shareholders from exercising their shareholder rights.	√					
1.4.2 - The company does not have shares that carry privileged voting rights.	√					
1.4.3-The company withholds from exercising its voting rights at the General Shareholders' Meeting of any company with which it has cross-ownership, in case such cross-ownership provides management control.					√	Our company does not have a partnership in mutual participation relationship.
1.5. MINORITY RIGHTS						
1.5.1 - The company pays maximum diligence to the exercise of minority rights.	√					
1.5.2 - The Articles of Association extend the use of minority rights to those who own less than one twentieth of the outstanding shares, and expand the scope of the minority rights.			√			It is not regulated in the Articles of Association, as well as the provisions of the TCC and CMB provisions are applied.
1.6. DIVIDEND RIGHT						
1.6.1 - The dividend policy approved by the General Shareholders' Meeting is posted on the company website.	√					
1.6.2 - The dividend distribution policy comprises the minimum information to ensure that the shareholders can have an opinion on the procedure and principles of dividend distributions in the future.	√					
1.6.3 - The reasons for retaining earnings, and their allocations, are stated in the relevant agenda item.					√	Profit distribution was made.
1.6.4 - The board reviewed whether the dividend policy balances the benefits of the shareholders and those of the company.	√					
1.7. TRANSFER OF SHARES						
1.7.1 - There are no restrictions preventing shares from being transferred.	√					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
2.1. CORPORATE WEBSITE						
2.1.1. - The company website includes all elements listed in Corporate Governance Principle 2.1.1.	√					
2.1.2 - The shareholding structure (names, privileges, number and ratio of shares, and beneficial owners of more than 5% of the issued share capital) is updated on the website at least every 6 months.	√					
2.1.4 - The company website is prepared in other selected foreign languages, in a way to present exactly the same information with the Turkish content.	√					
2.2. ANNUAL REPORT						
2.2.1 - The board of directors ensures that the annual report represents a true and complete view of the company's activities.	√					
2.2.2 - The annual report includes all elements listed in Corporate Governance Principle 2.2.2.	√					
3.1. CORPORATION'S POLICY ON STAKEHOLDERS						
3.1.1- The rights of the stakeholders are protected pursuant to the relevant regulations, contracts and within the framework of bona fides principles.	√					
3.1.3 - Policies or procedures addressing stakeholders' rights are published on the company's website.	√					
3.1.4 - A whistleblowing programme is in place for reporting legal and ethical issues.	√					
3.1.5 - The company addresses conflicts of interest among stakeholders in a balanced manner.	√					
3.2. SUPPORTING THE PARTICIPATION OF THE STAKEHOLDERS IN THE CORPORATION'S MANAGEMENT						
3.2.1 - The Articles of Association, or the internal regulations (terms of reference/manuals), regulate the participation of employees in management.	√					
3.2.2 - Surveys/other research techniques, consultation, interviews, observation method etc. were conducted to obtain opinions from stakeholders on decisions that significantly affect them.	√					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
3.3. HUMAN RESOURCES POLICY						
3.3.1 - The company has adopted an employment policy ensuring equal opportunities, and a succession plan for all key managerial positions.	√					
3.3.2 - Recruitment criteria are documented.	√					
3.3.3 - The company has a policy on human resources development, and organises trainings for employees.	√					
3.3.4 - Meetings have been organised to inform employees on the financial status of the company, remuneration, career planning, education and health.	√					
3.3.5 - Employees, or their representatives, were notified of decisions impacting them. The opinion of the related trade unions was also taken.	√					
3.3.6 - Job descriptions and performance criteria have been prepared for all employees, announced to them and taken into account to determine employee remuneration.	√					
3.3.7 - Measures (procedures, trainings, raising awareness, goals, monitoring, complaint mechanisms) have been taken to prevent discrimination, and to protect employees against any physical, mental, and emotional mistreatment.	√					
3.3.8 - The company ensures freedom of association and supports the right for collective bargaining.	√					
3.3.9 - A safe working environment for employees is maintained.	√					
3.4. RELATIONS WITH CUSTOMERS AND SUPPLIERS						
3.4.1-The company measured its customer satisfaction, and operated to ensure full customer satisfaction.	√					
3.4.2 - Customers are notified of any delays in handling their requests.	√					
3.4.3 - The company complied with the quality standards with respect to its products and services.	√					
3.4.4 - The company has in place adequate controls to protect the confidentiality of sensitive information and business secrets of its customers and suppliers.	√					
3.5. ETHICAL RULES AND SOCIAL RESPONSIBILITY						
3.5.1 - The board of the corporation has adopted a code of ethics, disclosed on the corporate website.	√					
3.5.2-The company has been mindful of its social responsibility and has adopted measures to prevent corruption and bribery.	√					

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.1. ROLE OF THE BOARD OF DIRECTORS						
4.1.1 - The board of directors has ensured strategy and risks do not threaten the long-term interests of the company, and that effective risk management is in place.	√					
4.1.2 - The agenda and minutes of board meetings indicate that the board of directors discussed and approved strategy, ensured resources were adequately allocated, and monitored company and management performance.	√					
4.2. ACTIVITIES OF THE BOARD OF DIRECTORS						
4.2.1-The board of directors documented its meetings and reported its activities to the shareholders.	√					
4.2.2 - Duties and authorities of the members of the board of directors are disclosed in the annual report.	√					
4.2.3-The board has ensured the company has an internal control framework adequate for its activities, size and complexity.	√					
4.2.4 - Information on the functioning and effectiveness of the internal control system is provided in the annual report.	√					
4.2.5 - The roles of the Chairman and Chief Executive Officer are separated and defined.	√					
4.2.7-The board of directors ensures that the Investor Relations department and the corporate governance committee work effectively. The board works closely with them when communicating and settling disputes with shareholders.	√					
4.2.8 - The company has subscribed to a Directors and Officers liability insurance covering more than 25% of the capital.	√					
4.3. STRUCTURE OF THE BOARD OF DIRECTORS						
4.3.9 - The board of directors has approved the policy on its own composition, setting a minimal target of 25% for female directors. The board annually evaluates its composition and nominates directors so as to be compliant with the policy.		√				The Company has a Board of Directors Diversity Policy, and there is 1 woman member in the Board of Directors, which consists of 6 members.
4.3.10 - At least one member of the audit committee has 5 years of experience in audit/accounting and finance.	√					
4.4. BOARD MEETING PROCEDURES						
4.4.1-Each board member attended the majority of the board meetings in person.	√					
4.4.2 - The board has formally approved a minimum time by which information and documents relevant to the agenda items should be supplied to all board members.	√					
4.4.3 - The opinions of board members that could not attend the meeting, but did submit their opinion in written format, were presented to other members.					√	No such transaction took place in the year 2024.
4.4.4 - Each member of the board has one vote.	√					
4.4.5 - The board has a charter/written internal rules defining the meeting procedures of the board.	√					
4.4.6 - Board minutes document that all items on the agenda are discussed, and board resolutions include director's dissenting opinions if any.	√					
4.4.7-There are limits to external commitments of board members. Shareholders are informed of board members' external commitments at the General Shareholders' Meeting.		√				It is important for the members of the Board of Directors to allocate a reasonable time for the Company and to abstain from external duties that may cause a conflict of interest. However, members of the Board of Directors may take other duties outside the company. The Members of the Board of Directors were granted permission within the scope of Articles 395 and 396 of the TCC at the Company's General Assembly.

CORPORATE GOVERNANCE COMPLIANCE REPORT

	Company Compliance Status					Explanation
	Yes	Partial	No	Exempted	Not Applicable	
4.5. BOARD COMMITTEES						
4.5.5 - Board members serve in only one of the Board's committees.			√			Although a specific attention is given to determine committee memberships based on professional experiences of independent directors, due to the limited number of independent Board members and the obligations required by the capital market regulations, the members may be assigned to more than one committee.
4.5.6 - Committees have invited persons to the meetings as deemed necessary to obtain their views.	√					
4.5.7 - If external consultancy services are used, the independence of the provider is stated in the annual report.					√	No such transaction took place in the year 2024.
4.5.8 - Minutes of all committee meetings are kept and reported to board members.	√					
4.6. FINANCIAL RIGHTS						
4.6.1-The board of directors has conducted a board performance evaluation to review whether it has discharged all its responsibilities effectively.	√					
4.6.4-The company did not extend any loans to its board directors or executives, nor extended their lending period or enhanced the amount of those loans, or improve conditions thereon, and did not extend loans under a personal credit title by third parties or provided guarantees such as surety in favour of them.	√					
4.6.5 - The individual remuneration of board members and executives is disclosed in the annual report.		√				The remunerations of the members of the Board of Directors are disclosed individually as they are decided by the General Assembly, while the total remunerations provided for the executives are disclosed to public in the notes to the financial statements. Compensations for the executives have been made in accordance with wage policies taking into account performance criteria. Since this information is a personal information, it was not announced on an individual basis.

CORPORATE GOVERNANCE INFORMATION FORM

1. SHAREHOLDERS	
1.1. Facilitating the Exercise of Shareholders Rights	
The number of investor meetings (conference, seminar/etc.) organised by the company during the year	In 2024, 44 meetings were held with analysts and capital market participants.
1.2. Right to Obtain and Examine Information	
The number of special audit request(s)	There is no such transaction.
The number of special audit requests that were accepted at the General Shareholders' Meeting	There is no such transaction.
1.3. General Assembly	
Link to the PDP announcement that demonstrates the information requested by Principle 1.3.1. (a-d)	https://www.kap.org.tr/tr/Bildirim/1257179
Whether the company provides materials for the General Shareholders' Meeting in English and Turkish at the same time	Yes
The links to the PDP announcements associated with the transactions that are not approved by the majority of independent directors or by unanimous votes of present board members in the context of Principle 1.3.9	There is no such transaction.
The links to the PDP announcements associated with related party transactions in the context of Article 9 of the Communiqué on Corporate Governance (II-17.1)	There is no such transaction.
The links to the PDP announcements associated with common and continuous transactions in the context of Article 10 of the Communiqué on Corporate Governance (II-17.1)	https://www.kap.org.tr/tr/Bildirim/1252038
The name of the section on the corporate website that demonstrates the donation policy of the company	Sustainability/Our Policies/Donation and Charity Policy at our website www.akcansa.com.tr
The relevant link to the PDP with minute of the General Shareholders' Meeting where the donation policy has been approved	https://www.kap.org.tr/tr/Bildirim/425038
The number of the provisions of the articles of association that discuss the participation of stakeholders to the General Shareholders' Meeting	Articles of Association, Article 28 & General Assembly Internal Directive: http://www.akcansa.com.tr/Investor Relations/Corporate Governance/Articles of Association & General Assembly Internal Directive
Identified stakeholder groups that participated in the General Shareholders' Meeting, if any	Company shareholders and representatives, members of the Board of Directors, auditor of the Company, General Manager and personnel preparing the General Assembly attended the General Assembly.
1.4. Voting Rights	
Whether the shares of the company have differential voting rights	No
In case that there are voting privileges, indicate the owner and percentage of the voting majority of shares.	-
The percentage of ownership of the largest shareholder	39,72%
1.5. Minority Rights	
Whether the scope of minority rights enlarged (in terms of content or the ratio) in the articles of the association	No
If yes, specify the relevant provision of the articles of association	Irrelevant
1.6. Dividend Right	
The name of the section on the corporate website that describes the dividend distribution policy	Sustainability/Our Policies/Profit Distribution Policy on our website www.akcansa.com.tr
Minutes of the relevant agenda item in case the board of directors proposed to the general assembly not to distribute dividends, the reason for such proposal and information as to use of the dividend	Irrelevant
PDP link to the related general shareholder meeting minutes in case the board of directors proposed to the general assembly not to distribute dividends	Irrelevant

CORPORATE GOVERNANCE INFORMATION FORM

2. DISCLOSURE AND TRANSPARENCY

2.1. Corporate Website

Specify the name of the sections of the website providing the information requested by the Principle 2.1.1.	www.akcansa.com.tr / Investor Relations & Sustainability section
If applicable, specify the name of the sections of the website providing the list of shareholders (ultimate beneficiaries) who directly or indirectly own more than 5% of the shares.	www.akcansa.com.tr / Investor Relations-Corporate Governance-Shareholding Structure section
List of languages for which the website is available	Turkish/English

2.2. Annual Report

The page numbers and/or name of the sections in the Annual Report that demonstrate the information requested by principle 2.2.2.

a) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the duties of the members of the board of directors and executives conducted out of the company and declarations on independence of board members	General Information section of the 2024 Annual Report, the section stating the authorities and responsibilities of the members of the Board of Directors and managers, and the the section stating Number, Structure and Independence of the Committees Established within the Board of Directors
b) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on committees formed within the board structure	"General Information", "Board of Directors" and "The Number, Structure and Independence of the Committees Established at the Board of Directors" sections of the 2024 Annual Report
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the number of board meetings in a year and the attendance of the members to these meetings	Section of the 2024 Annual Report including Operating Principles of the Board of Directors
c) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on amendments in the legislation which may significantly affect the activities of the corporation	-
d) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on significant lawsuits filed against the corporation and the possible results thereof	Section of the 2024 Annual Report including lawsuits filed against the company
e) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the conflicts of interest of the corporation among the institutions that it purchases services on matters such as investment consulting and rating and the measures taken by the corporation in order to avoid from these conflicts of interest	Section of the 2024 Annual Report including statement on conflicts of interest between service providers and the company
f) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on the cross ownership subsidiaries that the direct contribution to the capital exceeds 5%	It has no mutual participation.
g) The page numbers and/or name of the sections in the Annual Report that demonstrate the information on social rights and professional training of the employees and activities of corporate social responsibility in respect of the corporate activities that arises social and environmental results	Section including 2024 Annual Report Staff and worker movements, collective bargaining agreement practices, rights and benefits provided to staff and workers, and Human Resources Policy

CORPORATE GOVERNANCE INFORMATION FORM

3. STAKEHOLDERS	
3.1. Corporation's Policy on Stakeholders	
The name of the section on the corporate website that demonstrates the employee remedy or severance policy	-
The number of definitive convictions the company was subject to in relation to breach of employee rights	24
The position of the person responsible for the alert mechanism (i.e. whistleblowing mechanism)	Akçansa Çimento Sanayi ve Ticaret A.Ş. Human Resources and Corporate Communication Vice General Manager
The contact detail of the company alert mechanism.	etik@akcansa.com.tr - etik@sabanci.com / - 0212- 385 85 85-216-571 30 00
3.2. Supporting the Participation of the Stakeholders in the Corporation's Management	
Name of the section on the corporate website that demonstrates the internal regulation addressing the participation of employees on management bodies.	-
Corporate bodies where employees are actually represented	Labor Union
3.3. Human Resources Policy	
The role of the board on developing and ensuring that the company has a succession plan for the key management positions	The management succession planning is reviewed annually and presented to the chairman of the Board of Directors.
The name of the section on the corporate website that demonstrates the human resource policy covering equal opportunities and hiring principles. Also provide a summary of relevant parts of the human resource policy.	www.akcansa.com.tr /Sustainability/Our Policies/Gender Equality Policy & Human Resources sections
Whether the company provides an employee stock ownership programme	There isn't an employee stock ownership programme
The name of the section on the corporate website that demonstrates the human resource policy covering discrimination and mistreatments and the measures to prevent them. Also provide a summary of relevant parts of the human resource policy.	It is found under the heading at http://www.akcansa.com.tr/sustainability/our policies/ code of ethics . It is unacceptable to discriminate among employees within the organization for language, race, color, gender, political thought, belief, religion, sect, age, physical disability and similar reasons. A positive and harmonious working environment that supports cooperation is created and conflict environments are prevented, so that people with different beliefs, thoughts and opinions work in harmony.
The number of definitive convictions the company is subject to in relation to health and safety measures	8
3.5. Ethical Rules and Social Responsibility	
The name of the section on the corporate website that demonstrates the code of ethics	http://www.akcansa.com.tr/Sustainability/Our ESG Policies/Code of Ethics .
The name of the section on the company website that demonstrates the corporate social responsibility report. If such a report does not exist, provide the information about any measures taken on environmental, social and corporate governance issues.	http://www.akcansa.com.tr/Sustainability/Social Sustainability
Any measures combating any kind of corruption including embezzlement and bribery	http://www.akcansa.com.tr/ Sustainability/Our ESG Policies/Anti-Bribery and Anti-Corruption Policy

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-I

4.2. Activity of the Board of Directors

Date of the last board evaluation conducted	2025/Q1
Whether the board evaluation was externally facilitated	No
Whether all board members released from their duties at the GSM	Yes
Name(s) of the board member(s) with specific delegated duties and authorities, and descriptions of such duties	Burak Turgut Orhun - Chairman of the Board of Directors , Hayrullah Hakan Gürdal Vice Chairman of the Board of Directors
Number of reports presented by internal auditors to the audit committee or any relevant committee to the board	4
Specify the name of the section or page number of the annual report that provides the summary of the review of the effectiveness of internal controls	Risk Management and Internal Control Mechanism in the 2024 Annual Report and the Company's sources of finance and risk management policies
Name of the Chairman	Burak Turgut Orhun
Name of the CEO	Vecih Yılmaz
If the CEO and Chair functions are combined: provide the link to the relevant PDP announcement providing the rationale for such combined roles	-
Link to the PDP notification stating that any damage that may be caused by the members of the board of directors during the discharge of their duties is insured for an amount exceeding 25% of the company's capital	Group insurance has been made regarding the responsibilities of the Members of the Board of Directors, but there has been no PDP announcement.
The name of the section on the corporate website that demonstrates current diversity policy targeting women directors	http://www.akcansa.com.tr/Sustainability/Our ESG Policies/Board of Directors Diversity Policy
The number and ratio of women directors within the Board of Directors	1, %17

4. BOARD OF DIRECTORS-II

4.4. Meeting Procedures of the Board of Directors

Number of physical board meetings in the reporting period (meetings in person)	4
Director average attendance rate at board meetings	99%
Whether the board uses an electronic portal to support its work or not	No
Number of minimum days ahead of the board meeting to provide information to directors, as per the board charter	14 days
The name of the section on the corporate website that demonstrates information about the board charter	http://www.akcansa.com.tr/Investor Relations/Corporate Governance/Article of Association
Number of maximum external commitments for board members as per the policy covering the number of external duties held by directors	None

4.5. Board Committees

Page numbers or section names of the annual report where information about the board committees are presented.	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
Link(s) to the PDP announcement(s) with the board committee charters	It has not been published on the public disclosure platform and is available on our Corporate Website under http://www.akcansa.com.tr/Investor Relations-Corporate Governance-Committees .

CORPORATE GOVERNANCE INFORMATION FORM

4. BOARD OF DIRECTORS-III

4.5. Board Committees-II

Specify where the activities of the audit committee are presented in your annual report or website (Page number or section name in the annual report/website)	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
Specify where the activities of the corporate governance committee are presented in your annual report or website (Page number or section name in the annual report/website)	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
Specify where the activities of the nomination committee are presented in your annual report or website (Page number or section name in the annual report/website)	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
Specify where the activities of the early detection of risk committee are presented in your annual report or website (Page number or section name in the annual report/website)	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors
Specify where the activities of the remuneration committee are presented in your annual report or website (Page number or section name in the annual report/website)	2024 Annual Report - Number, Structure and Independence of the Committees Formed within the Board of Directors

4.6. Financial Rights

Specify where the operational and financial targets and their achievement are presented in your annual report (Page number or section name in the annual report)	Information about the sector in which the business operates and its place in this sector
Specify the section of website where remuneration policy for executive and non-executive directors are presented.	http://www.akcansa.com.tr/Sustainability/Our Policies/Remuneration Policy for Board Members and Senior Executives
Specify where the individual remuneration for board members and senior executives are presented in your annual report (Page number or section name in the annual report)	Section on Total of Financial Rights and Fees and Benefits of Senior Management Staff of the 2024 Annual Report

CORPORATE GOVERNANCE INFORMATION FORM

General Assembly Meetings

General Meeting Date	The number of information requests received by the company regarding the clarification of the agenda of the General Shareholders' Meeting	Shareholder participation rate to the General Shareholders' Meeting	Percentage of shares directly present at the GSM	Percentage of shares represented by proxy	Specify the name of the page of the corporate website that contains the General Shareholders' Meeting minutes, and also indicates for each resolution the voting levels for or against	Specify the name of the page of the corporate website that contains all questions asked in the general assembly meeting and all responses to them	The number of the relevant item or paragraph of General Shareholders' Meeting minutes in relation to related party transactions	The number of declarations by insiders received by the board of directors	The link to the related PDP general shareholder meeting notification
4.04.2024	0	81,06%	0,02%	81,04%	www.akcansa.com.tr /Investor Relations/ Corporate Governance/General Assembly Meetings	www.akcansa.com.tr / Investor Relations/Corporate Governance/General Assembly Meetings	-	0	https://www.kap.org.tr/tr/Bildirim/1267454

Composition of Board of Directors

Name, Surname of Board Member	Whether Executive Director Or Not	Whether Independent Director Or Not	The First Election Date To Board	Link to PDP Notification That Includes The Independency Declaration	Whether the Independent Director Considered By The Nomination Committee	Whether She/He is the Director Who Ceased to Satisfy The Independence or Not	Whether The Director Has At Least 5 Years' Experience On Audit, Accounting And/Or Finance Or Not
Burak Turgut Orhun	No	No	12.05.2021		No	-	Yes
Hayrullah Hakan Gürdal	No	No	1.09.2014		No	-	Yes
Sakine Şebnem Önder	No	No	19.09.2022		No	-	No
Rene Samir Aldach	No	No	4.04.2024		No	-	Yes
Bülent Bozdoğan	No	Yes	30.04.2022	https://www.kap.org.tr/tr/Bildirim/1257179	Evaluated	No	Yes
Ali Aynacı	No	Yes	4.04.2024	https://www.kap.org.tr/tr/Bildirim/1257179	Evaluated	No	Yes

Composition of Board Committees-I

Names of the Board Committees	Name-Surname of Committee Members	Whether Committee Chair Or Not	Whether Board Member Or Not
Audit Committee	Bülent Bozdoğan	Yes	Board member
Audit Committee	Ali Aynacı	No	Board member
Corporate Governance Committee	Bülent Bozdoğan	Yes	Board member
Corporate Governance Committee	Ali Aynacı	No	Board member
Corporate Governance Committee	Diñer Bulan	No	Not board member
Committee of Early Detection of Risk	Ali Aynacı	Yes	Board member
Committee of Early Detection of Risk	Bülent Bozdoğan	No	Board member

Composition of Board Committees-II

Names Of The Board Committees	The Percentage Of Non-executive Directors	The Percentage Of Independent Directors In The Committee	The Number Of Meetings Held In Person	The Number of Reports on its Activities Submitted to the Board
Audit Committee	100%	100%	4	4
Corporate Governance Committee	100%	67%	4	4
Committee of Early Detection of Risk	100%	100%	6	6

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
A.	General Principles						
A1.	Strategy, Policy and Targets						
	Material environmental, social and corporate governance (ESG) issues, risks and opportunities have been determined by the Company's board of directors.	Yes				Short, medium and long-term ESG risks and opportunities are evaluated and reviewed regularly by the Board of Directors, which is at the top of the Sustainability Governance Structure.	Akçansa 2023 Integrated Annual Report, Risk Management Section, Pages 30-34 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A1.1	ESG Policies (i.e., Environmental Policy, Energy Policy, Human Rights and Labor Policy etc.) have been established and publicly disclosed by the Company's board of directors.	Yes				ESG Policies approved by the Board of Directors are disclosed to the public on the corporate website and within the scope of the integrated annual report.	Akçansa Corporate Website, Sustainability / Our ESG Policies / Occupational Health and Safety Policy, https://www.akcansa.com.tr/wp-content/uploads/2025/01/EYS-ORT-01-P04_EN_1-HEALTH-AND-SAFETY-POLICY.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Quality Policy, https://www.akcansa.com.tr/wp-content/uploads/2025/01/KYS-ORT-01-P01_EN_1-QUALITY-POLICY.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Environmental and Energy Management System Policy, https://www.akcansa.com.tr/wp-content/uploads/2025/01/EYS-ORT-01-P01_EN_4-ENVIRONMENT-AND-ENERGY-POLICY.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Gender Equality Policy, https://www.akcansa.com.tr/docs/Akcansa_toplumsal_cinsiyet_esitligi_politikasi.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Board of Directors Diversity Policy, http://www.akcansa.com.tr/docs/Board_of_Directors_Diversity_Policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Sustainability Communication Policy https://www.akcansa.com.tr/docs/eng-akcansa-surdurulebilirlik-noema.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Biodiversity Policy https://www.akcansa.com.tr/docs/eng-bio-cesitlilik.pdf
A1.2	Short and long-term targets which have been defined under the ESG policies are disclosed to the public.	Yes				Within the scope of ESG policies, material issues were determined, risks and opportunities for material issues were evaluated, and 2030 Sustainability Targets were determined and announced accordingly. Long-term and annual interim ESG targets are monitored regularly.	Akçansa 2023 Integrated Annual Report, Our Strategy and Value Creation Model Section, Pages 38-42 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
A.	General Principles						
A2.	Application/Monitoring						
A2.1	The committees and/or departments responsible for the execution of ESG policies and top-level executives in the Company related to ESG issues and their duties have been identified and they are publicly disclosed.	Yes				The Board of Directors is at the top of the Sustainability Governance Structure. The Corporate Governance Committee, affiliated to the Board of Directors, is responsible for following the sustainability practices and determining the issues that should be evaluated by the Board of Directors. Sustainability practices, risks and opportunities within and outside the organization, investment plans are submitted by the Sustainability Steering Committee to this committee. The company's long-term and annual interim sustainability targets are also regularly monitored by the Board of Directors, and risks and opportunities arising from climate change are evaluated.	Akçansa 2023 Integrated Annual Report, Our Sustainability Governance Structure Section, Pages 26-27 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa Corporate Website, Investor Relations / Corporate Governance / Committees / Corporate Governance Committee Internal Regulations, Article 3.8, Article 3.9 https://www.akcansa.com.tr/docs/en/corporate-governance-committee-detail.pdf
	The responsible committee / unit reported the activities carried out within the scope of the policies to the Board of Directors at least once a year.	Yes				ESG related issues are reported to the Board of Directors at least twice a year by the Corporate Governance Committee.	Akçansa 2023 Integrated Annual Report, Our Sustainability Governance Structure Section, Pages 26-27 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A2.2	In line with ESG targets, implementation and action plans were developed and disclosed to the public.	Yes				The 2030 Sustainability Targets and their development status over the years are explained. The targeted sub-actions in this direction are shared within the scope of annual reports and the CDP report.	Akçansa 2023 Integrated Annual Report, Our Strategy and Value Creation Model Section, Pages 38-42 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A2.3	ESG Key Performance Indicators (KPI) and the level of achievement of these indicators were disclosed to the public on a yearly basis.	Yes				2030 Sustainability Targets and the development status by years were disclosed. In the light of the available information, sector comparisons and comparisons with international standards are included in the integrated annual report.	Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A2.4	Activities to improve the sustainability performance of business processes or products and services have been disclosed to the public.	Yes				Sustainability performance, targets and improvement actions are announced at least once a year within the scope of the integrated annual report. Voluntary participation in CDP climate change and water security programs are ensured every year. Within the scope of the United Nations Global Compact, a regular progress report is made every year and disclosed to the public.	Akçansa 2023 Integrated Annual Report, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report, https://www.akcansa.com.tr/docs/CDP_2024_AKÇANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf Akçansa 2024 United Nations Global Compact Communication on Progress https://cop-report.unglobalcompact.org/COPViewer/2024?responseld=R_6TNqornN3jhRqmz
A3.	Reporting						
A3.1	In the Company's annual reports, information regarding sustainability performance, targets and actions should be disclosed in an understandable, accurate and sufficient manner.	Yes				Sustainability strategy, sustainability focus areas, sustainability goals, actions and other developments are presented objectively in the integrated annual report.	Akçansa 2023 Integrated Annual Report, Our Strategy and Value Creation Model Section, Pages 38-43 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A3.2	Information on which of the Company's activities are related to the United Nations (UN) 2030 Sustainable Development Goals (SDGs) has been disclosed to the public by the Company.	Yes				The relationship of its activities with the (UN) 2030 Sustainable Development Goals were reported in its integrated annual report, within the scope of the 2030 Sustainability Targets and through the UNGC Communication on Progress.	Akçansa 2023 Integrated Annual Report, Our Strategy and Value Creation Model Section, Pages 38-43 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 United Nations Global Compact Communication on Progress https://cop-report.unglobalcompact.org/COPViewer/2024?responseld=R_6TNqornN3jhRqmz
A3.3	Lawsuits filed and/or concluded against ESG issues, which are important in terms of ESG policies and/or will significantly affect activities, have been disclosed to the public.	Yes				In case of lawsuits that may seriously affect the operations of the company, the details of the lawsuits may be included in the integrated annual report within the framework of the principles of public disclosure.	Akçansa 2023 Integrated Annual Report, Page 93 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
A4.	Verification						
A4.1	The Company's ESG Key Performance metrics have been verified by an independent third party and publicly disclosed.	Yes				Sustainability and ESG criteria and performance indicators are subject to limited assurance audits by 3 rd party verifiers and assurance statements are disclosed to the public within the scope of integrated annual reports.	Akçansa 2023 Integrated Annual Report, GRI Content Index, External Assurance, Page 182-184 Akçansa 2023 Integrated Annual Report, Limited Assurance Report, Pages 176-178 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
B.	Environmental Principles						
B1	The Company has publicly disclosed its policies and practices, action plans, environmental management systems (known by the ISO 14001 standard) and programs in the field of environmental management.	Yes				Environmental management policies, practices, management systems and programs are explained with communication mechanisms such as integrated annual report, CDP reporting and website.	Akçansa 2023 Integrated Annual Report, Environmental Compliance, Pages 63-67 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report https://www.akcansa.com.tr/docs/CDP_2024_AKÇANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B2	The scope of the report, reporting period, reporting date, and the limitations regarding the reporting conditions were disclosed to the public regarding the environmental reports prepared regarding information on environmental management.	Yes				The report boundary, operations covered, reporting period, reporting date, information on the data collection process and constraints on reporting conditions are explained in the integrated annual report.	Akçansa 2023 Integrated Annual Report, About the Report Section, Page 5 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B3	Given in A2.1.	Yes					
B4	Environmental targets included in the reward criteria within the scope of performance incentive systems on the basis based on (such as members of the Board of Directors, managers, and employees) have been disclosed to the public.	Yes				ESG targets are integrated into the performance targets of senior management and employees. It was announced to the public by the Remuneration Policy for the Board of Directors and Senior Executives that the ESG targets were integrated into the performance targets. In addition, information on which targets are included in the performance targets was shared through the CDP Climate Change Report.	Akçansa 2024 CDP Report, Part 4.5, Section C1.3a, Page 113 https://www.akcansa.com.tr/docs/CDP_2024_AKÇANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B5	It has been disclosed to the public that the way of material environmental issues integration into business objectives and strategies.	Yes				In line with the materiality analysis, strategic sustainability focus areas were determined and targets were determined within the framework of these focus areas. Information on the materiality analysis process, focus areas and targets are explained in the integrated annual report. In addition, how environmental issues, especially climate-related issues, are integrated into business goals and strategies are disclosed to the public through CDP reports.	Akçansa 2023 Integrated Annual Report, Our Strategy and Value Creation Model Section, Pages 38-43 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report, Section C5, Page 147 https://www.akcansa.com.tr/docs/CDP_2024_AKÇANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B6	Given in A2.4.	Yes					
B7	It has been publicly disclosed how environmental issues are managed and integrated into business objectives and strategies throughout the Company's value chain; including the operational process, suppliers and customers.	Yes				Through integrated annual reports, stakeholder interaction, awareness raising and management processes of sustainability risks and opportunities throughout the value chain are explained. Also how the ESG elements in the supply chain are managed with the Sustainable Supply Chain Policy were disclosed.	Akçansa 2023 Integrated Annual Report, Our Lifecycle Approach Section, Page 43, Akçansa 2023 Integrated Annual Report, Creating Value For Our Stakeholders Section, Pages 81-82, Akçansa 2023 Integrated Annual Report, Ethics and Compliance Section, Page 35 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B8	Whether relevant organizations and non-governmental organizations on the environment are involved in the policy-making processes and the collaborations with these institutions and organizations were disclosed to the public.	Yes				Through memberships with various relevant institutions and organizations, various NGOs are involved in policy making processes and collaborations are implemented. Activities and related memberships are explained in integrated annual reports and CDP reports.	Akçansa 2023 Integrated Annual Report, Our Corporate Memberships Section, Page 156, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa 2024 CDP Report, Section C5.11, Pages 185-186, Akçansa 2024 CDP Report, Section C5.11.2, Page 188 https://www.akcansa.com.tr/docs/CDP_2024_AKÇANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
B.	Environmental Principles						
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 impacts) information about the impacts of the Company has been disclosed to the public on a comparable basis periodically.	Yes				All emissions are calculated and disclosed to the public in accordance with internationally valid methodologies. All air quality, energy, water, waste and biodiversity impacts are measured and monitored within the framework of internationally accepted standards. All information is shared through integrated annual reports and CDP reports.	<p>Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40, Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 171-174, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf</p> <p>Akçansa 2024 CDP Report, Section C7., Pages 209-236 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf</p> <p>Akçansa 2024 CDP Report, Section C9., Pages 280-310 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf</p> <p>Akçansa 2024 CDP Report, Section C11., Page 314 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf</p>
B10	Details of the standard, protocol, methodology, and base year used to collect and calculate data have been publicly disclosed.	Yes				It is explained in the Integrated Annual and CDP reports.	<p>Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40, Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 171-174, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf</p> <p>Akçansa 2024 CDP Report, Section C7., Pages 209-236 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf</p>
B11	In comparison with previous years, the increase or decrease of environmental indicators for the reporting year has been disclosed to the public.	Yes				It is explained in the Integrated Annual and CDP reports.	<p>Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40, Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 171-174, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf</p> <p>Akçansa 2024 CDP Report, Section C7., Pages 209-236 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf</p>
B12	Short and long-term targets have been determined to reduce the Company's environmental impacts, and the progress of these targets and the targets determined in previous years has been disclosed to the public.	Yes				2030 Targets and progress is shared in Integrated Annual Reports.	<p>Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40, Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 166-168, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf</p>
B13	A strategy to combat the climate crisis has been created and the planned actions have been publicly announced.	Yes				It is explained in integrated annual and CDP reports. Risks were determined by performing scenario analysis, necessary actions were put forward, action plans were prepared and targets were determined. There is an emission reduction target.	<p>Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40, Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress Section, Pages 41-42 Akçansa 2023 Integrated Annual Report, Combating Climate Change is Possible Together Section, Pages 45-47 Akçansa 2023 Integrated Annual Report, Sustainable Nature and Environment is Possible Together Section, Pages 63-67 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf</p> <p>Akçansa 2024 CDP Report, Section C5., Pages 147-175 https://www.akcansa.com.tr/docs/CDP_2024_AKCANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf</p>

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
B.	Environmental Principles						
B14	Programs or procedures have been established and disclosed to the public in order to prevent or minimize the potential negative impact of products and/or services on the environment.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Combating Climate Change is Possible Together Section, Pages 45-47 Akçansa 2023 Integrated Annual Report, Sustainable Nature and Environment is Possible Together Section, Pages 63-67 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
	Actions have been taken to reduce greenhouse gas emissions of third parties (i.e., suppliers, subcontractors, dealers, etc.) and these actions have been disclosed to the public.	Yes				It is explained in CDP reports.	Akçansa 2024 CDP Report, Section C5.11.7, Pages 200-204 https://www.akcansa.com.tr/files/2023-Climate_Change_Information.pdf
B15	The environmental benefits and cost savings of initiatives and projects aimed at reducing environmental impacts have been disclosed to the public.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 171-174, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B16	Energy consumption (natural gas, diesel, gasoline, LPG, coal, electricity, heating, cooling, etc.) data are publicly disclosed as Scope-1 and Scope-2.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Environmental Indicators Section, Pages 171-174, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B17	Public disclosure was made about the electricity, heat, steam and cooling produced in the reporting year.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Energy Management Section, Page 47, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B18	Actions on increasing the use of renewable energy and transition to zero or low carbon electricity have been made and publicly announced.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Energy Management Section, Page 47, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B19	Renewable energy production and consumption data is publicly disclosed.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Energy Management Section, Page 47, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B20	Energy efficiency projects have been carried out and the amount of energy consumption and emission reduction achieved through energy efficiency projects has been disclosed to the public.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Energy Management Section, Page 47, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B21	Water consumption, and if any amounts of water drawn, recycled and discharged from underground or above ground, sources and procedures are publicly disclosed.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Water Management Section, Page 65, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
B22	It has been publicly disclosed whether the Company's operations or activities are included in any carbon pricing system (Emissions Trading System, Cap & Trade or Carbon Tax).	Yes				It is explained in CDP reports.	Akçansa 2024 CDP Report, Section C3.5, Page 50 https://www.akcansa.com.tr/docs/CDP_2024_AKÇANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B23	Information on carbon credits gained or purchased during the reporting period has been disclosed to the public.	Yes				It is explained in CDP reports.	Akçansa 2024 CDP Report, Section C5.10.1, Pages 181-183 https://www.akcansa.com.tr/docs/CDP_2024_AKÇANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B24	If carbon pricing is applied within the Company, the details are disclosed to the public.	Yes				It is explained in CDP reports.	Akçansa 2024 CDP Report, Section C3.5, Page 50 https://www.akcansa.com.tr/docs/CDP_2024_AKÇANSA_CIMENTO_SANAYI_VE_TICARET_AS..pdf
B25	The platforms where the Company discloses its environmental information are publicly disclosed.	Yes				It is explained on the corporate website.	Akçansa Corporate Website, Sustainability Homepage www.akcansa.com.tr

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		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
C.	Social Principles						
C1.	Human Rights ve Employees Rights						
C1.1	The Corporate Human Rights and Employee Rights Policy has been established in a way to cover the Universal Declaration of Human Rights, ILO Conventions ratified by Turkey and other relevant legislation, those responsible for the execution of the policy have been determined and both the policy and responsible departments from the policies have been disclosed to the public.	Yes				Our Human Rights Policy has been approved by the Board of Directors and disclosed to the public through the corporate website.	Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf
C1.2	Considering the effects of supply and value chain; fair workforce, improvement of labor standards, women's employment, and inclusion issues (gender, race, religion, language, marital status, ethnic identity, sexual orientation, gender identity, family responsibilities, union activities, political opinion, disability, social and cultural differences, etc., such as non-discrimination) are included in the Company's policy on employee rights.	Yes				The Integrated Annual Report, the Human Rights Policy, the Code of Business Ethics, the Supplier Codes of Business Conduct, the Gender Equality Policy, and the Board of Directors Diversity Policy are disclosed to the public.	Akçansa 2023 Integrated Annual Report, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Code of Business Ethics, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/our-code-of-business-ethics/ Akçansa Corporate Website, Sustainability / Our ESG Policies / Supplier Codes of Business Conduct, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/supplier-codes-of-business-conduct/ Akçansa Corporate Website, Sustainability / Our ESG Policies / Gender Equality Policy, https://www.akcansa.com.tr/docs/Akcansa_toplumsal_cinsiyet_esitligi_politikasi.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Board of Directors Diversity Policy, http://www.akcansa.com.tr/docs/Board_of_Directors_Diversity_Policy.pdf
C1.3	Measures taken along the value chain regarding the observance of certain economic, environmental, social factors (low-income groups, women, etc.) or minority rights/equality of opportunity have been publicly disclosed.	Yes				The Integrated Annual Report, the Human Rights Policy, the Code of Business Ethics, the Supplier Codes of Business Conduct, the Gender Equality Policy, and the Board of Directors Diversity Policy are disclosed to the public.	Akçansa 2023 Integrated Annual Report, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Code of Business Ethics, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/our-code-of-business-ethics/ Akçansa Corporate Website, Sustainability / Our ESG Policies / Supplier Codes of Business Conduct, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/supplier-codes-of-business-conduct/ Akçansa Corporate Website, Sustainability / Our ESG Policies / Gender Equality Policy, https://www.akcansa.com.tr/docs/Akcansa_toplumsal_cinsiyet_esitligi_politikasi.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Board of Directors Diversity Policy, http://www.akcansa.com.tr/docs/Board_of_Directors_Diversity_Policy.pdf

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		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
C.	Social Principles						
C1.4	Developments regarding preventive and corrective practices against discrimination, inequality, human rights violations, forced and child labor have been disclosed publicly.	Yes				The Integrated Annual Report includes explanations on inequality, discrimination and compliance with human rights etc. In addition, related issues are covered in the supplier code of conduct. Our Human Rights Policy has been approved by the Board of Directors and disclosed to the public through the corporate website.	Akçansa 2023 Integrated Annual Report, https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Supplier Codes of Business Conduct, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/supplier-codes-of-business-conduct/
C1.5	Investments in employees (training and development policies), compensation, recognized fringe benefits, unionization right, work/life balance solutions and talent management are included in the employee rights policy.	Yes				The Integrated Annual Report, the Human Rights Policy, the Code of Business Ethics, the Gender Equality Policy, and the Board of Directors Diversity Policy are disclosed to the public.	Akçansa 2023 Integrated Annual Report, Our Employee-Driven Organizational Culture Section, Page 73 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Code of Business Ethics, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/our-code-of-business-ethics/ Akçansa Corporate Website, Sustainability / Our ESG Policies / Gender Equality Policy, https://www.akcansa.com.tr/docs/Akcansa_toplumsal_cinsiyet_esitligi_politikasi.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Board of Directors Diversity Policy, http://www.akcansa.com.tr/docs/Board_of_Directors_Diversity_Policy.pdf
	Disagreement resolution processes have been determined by establishing mechanisms for employee complaints and resolution of disputes.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Pages 76-77 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
	Activities conducted within the reported period to ensure employee satisfaction were disclosed publicly.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, People, Compliance And Transparency Section, Pages 73-79 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C1.6	Occupational health and safety policies have been established and disclosed publicly.	Yes				Operates according to ISO 45001 requirements. Occupational Health and Safety policy has been shared with the public via the corporate website.	Akçansa Corporate Website, Sustainability / Our ESG Policies / Occupational Health and Safety Policy, https://www.akcansa.com.tr/wp-content/uploads/2025/01/EYS-ORT-01-P04_EN_1-HEALTH-AND-SAFETY-POLICY.pdf Akçansa 2023 Integrated Annual Report, Page 9 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
	Measures taken to prevent occupational incidents and protect health and incident statistics have been disclosed publicly.	Yes				It is explained in the Integrated Annual Reports.	Akçansa 2023 Integrated Annual Report, Our 2030 Sustainability Targets and Current Progress, OHS Section Page 42, Akçansa 2023 Integrated Annual Report, Occupational Health and Safety Section, Pages 69-72 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C1.7	Personal data protection and data security policies have been established and disclosed publicly.	Yes				It is explained on the corporate website.	Akçansa Corporate Website, Personal Data Protection: https://www.akcansa.com.tr/kisisel-verilerin-korunmasi-kanunu/
C1.8	Ethics policy has been established and disclosed publicly.	Yes				It explains ethical policy and ethical practices to the public through the Code of Business Ethics and the Integrated Annual Report. Our Human Rights Policy has been approved by the Board of Directors and disclosed to the public through the corporate website.	Akçansa Corporate Website, Sustainability / Our ESG Policies / Human Rights Policy, https://www.akcansa.com.tr/docs/human-rights-policy.pdf Akçansa Corporate Website, Sustainability / Our ESG Policies / Code of Business Ethics, https://www.akcansa.com.tr/en/sustainability/our-esg-policies/our-code-of-business-ethics/ Akçansa 2023 Integrated Annual Report, Ethics and Compliance Section, Page 35 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf

SUSTAINABILITY PRINCIPLES COMPLIANCE REPORT

		Compliance Status				Explanation	Report Information on Publicly Disclosed Information (Page Number Should also be Indicated)/Link
		Yes	No	Partially	Not Relevant		
C.	Social Principles						
C1.9	Describes the work within the scope of social investment, social responsibility, financial inclusion and access to finance.	Yes				The Integrated Annual Report describes the work carried out with social impact dimensions.	Akçansa 2023 Integrated Annual Report, Safe and Inclusive Value Chain is Possible Together Section, Pages 81-83 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C1.10	Informative meetings and training programs have been organized for employees on ESG policies and activities.	Yes				Regular trainings and meetings are held in accordance with the Management System and legislation such as ISO 14001 and ISO 45001. Sustainability trainings are also held. Training information is shared in integrated annual reports.	Akçansa 2023 Integrated Annual Report, Pages 69-72 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf Limited Assurance Report, Sustainable Investments/ Financial Savings and Environmental/Social Benefit Through Activities, Page 168 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C2.	Stakeholders, International Standards and Initiatives						
C2.1	The customer satisfaction policy regarding the management and resolution of customer complaints has been prepared and disclosed publicly.	Yes				The customer complaint and satisfaction policy has been shared on the company's website under the integrated management system. There is also a dealer customer support line application. Progress is explained in integrated annual reports.	Akçansa Corporate Website, Our Technical Support Services https://www.akcansa.com.tr/teknik-destek-hizmetlerimiz/ Akçansa 2023 Integrated Annual Report, Creating Value For Our Stakeholders Section, Pages 81-82 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C2.2	Information about the communication with stakeholders (which stakeholder, subject and frequency) is publicly disclosed.	Yes				The key stakeholder mapping has been done and communication mechanisms have been established. It is explained in the integrated annual reports.	Akçansa 2023 Integrated Annual Report, Creating Value For Our Stakeholders Section, Pages 81-82 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C2.3	International reporting standards adopted in reporting are explained.	Yes				Sustainability reports are prepared according to the GRI basic standard and approaches such as SASB, TCFD were also considered. Voluntary participation in CDP Climate Change and Water Security programs is provided.	Akçansa 2023 Integrated Annual Report, About The Report Section, Page 5 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C2.4	Principles adopted in relation to sustainability, international organizations, committees and principles of which the Company is a signatory or member are disclosed publicly.	Yes				As a signatory to the UN Global Compact, communication on progress reports are made annually. UN WEPs is also signed. International memberships and signatories are shared via the integrated annual report.	Akçansa 2023 Integrated Annual Report, About The Report Section, Page 5 Akçansa 2023 Integrated Annual Report, Equal Opportunity, Diversity and Inclusion Section, Page 79 Akçansa 2023 Integrated Annual Report, Our Corporate Memberships Section, Page 156 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
C2.5	Improvements were made and studies were carried out to be included in the sustainability indices of Borsa Istanbul and/or international indices providers.	Yes				As of 2023, it is included in the Borsa Istanbul BIST100, BIST Participation 50, and MSCI Global Small MCAP indexes.	Borsa İstanbul Website, Sustainability Indexes https://borsaistanbul.com.tr/Page/165/bist-surdurulebilirlik-endeksleri Akçansa 2023 Integrated Annual Report, The Value We Create for Our Shareholders and Investors Section, Page 28 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
D.	Corporate Governance Principles						
D1	Stakeholders' opinions were consulted in determining the measures and strategies on sustainability.	Yes				The views of all stakeholders were consulted while determining the material sustainability issues. In addition, decisions are continuously taken with communication mechanisms.	Akçansa 2023 Integrated Annual Report, Our Material Issues Section, Page 40 Akçansa 2023 Integrated Annual Report, Creating Value For Our Stakeholders Section, Pages 81-82 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf
D2	Social responsibility projects, awareness activities and trainings have been carried out to raise awareness about sustainability and its importance.	Yes				Awareness-raising activities were organized for internal and external stakeholders by organizing sustainability activities that included social responsibility projects, awareness activities, volunteering projects and trainings.	Akçansa 2023 Integrated Annual Report, Creating Value For Our Stakeholders Section, Pages 81-82 https://www.akcansa.com.tr/files/Ak%C3%A7ans_%20E.F.R._2023_ENG-09-05.pdf

**INDEPENDENT
AUDITOR'S REPORT
AND FINANCIAL
STATEMENTS**

AKÇANSA

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ**FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024****AND INDEPENDENT AUDITOR'S REPORT****CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH****INDEPENDENT AUDITOR'S REPORT**

To the General Assembly of Akçansa Çimento Sanayi A.Ş

A. Audit of the financial statements**1. Our opinion**

We have audited the accompanying financial statements of Akçansa Çimento Sanayi A.Ş (the "Company") which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended and notes to the financial statements comprising a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Turkish Financial Reporting Standards ("TFRS").

2. Basis for opinion

Our audit was conducted in accordance with the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing adopted within the framework of the regulations of the Capital Markets Board and issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We hereby declare that we are independent of the Company in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") the ethical requirements regarding independent audit in regulations issued by the POA; the regulations of the Capital Markets Board; and other relevant legislation are relevant to our audit of the financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key audit matters

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

PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.
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Key Audit Matters	How the key audit matter was addressed in the audit
Goodwill Impairment Test As at 31 December 2024, there is goodwill amounting to 2,528,001 thousand TL in the statement of financial position as a result of previous acquisitions. In accordance with TAS 36 "Impairment of Assets", the Company is required to perform an impairment test annually for the goodwill that arose as part of the business combinations. The accounting policies and estimates of the Company related to the goodwill impairment tests were disclosed in Note 2.3 and Note 12 in the financial statements. We focused on this matter in our audit due to the following reasons: <ul style="list-style-type: none"> Recognized goodwill is material to the Company's financial statements as of 31 December 2024, The use of significant management estimates and assumptions in the goodwill impairment test as disclosed in Note 2 and the fact that these estimates and assumptions may be affected by future sectoral and economic changes, The necessity of using our valuation experts to check the mathematical accuracy of the goodwill impairment calculations. 	The audit procedures we have performed for goodwill impairment test are summarized below: <ul style="list-style-type: none"> We tested the calculations in the goodwill impairment test for mathematical accuracy. We evaluated the estimations used in goodwill impairment test together with our valuation experts considering the independent data sources and current market conditions. We evaluated the realization of prospective cash flow and investment expenditures projections used in the goodwill impairment test in meetings held with senior management. We checked the compatibility of the financial statements of the base year on goodwill impairment tests with the audited financial statements. The consistency of projections made in previous years has been compared with this year's financial statements. The sensitivity disclosures made in relation to goodwill impairment test have been tested for mathematical accuracy and proper disclosure. The compliance of related disclosures on the goodwill impairment testing to TFRS were evaluated.

4. Responsibilities of management and those charged with governance for the financial statements

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

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY - 31 DECEMBER 2024

AND INDEPENDENT AUDITOR'S REPORT



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

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

5. Auditor's responsibilities for the audit of the financial statements

Responsibilities of independent auditors in an independent audit are as follows:

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

As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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



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

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B. Other responsibilities arising from regulatory requirements

1. No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 October to 31 December 2024 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting.
2. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.
3. In accordance with subparagraph 4 of Article 398 of the TCC, the auditor's report on the early risk identification system and committee was submitted to the Company's Board of Directors on 14 February 2025.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Baki Erdal, SMMM
Independent Auditor

Istanbul, 14 February 2025

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

STATEMENT OF FINANCIAL POSITION AS AT

31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

Assets	Notes	(Audited)	(Audited)
		Current Period	Prior Period
		31 December 2024	31 December 2023
Current assets			
Cash and cash equivalents	4	4,509,346	3,926,538
Financial investments	5	-	294,596
Trade receivables:	7	3,417,579	4,115,923
- Trade receivables from related parties	27,7	130,044	230,664
- Trade receivables from third parties	7	3,287,535	3,885,259
Other receivables	8	109,420	193,006
- Other receivables from related parties	27,8	11,763	13,961
- Other receivables from third parties	8	97,657	179,045
Inventories	9	2,067,429	2,253,238
Prepaid expenses	16	754,036	454,543
Total Current Assets		10,857,810	11,237,844
Non-current assets			
Financial investments	5	4,232,010	3,865,225
Other receivables	8	12,108	12,658
- Other receivables from third parties	8	12,108	12,658
Property, plant and equipment	10	9,479,700	9,423,519
Intangible assets	11,12	3,001,654	2,986,266
- Goodwill	12	2,528,001	2,487,272
- Other intangible assets	11	473,653	498,994
Right of use assets	14	712,273	682,367
Prepaid expenses	16	102,152	59,930
Deferred tax assets	25	-	46,712
Total non-current assets		17,539,897	17,076,677
Total assets		28,397,707	28,314,521

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

Liabilities	Notes	(Audited)	(Audited)
		Current Period	Prior Period
		31 December 2024	31 December 2023
Current liabilities			
Short-term borrowings	6	2,519,980	2,586,984
- Liabilities from financial loans	6	2,463,696	2,529,165
- Financial lease debts	6	56,284	57,819
Trade payables	7	3,753,338	4,355,771
- Trade payables to related parties	27,7	56,753	254,362
- Trade payables to third parties	7	3,696,585	4,101,409
Liabilities for employee benefits	8	77,098	61,641
Other payables	8	127,280	155,671
- Other payables to third parties	8	127,280	155,671
Deferred income	8	17,483	55,571
Current income tax liabilities	25	117,609	247,328
Short-term provisions	13	158,593	290,112
- Provisions for short-term employee benefits	13	108,463	156,088
- Other short-term provisions	13	50,130	134,024
Total current liabilities		6,771,381	7,753,078
Non-current liabilities			
Long-term borrowings	6	298,400	334,236
- Financial lease debts	6	298,400	334,236
Long-term provisions	13,15	281,483	306,391
- Provisions for long-term employee benefits	15	248,720	270,663
- Other long-term provisions	13	32,763	35,728
Deferred tax liabilities	25	491,681	-
Total non-current liabilities		1,071,564	640,627
Total liabilities		7,842,945	8,393,705
Equity			
Equity attributable to parent		20,554,762	19,920,816
Paid-in share capital	17	191,447	191,447
Adjustments to share capital		9,000,838	9,000,838
Other comprehensive income/expense not to be reclassified to profit or loss		(231,989)	(209,708)
Remeasurement gains/(losses)		(231,989)	(209,708)
- Gain/(losses) on remeasurements of defined benefit plans		(231,989)	(209,708)
Other comprehensive income/expense to be reclassified to profit or loss		3,929,532	3,547,297
Remeasurement/Reclassification gains/(losses)		3,929,532	3,547,297
- Gain/(losses) on financial assets measured at fair value through other comprehensive income		3,929,532	3,547,297
Restricted reserves		3,701,345	3,474,780
Prior years' income/(losses)		2,291,082	492,636
Profit for the period		1,672,507	3,423,526
Total equity		20,554,762	19,920,816
Total equity		28,397,707	28,314,521

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

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

STATEMENT OF PROFIT OR LOSS FOR THE PERIOD

1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

	Notes	(Audited)	(Audited)
		Current period	Prior period
		1 January - 31 December 2024	1 January - 31 December 2023
Revenue	18	21,614,189	27,034,142
Cost of sales (-)	18	(18,009,034)	(21,291,440)
Gross profit from business activities		3,605,155	5,742,702
Gross profit		3,605,155	5,742,702
General administrative expenses (-)	19.20	(881,488)	(1,002,470)
Marketing expenses (-)	19.20	(133,473)	(242,403)
Other operating income	21	349,723	554,898
Other operating expenses (-)	21	(434,816)	(933,668)
Operating profit		2,505,101	4,119,059
Gains from investment activities (net)	22	111,668	210,798
Operating profit before financial income/(expense)		2,616,769	4,329,857
Financial income	23	1,121,931	1,215,236
Financial expense (-)	23	(1,135,962)	(972,094)
Monetary gain/loss (IAS29)	24	(77,068)	(28,822)
Profit before tax		2,525,670	4,544,177
Tax income/(expense)		(853,163)	(1,120,651)
- Period tax income/(expense)	25	(330,927)	(1,169,405)
- Deferred tax income	25	(522,236)	48,754
Profit for the period from continuing operations		1,672,507	3,423,526
Profit for the period		1,672,507	3,423,526
Earnings per share from continuing operations (Kr)	26	8,736	17,882
Weighted average number of shares		19,144,706,825	19,144,706,825

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

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD

1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

	Notes	(Audited)	(Audited)
		Current period	Prior period
		1 January - 31 December 2024	1 January - 31 December 2023
Profit for the period		1,672,507	3,423,526
Other comprehensive income/(expense):			
Items not to be reclassified to profit or loss		(22,281)	46,314
- Actuarial gains/(losses) arising from defined benefit plans		(29,708)	26,911
Taxes on other comprehensive income that will not be reclassified to profit or loss			
- Deferred tax income/(expense)	25	7,427	19,403
Items to be reclassified to profit or loss		382,235	605,906
- Gain/(losses) on financial assets measured at fair value through other comprehensive income	5	405,819	693,877
Taxes on other comprehensive income to be reclassified to profit or loss			
- Deferred tax income/expense	25	(23,584)	(87,971)
Other comprehensive income		359,954	652,220
Total comprehensive income		2,032,461	4,075,746

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

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ**STATEMENTS OF CHANGE IN EQUITY FOR THE PERIOD****1 JANUARY - 31 DECEMBER 2024**

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

	Paid-in share capital	Adjustment to share capital	Other accumulated comprehensive income or expenses that will not be reclassified to profit or loss	Other accumulated comprehensive income or expenses to be reclassified to profit or loss	Retained earnings			Total shareholders' equity
			Gains/(losses) on re-measurement of defined benefit plans	Gains/(losses) on financial assets measured at fair value through other comprehensive income	Restricted reserves	Prior years' income	Profit for the period	
Balance at 1 January 2023	191,447	9,000,838	(256,022)	2,941,391	3,424,005	(1,721,711)	2,793,682	16,373,630
Transfers	-	-	-	-	50,775	2,742,907	(2,793,682)	-
Total comprehensive income/(expense)	-	-	46,314	605,906	-	-	3,423,526	4,075,746
Profit for the period	-	-	-	-	-	-	3,423,526	3,423,526
Other comprehensive income/(expense)	-	-	46,314	605,906	-	-	-	652,220
Dividends paid (Note 26)	-	-	-	-	-	(528,560)	-	(528,560)
Balance at 31 December 2023	191,447	9,000,838	(209,708)	3,547,297	3,474,780	492,636	3,423,526	19,920,816
Balance at 1 January 2024	191,447	9,000,838	(209,708)	3,547,297	3,474,780	492,636	3,423,526	19,920,816
Transfers	-	-	-	-	226,565	3,196,961	(3,423,526)	-
Total comprehensive income/(expense)	-	-	(22,281)	382,235	-	-	1,672,507	2,032,461
Profit for the period	-	-	-	-	-	-	1,672,507	1,672,507
Other comprehensive income/(expense)	-	-	(22,281)	382,235	-	-	-	359,954
Dividends paid (Note 26)	-	-	-	-	-	(1,398,515)	-	(1,398,515)
Balance at 31 December 2024	191,447	9,000,838	(231,989)	3,929,532	3,701,345	2,291,082	1,672,507	20,554,762

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

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

STATEMENT OF CASH FLOWS FOR THE PERIOD

1 JANUARY - 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

	Notes	(Audited)	(Audited)
		Current period	Prior period
		1 January - 31 December 2024	1 January - 31 December 2023
Cash flows from operating activities		3,645,571	3,709,652
Profit before tax		2,525,670	4,544,177
Profit before tax from continuing operations		2,525,670	4,544,177
Adjustment to reconcile profit before tax to cash generated from operating activities:		1,354,452	801,201
Adjustments related to depreciation and amortization expenses	10, 11, 14, 20	1,268,409	1,176,250
Adjustments for impairment loss/(reversal of impairment loss)		(11,946)	67,124
Impairment/(reversal of impairment) on receivables	7	(16,918)	55,843
Impairment/(reversal of impairment) on inventories	9	4,972	11,281
Adjustments for provisions		85,527	364,380
Provision for employee termination benefits	13, 15	123,552	221,914
Provision for litigation and/or penalties	13	(285)	52,465
Provision for recultivation	13	8,196	25,524
Other provisions	13	(45,936)	64,477
Adjustments for interest income and expenses		135,899	284,992
Interest income	23	(941,567)	(641,572)
Interest expense	6	953,203	760,214
Other financials (income)/expense		124,263	166,350
Loss/(gain) on sale of property, plant and equipment and intangible assets	22	(2,805)	(109,258)
Adjustments for other items arising from investing or financing activities	22	(107,102)	(76,202)
Adjustments for fair value losses/(gains) of financial investments		(1,761)	(25,338)
Adjustments based on fair value losses (gains) of derivative financial instruments	13, 23	14,079	37,759
Monetary Loss/(Gain)		(25,848)	(918,506)
Changes in working capital		301,451	(473,505)
Adjustment related to (increase)/decrease in trade receivables		714,490	279,760
Adjustment related to decrease in other receivables		83,586	87,229
Adjustment related to (increase)/decrease in inventories		180,837	213,177
Adjustment related to (increase)/decrease in prepaid expenses		(24,557)	(295,574)
Adjustment related to (increase)/decrease in trade payables		(602,433)	(767,955)
Adjustment related to (increase)/decrease in employee benefit obligations		15,457	17,574
Adjustment related to (increase)/decrease in other payables		(28,391)	22,709
Adjustment related to (increase)/decrease in deferred revenue		(38,088)	(33,300)
Other adjustments related to decrease in operating capital		550	2,875
Cash flows from operating activities		4,181,573	4,871,873

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

	Notes	(Audited)	(Audited)
		Current period	Prior period
		1 January - 31 December 2024	1 January - 31 December 2023
Employee termination benefits paid	13, 15	(139,029)	(279,730)
Payments for other provisions	13	(2,374)	(6,712)
Taxes paid	25	(395,371)	(876,124)
Other cash inflows/(outflows)	7	772	345
Cash flows from investing activities		(719,289)	(1,211,771)
Cash inflows from the sale of property, plant and equipment and intangible assets		3,918	378,036
Cash outflows from the purchase of property, plant and equipment and intangible assets	10,11	(1,167,686)	(1,371,413)
Dividends received	22	107,102	76,202
Other cash outflows from investing activities	5	294,596	(294,596)
Cash inflows resulting from the sale of shares or capital reductions of affiliates and/or joint ventures		42,781	-
Cash flows from financing activities		(1,136,540)	(529,009)
Cash inflows from borrowings	6	2,998,348	3,933,152
Cash outflows from repayment of borrowings	6	(2,176,907)	(3,590,194)
Dividends paid	26	(1,398,515)	(528,560)
Interest paid	6	(1,300,780)	(778,459)
Interest received	23	941,567	641,572
Leasing payments	6	(196,433)	(202,980)
Other cash outflows		(3,820)	(3,540)
Net increase/(decrease) in cash and cash equivalents before the effect of foreign currency translation differences		1,789,742	1,968,872
Net increase (decrease) in cash and cash equivalents		1,789,742	1,968,872
Cash and cash equivalents at the beginning of the period	4	3,926,538	3,225,704
Monetary loss impact on cash		(1,206,934)	(1,268,038)
Cash and cash equivalents at the end of the period	4	4,509,346	3,926,538

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

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

1. Corporate Information

General

Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi ("Akçansa" or "Company") was founded on 30 September 1996 through the merger of Akçimento Ticaret Anonim Şirketi (Akçimento) which was established in 1967, and Çanakkale Çimento Sanayi Anonim Şirketi (Çanakkale) which was established in 1974. At January 12, 1996, Mortelmaattschappij Eindhoven B.V. (Mortel), which is a wholly owned subsidiary of Cimenteries CBR S.A. (CBR), acquired 97.7% of Çanakkale. On 24 July 1996, the CBR group exchanged its shares in Çanakkale for 30% of the shares of Akçimento which was mainly owned by Hacı Ömer Sabancı Holding Anonim Şirketi and its affiliates.

Effective from 1 October 1996 Akçimento ceased its existence and merged with Çanakkale. The name of the new company was determined as Akçansa Çimento Sanayi ve Ticaret Anonim Şirketi. Akçansa shares have been traded on the Borsa İstanbul A.Ş. (formerly Istanbul Stock Exchange) since 1986. On 27 November 2006, 39.72% shares of Akçansa Çimento Sanayi ve Ticaret A.Ş. owned by CBR International Holdings B.V, which is 100% owned subsidiary of Heidelberg Materials A.G. has been transferred to Heidelberg Materials Mediterranean Basin Holdings S.L. which is also 100% owned subsidiary of Heidelberg Materials A.G. On 1 March 2017, 39.72% shares of Akçansa Çimento Sanayi ve Ticaret A.Ş, owned by Heidelberg Materials Mediterranean Basin Holdings S.L. has been transferred Heidelberg Materials A.G. .

The address of the headquarter and registered office is Palladium Tower Barbaros NBHD., Kardelen St., No: 2, Ataşehir, İstanbul.

The financial statements are authorized for issue by the management on 14 February 2025. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after the issue, The major shareholders of the Company are Hacı Ömer Sabancı Holding A.Ş. and Heidelberg Materials A.G., as disclosed further in Note 17.

For the purpose of the presenting financial statements, Akçansa Çimento Sanayi ve Ticaret A.Ş. will be referred to as "the Company", As of 31 December 2024 and 31 December 2023, the number of personnel (all employed in Turkey) is 1,007 and 1,005 respectively.

Nature of activities

The Company is primarily engaged in manufacturing of cement, clinker, ready mixed concrete and aggregate.

Approval of financial statements

The financial statements as of 31 December 2024 has been approved for issue by the Board of Directors on 14 February 2025. These financial statements will be finalised following their approval in the General Assembly. The authority to change the financial statements rests with the General Assembly.

2. Basis For Presentation of Financial Statements

2.1 Basis for presentation

Financial reporting standards

The financial statements of the Company have been prepared in accordance with the Turkish Financial Reporting Standards, ("TFRS") and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA") in line with the communiqué numbered II-14,1 "Communiqué on the Principles of Financial Reporting In Capital Markets" ("the Communiqué") announced by the Capital Markets Board of Turkey ("CMB") on 13 June 2013 which is published on Official Gazette numbered 28676. TFRS is updated in harmony with the changes and updates in International Financial and Accounting Standards ("IFRS") by the communiqués announced by the POA.

The financial statements are presented in accordance with "Announcement regarding with TAS Taxonomy" which was published on 4 October 2023 by POA and the format and mandatory information recommended by CMB.

The Company complies with the principles and conditions issued by the CMB in keeping accounting records and preparing financial statements, and the Company and its subsidiaries and affiliates operating in Turkey comply with the legal records of the Turkish Commercial Code ("TTK"), tax legislation and the Ministry of Finance of the Republic of Turkey. It is prepared in accordance with the requirements of the Uniform Chart of Accounts issued by the Ministry of Finance ("Ministry of Finance"). Financial statements have been prepared by reflecting the necessary corrections and classifications in legal records in order to provide accurate presentation in accordance with TFRS. Financial statements are prepared on the historical cost basis, except for financial assets carried at fair value and derivative financial instruments carried at fair value.

Comparatives and restatement of prior periods' financial statements

The financial statements of the Company include comparative financial information to enable the determination of the trends in the financial position and performance, Comparative figures are reclassified, where necessary, to conform to changes in presentation in the current period financial statements and the significant changes are explained.

Relevant figures for the previous reporting period are restated by applying the general price index so that the comparative financial statements are presented in the unit of measurement prevailing at the end of the reporting period. Information disclosed for prior periods is also expressed in terms of the measuring unit current at the end of the reporting period.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

2. Basis For Presentation of Financial Statements (Continued)

2.1 Basis of presentation (Continued)

Functional and reporting currency

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). The operating results and financial position of the Company are expressed in TRY, which is the functional currency of the Company.

Restatement of financial statements in hyperinflationary periods

The Company prepared its financial statements as of and for the year ended 31 December 2024 by applying IAS 29 "Financial Reporting in Hyperinflationary Economies" in accordance with the announcement made by POA on 23 November 2024 and the "Implementation Guide on Financial Reporting in Hyperinflationary Economies". In accordance with the standard, that financial statements prepared in the currency of a hyperinflationary economy should be stated in terms of the purchasing power of that currency at the balance sheet date and for the purpose of comparison with prior period financial statements, comparative information is expressed in terms of the measuring unit current at the end of the reporting period. Therefore, the Company has also presented its financial statements as of 31 December 2024 on a purchasing power basis as of 31 December 2024.

In accordance with the CMB's decision dated 28 December 2024 and numbered 81/1820, issuers and capital market institutions subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards are required to apply inflation accounting by applying the provisions of IAS 29 to their annual financial statements for the accounting periods ending on 31 December 2024.

Restatements in accordance with IAS 29 have been made using the adjustment factor derived from the Consumer Price Index ("CPI") in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). As at 31 December 2024, the indices and adjustment factors used in the restatement of the financial statements are as follows:

	Index	Correction Coefficient	Three-year Correcting Inflation Rates
31.12.2024	2,684.55	1.00000	291%
31.12.2023	1,859.38	1.44379	268%
31.12.2022	1,128.45	2.37897	156%

The main components of the Company's restatement for financial reporting purposes in hyperinflationary economies are as follows:

- The financial statements for the current period presented in TRY are expressed in terms of the purchasing power of TRY at the balance sheet date and the amounts for the previous reporting periods are restated in accordance with the purchasing power of TRY at the end of the reporting period.
- Monetary assets and liabilities are not restated as they are currently expressed in terms of the measuring unit current at the balance sheet date. Where the inflation-adjusted amounts of non-monetary items exceed the recoverable amount or net realizable value, the provisions of IAS 36 and IAS 2 have been applied, respectively.

2. Basis For Presentation of Financial Statements (Continued)

2.1 Basis of presentation (Continued)

- Non-monetary assets, liabilities and equity items that are not expressed in the current purchasing power at the balance sheet date are restated by applying the relevant conversion factors.
- All items in the statement of comprehensive income, except for "the effects of non-monetary items in the balance sheet on the statement of comprehensive income", have been restated by applying the multipliers calculated over the periods in which the income and expense accounts were initially recognized in the financial statements.
- The effect of inflation on the Company's net monetary asset position in the current period is recognized in the statement of income in the net monetary position loss account.

2.2. New and revised Turkish financial reporting standards

The accounting policies adopted in preparation of the financial statements as at 31 December 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of 1 January 2024. The effects of these standards and interpretations on the Company's financial position and performance have been disclosed in the related paragraphs.

a. Standards, amendments, and interpretations applicable as of 31 December 2024:

- **Amendment to TAS 1 – Non-current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.
- **Amendment to TFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in TFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
- **Amendments to TAS 7 and TFRS 7 on Supplier finance arrangements;** effective from annual periods beginning on or after 1 January 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

2. Basis For Presentation of Financial Statements (Continued)

2.2. Basis of presentation (Continued)

- **TFRS S1, 'General requirements for disclosure of sustainability-related financial information**; effective from annual periods beginning on or after 1 January 2024. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain.
- **TFRS S2, 'Climate-related disclosures**'; effective from annual periods beginning on or after 1 January 2024. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.

However, in the Board Decision of the KGK published in the Official Gazette of the Republic of Turkey dated December 29, 2024, it was announced that certain businesses will be subject to mandatory sustainability reporting as of January 1, 2024. In order to determine the businesses that will be subject to sustainability reporting within the scope of the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards" dated January 5, 2024, businesses that fall within the scope of sustainability application are counted. On the other hand, in accordance with the "Board Decision on the Scope of Application of the Turkish Sustainability Reporting Standards (TSRS)" dated December 16, 2024, a change has been made to the scope of businesses that will be subject to sustainability reporting.

Standards, amendments, and interpretations that are issued but not effective as of 31 December 2024:

The TFRS codification has been preserved in the standards newly published by the International Accounting Standards Board but not yet incorporated into legislation by the Public Oversight Accounting and Auditing Standards Authority.

- **TFRS 17, 'Insurance Contracts**'; effective for annual reporting periods beginning on or after January 1, 2024. This standard replaces IFRS 4, which currently allows a wide range of applications. TFRS 17 will fundamentally change the accounting of all entities that issue insurance contracts and investment contracts with discretionary participation features.

However, in its letter dated 6 April 2024 sent to the Insurance, Reinsurance and Pension Companies Association of Turkey by the Public Oversight Authority (POA), it was stated that it was concluded that it was appropriate to apply TFRS 17 to the consolidated and individual financial statements of insurance, reinsurance and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies, as of 1 January 2024.

On the other hand, due to the change of the effective date of TFRS 17 from "January 1, 2024" to "January 1, 2025" in accordance with the subparagraph (a) of the first paragraph of Article 13 of the "Regulation on Amendments to the Regulation on Financial Reporting of Insurance and Reinsurance Companies and Pension Companies" issued by the Insurance and Private Pension Regulation and Supervision Agency (SEDDK), in its letter dated February 15, 2024 sent to the Banks Association of Turkey, it was stated that the application date of TFRS 17 in the consolidated and individual financial statements of insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies has been postponed to January 1, 2025.

2. Basis For Presentation of Financial Statements (Continued)

2.2. New and Revised Turkish Financial Reporting Standards (Continued)

However, due to the change of the effective date of TFRS 17 from "January 1, 2025" to "January 1, 2026" in accordance with the subparagraph (a) of the first paragraph of Article 13 of the "Regulation on Amendments to the Regulation on Financial Reporting of Insurance, Reinsurance Companies and Pension Companies" issued by SEDDK, in the letter sent by KGK to the Banks Association of Turkey dated January 14, 2025, it was stated that the application date of TFRS 17 in the consolidated and individual financial statements of insurance, reinsurance companies and pension companies, banks with partnerships/investments in these companies and other companies with partnerships/investments in these companies was postponed to January 1, 2026.

- **Amendments to TAS 21 - Lack of Exchangeability**; effective from annual periods beginning on or after 1 January 2025. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.
- **Amendment to TFRS 9 and TFRS 7 - Classification and Measurement of Financial Instruments**; effective from annual reporting periods beginning on or after 1 January 2026 (early adoption is available). These amendments:
 - clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and
 - make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- **Annual improvements to TFRS - Volume 11**; Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:
 - TFRS 1 First-time Adoption of International Financial Reporting Standards;
 - TFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing
 - TFRS 9 Financial Instruments;
 - TFRS 10 Consolidated Financial Statements; and
 - TAS 7 Statement of Cash Flows.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

2. Basis For Presentation of Financial Statements (Continued)

2.2. Basis of presentation (Continued)

- **IFRS 18 Presentation and Disclosure in Financial Statements;** effective from annual periods beginning on or after 1 January 2027. This is the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:
 - the structure of the statement of profit or loss;
 - required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
 - enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.
- **IFRS 19 Subsidiaries without Public Accountability;** Disclosures; effective from annual periods beginning on or after 1 January 2027. Earlier application is permitted. This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
 - it does not have public accountability; and
 - it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

2.3 Summary of significant accounting policies

Right of use assets

The company recognizes right-of-use assets at the inception of the lease (for example, as of the date the asset is available for use), expressed in purchasing power. The right of use assets are calculated by deducting the accumulated depreciation and impairment losses from the cost value. In case the financial leasing debts are revalued, this figure is corrected,

The cost of the right of use asset includes:

- the first measurement of the lease obligation,
- the amount obtained from all rental payments made before or before the lease actually starts, by deducting all rental incentives received, and
- All initial costs incurred by the Company,

Unless the transfer of ownership of the underlying asset to the Company at the end of the lease term is reasonably certain, the Company depreciates the right-of-use asset until the end of the useful life of the underlying asset from the actual commencement of the lease,

Right of use assets are subject to impairment assessment,

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Lease Obligations

The Company measures the lease liability over the present value of the unpaid lease payments at the commencement date of the lease,

At the commencement date of the lease, the lease payments included in the measurement of the lease liability consist of the following payments for the right to use the underlying asset during the lease term, which were not paid at the commencement date of the lease:

- Fixed payments,
- Variable rental payments based on an index or rate, made using an index or rate at the date when the first measurement was actually started,
- Amounts expected to be paid by the Company within the scope of residual value commitments

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liabilities simultaneously,

Cash and cash equivalents

For the presentation of the cash flow statement, cash and cash equivalents include cash on hand, cash at banks, checks (demand) and time deposits with an original maturity of less than 3 months,

Cash and cash equivalents are presented as the sum of acquisition costs and accrued interests,

Inventories

Inventories are valued at the lower of cost or net realizable value expressed in purchasing power. Expenditures to restore inventories to their current condition are accounted for as follows:

Raw materials - consists of the purchase cost determined by the monthly weighted average.

Finished goods and work-in-process - Direct material and labor costs, variable and fixed general production costs are included at certain rates (taking into account normal operating capacity). Inventory valuation method is monthly weighted average method.

Net realizable value is the estimated selling price less estimated costs of completion and estimated costs to make the sale.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Prepaid Expenses

Accounting for main maintenance expenses: High amount of main maintenance expenses are made periodically for furnaces used in production. The main maintenance expenses in question are a necessity to ensure the healthy continuity of production, and reflecting these expenses to the income and expense statements as a whole within the month they are incurred causes fluctuations in the operational profitability of the company. The company associates the main maintenance expenses with the production costs gradually until the end of the reporting period.

Property, plant and equipment

The cost value of a tangible fixed asset, expressed in terms of its purchasing power, consists of the purchase price, non-refundable taxes and expenses incurred to make the tangible asset ready for use.

Tangible fixed assets are shown with their net values after deducting accumulated depreciation and any impairment loss from the cost value expressed in purchasing power. Except for lands where mining is carried out, land is not subject to depreciation. Lands where mining is carried out are subject to depreciation based on the ratio of the reserve consumed during the year to the total reserve.

Assets under construction are shown at cost expressed in purchasing power, minus any impairment loss. Legal fees are also included in the cost. In the case of assets that require significant time to be ready for use and sale, borrowing costs are capitalized. When the construction of these assets is completed and they are ready for use, they are classified under the relevant tangible fixed asset item. Such assets are depreciated when they are ready for use, as in the depreciation method used for other fixed assets.

Depreciation is calculated on all property, plant and equipment on a straight-line basis over the estimated useful life of the asset as below.

	Useful Life
Land improvements and buildings	20-50 years
Machinery and equipment	5-20 years
Furniture and fixtures	5-10 years
Motor vehicles	5 years
Leasehold improvements	5-47 years

Assets purchased under finance leases are depreciated over their expected useful lives, just like owned property, plant and equipment. If it is not certain whether ownership will be acquired at the end of the financial lease term, it is depreciated over the shorter of its expected useful life and the said lease term.

An item of property, plant and equipment is derecognized from statement of financial position (balance sheet) upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Intangible assets

Intangible fixed assets mainly consist of computer software and mining rights and are capitalized based on the cost expressed in purchasing power. Intangible assets, except mining rights, are amortized according to the straight-line amortization method over the estimated economic life of the relevant asset. Mining rights are amortized based on the ratio of the reserve consumed during the year to the total reserve.

The carrying values of intangible assets are reviewed for impairment when there is any event or changes in circumstances indicate that the carrying value may not be recoverable.

An intangible asset is derecognised when it is disposed of or when future economic benefits are not expected from its use or sale. The profit or loss on derecognition of an intangible asset is calculated as the difference between the net proceeds from the disposal of the assets and their carrying amount, if any. This difference is recognized in profit or loss when the related asset is taken off the balance sheet.

Goodwill

The difference between the cost incurred in the acquisition of a business and the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business is accounted for as goodwill in the Financial statements. Goodwill amount is not amortized within the framework of Turkish Financial Reporting Standard TFRS 3 "Business combinations". Goodwill is reviewed for impairment when deemed necessary, at least once a year, in circumstances and conditions where its carrying value will not be realized.

Impairment of non-financial assets

At each balance sheet date, the Company evaluates whether there is any indication that there is a depreciation of the book value of its tangible and intangible assets, which is calculated by deducting accumulated depreciation from the cost value. If such an indication exists, the recoverable amount of that asset is estimated to determine the amount of impairment. In cases where it is not possible to calculate the recoverable amount of the asset alone, the recoverable amount of the cash generating unit to which that asset belongs is calculated.

The recoverable amount is the higher of fair value or value in use after the deduction of sale costs. When calculating value in use, estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects the time value of money and risks specific to the asset. The main assumptions used during these studies are inflation expectations in the coming years, expected increases in sales and costs, expected changes in export-domestic market composition and expected country growth rates.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount, An impairment loss is recognized immediately in the income statement.

The increase in the carrying value of the asset (or cash-generating unit) due to the reversal of the impairment should not exceed the carrying amount (net amount after depreciation) that would have occurred had the impairment been recognized in previous years, The reversal of the impairment is recorded in the income statement, Impairment for goodwill cannot be reversed in future periods,

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2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Foreign currency transactions

Transactions in foreign currencies are translated into TRY at the exchange rates on the date of the transaction, as of 31 December 2024, assets and liabilities in foreign currency were valued with the buying rate of the Central Bank of the Republic of Turkey on the balance sheet date, and the resulting foreign exchange differences were reflected in the relevant income and expense accounts.

The exchange rates used at the end of the period are as follows:

Date	TRY/USD	TRY/EUR
Buying Rates		
31 December 2024	35.2803	36.7362
31 December 2023	29.4382	32.5739
Selling Rates		
31 December 2024	35.3438	36.8024
31 December 2023	29.4913	32.6326

Provisions, contingent liabilities and assets

Provisions

Provisions are accounted when the Company has a past legal or structural obligation as of the balance sheet date, it is probable that there will be an outflow of resources that provide economic benefits to settle the obligation, and a reliable estimate can be made about the amount of the obligation. No provision is made for operating losses expected to occur in future periods.

Contingent liabilities and assets

Contingent liabilities are not reflected in the financial statements and are explained in the footnotes if the situation requiring resource transfer is not highly probable. Contingent assets, on the other hand, are disclosed in the footnotes if they are not reflected in the financial statements and have a high probability of generating economic returns.

Income tax

The tax provision is the whole of the current period and deferred tax provisions taken into account in the calculation of the profit or loss for the period.

Deferred tax is reflected by considering the balance sheet liability method, taking into account the tax effects of temporary differences between the values of assets and liabilities reflected in the financial reporting and their bases in the legal tax account. Deferred tax liability is calculated on all taxable temporary differences.

Deferred tax assets are set aside over all temporary differences and unused tax losses if it seems probable that sufficient profits will be generated to allow future deductible temporary differences and unused tax losses. In each balance sheet period, the Company reviews its deferred tax assets and accounts them with the possibility of being deductible in the future.

In the calculation of deferred tax assets and liabilities, the tax rates expected to occur in the periods when the aforementioned asset will be realized and the liability will be fulfilled are calculated based on the tax rates (tax legislation) applied as of the balance sheet date.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Employee benefits / provisions for employment termination benefits / provision for unused vacation

(a) Defined benefit plan:

In accordance with the current labor law, the company is obliged to pay a certain amount of severance pay to the personnel who quit their job due to retirement after serving at least one year or who are dismissed for reasons other than resignation and bad behavior.

As stated in more detail in Note 15, the Company has reflected the provision for severance pay in the financial statements using the "Projection Method" based on the actuarial work done by an independent actuary. Severance pay liability is calculated by discounting the interest rate estimated by professional actuaries. Actuarial gain/loss is presented in equity as other comprehensive income/expense.

In the balance sheets, employee termination benefits are reflected under non-current liabilities as provisions for long term employee benefits.

(b) Defined contribution plans:

The company pays compulsory social insurance premiums to the Social Security Institution. As long as the Company pays these premiums, it has no other obligations. These premiums are reflected in personnel expenses in the period they are accrued.

(c) Provision for unused vacation:

Short-term employee benefits include short-term benefits that are fully expected to be fulfilled within twelve months of the annual reporting period for which the service is rendered. In this context, since the Company's expectation is that all leave provisions will be fulfilled within twelve months following the annual reporting period, such leave provisions are shown in the short-term provisions for employee benefits.

Related parties

Parties are considered related to the Company if;

a) A person or a close member of that person's family is related to a reporting entity if that person:

The person in question,

- (i) Has control or joint control over the Company.
- (ii) Has significant influence over the Company.
- (iii) If the Company or a parent of the Company is a member of the key management personnel.

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2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Related parties (Continued)

(b) The business is considered to be related to the Company if any of the following conditions exist:

- (i) If the entity and the company are members of the same group.
- (ii) If the entity is an associate or joint venture of the other entity (or a member of a group of which the other entity is a member).
- (iii) If both entities are joint ventures of the same third party.
- (iv) If one of the entities is a joint venture of a third entity and the other entity is an affiliate of that third entity.
- (v) If the entity has post-employment benefit plans for employees of the Company or an entity associated with the Company. If the Company itself has such a plan, the sponsoring employers are also related to the Company.
- (vi) If the entity is controlled or jointly controlled by a person identified in (a).
- (vii) If a person identified in (i) of (a) has significant influence over the entity or is a member of the key management personnel of that entity (or its parent).

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Revenue recognition

The Company transfers the committed goods or services to its customers and takes the revenue to the financial statements when it fulfills the performance obligation. When an asset is taken by the customer, the asset is transferred.

The company records the revenue in the financial statements in line with the following 5 basic principles:

- Determination of customer contracts.
- Determination of performance obligations in contracts.
- Determining the transaction price in contracts.
- Distribution of the transaction price to the performance obligations in the contracts.
- Recognition of revenue when each performance obligation is met.

The Company recognizes a contract with its customer as revenue when all of the following conditions are met:

The parties of the contract have confirmed the contract (in accordance with written, oral or other commercial practices) and undertakes to carry out their own actions.

- The Company can define the rights of each party related to the goods or services to be transferred.
- The Company can define the payment terms for the goods or services to be transferred.
- The contract is commercial in nature.
- It is probable that the Company will collect a fee for the goods or services to be transferred to the customer.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

When assessing whether a charge is likely to be collectible, the Company considers only the customer's ability and intention to pay the charge on due date. At the beginning of the contract, the Company evaluates the goods or services that it has committed in the contract with the customer and defines each commitment to transfer to the customer as a performance obligation.

At the beginning of the contract, the Company evaluates the goods or services it has committed in the contract with the customer and defines each commitment to transfer to the customer as a performance obligation as follows:

- a) Different goods or services (goods or services package) or
- b) A series of different goods or services that are largely similar and are handed over to the customer in the same way

A series of goods or services are subject to the same cycle if the following conditions are met:

- a) When each different good or service in the series that the Company undertakes to transfer to its customer constitutes a performance obligation that will be completed over time by meeting the necessary conditions.
- b) In accordance with the relevant paragraphs of the standard, using the same method to measure the Company's progress towards full performance of the performance obligation in the transfer of each different good or service constituting the series to the customer.

Borrowing costs

Borrowing costs that are directly related to the purchase, construction or production of assets that take a significant amount of time to be ready for their intended use or sale are capitalized as part of the cost of the related assets. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs include interest and other costs incurred due to borrowing.

Earnings / (losses) per share

Earnings per share in the income statement is calculated by dividing net income by the weighted average number of shares outstanding throughout the reporting period.

Companies in Türkiye can increase their capital to their existing shareholders through "bonus shares" from various internal sources. Such "bonus share" distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is calculated by taking into account the retrospective effects of the said share distributions.

Subsequent events

Matters that arise after the balance sheet date and may affect the status of the Company on the balance sheet date are reflected in the financial statements. Matters arising after the balance sheet date that do not require adjustment are disclosed in the notes according to the degree of materiality.

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2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Recognition at transaction and delivery date

All financial asset purchases and sales are accounted for on the transaction date, in other words, on the date the Company undertakes to purchase or sell. Ordinary purchases and sales are purchases and sales in which the delivery time of the asset is generally determined according to a legislation or regulations in the markets.

Financial instruments

The Company accounts its financial assets in three classes: financial assets accounted for using the amortized cost method and financial assets at fair value through profit or loss or at fair value through other comprehensive income, The classification is made on the basis of the business model and expected cash flows determined according to the purpose of benefiting from financial assets, Company management classifies financial assets on the date of purchase.

(a) Financial assets recognized at amortized cost

Financial assets that are not traded in an active market and are not derivative instruments, with fixed or fixed payments, where the company management has adopted the "business model of collecting contractual cash flows" and the terms of the contract include only the principal and interest payments arising from the principal balance on certain dates, are classified as "assets accounted for at cost". If their maturities are less than 12 months from the date of the statement of financial position, they are classified as current assets, and if they are longer than 12 months, they are classified as non-current assets. Assets accounted for at amortized cost include "trade receivables", "other receivables" and "cash and cash equivalents" items in the statement of financial position. In addition to these, trade receivables collected from factoring companies within the scope of revocable factoring transactions, which are included in trade receivables, are classified as assets accounted for at amortized cost, since the collection risk of these receivables is not transferred.

Impairment

Since the trade receivables accounted for at amortized cost in the financial statements do not contain an important financing component, the Company uses the provision matrix by choosing the "simplified" application in the impairment calculations. With this practice, the Company measures the expected credit loss provision at an amount equal to the lifetime expected credit losses, unless the trade receivables are impaired for certain reasons. Calculation of expected credit loss provision is made with the expected credit loss ratio determined by the Company based on past credit loss experiences and prospective macroeconomic indicators.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Financial instruments (Continued)

(b) Financial assets measured at fair value

Assets for which the company management has adopted the contractual cash flow collection and/or sales business model are classified as assets accounted for at fair value. If the management does not intend to dispose of the related assets within 12 months from the date of the statement of financial position, these assets are classified as non-current assets. The Company, during initial recognition for investments in equity-based financial assets, as equity investment, where the fair value difference is reflected in the other comprehensive income statement or profit or loss statement regarding the investment in question; makes a selection that cannot be changed later:

i) Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss; These financial assets consist of the financial assets held for trading in the short term, regardless of the reason for the short-term fluctuations in the market and the derivative instruments included in the statement of financial position. Derivative financial instruments are recognized as assets when the fair value is positive and as liabilities when the fair value is negative. The Group's derivative instruments consist of related transactions to time foreign currency purchase /sale contracts. Financial assets at fair value through profit or loss are firstly recognized in the statement of financial position, including transaction costs. These financial assets are valued at their fair values in the following periods. Realized or unrealized gains and losses are recognized in finance income / expense. Dividends received are recognized in profit or loss as profit share income. Derivatives are also classified as financial assets at fair value through profit or loss (Note 29).

ii) Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are assets that are either equity securities or debt securities. The Company measures related financial assets at fair value. Gains or losses on a financial asset measured at fair value through other comprehensive income is recognised in other comprehensive income, except for foreign exchange gains and losses. When an equity security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to retained earnings. When a debt security is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The quoted market price, if any, is the value that best reflects the fair value of a financial instrument.

The methods and assumptions in fair value estimation of the financial instruments of the Company are explained in Note 28.

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2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Trade and other receivables

Trade receivables are recorded with their invoiced amounts and are carried with their net value discounted using the effective interest rate method and after deducting the doubtful receivable provision, if any.

Notes and post-dated checks classified under trade receivables are rediscounted using the effective interest rate method and carried with their discounted values.

The Company has chosen to apply the "simplified approach" defined in TFRS 9 standard within the scope of the impairment calculations of its trade receivables (with a maturity of less than 1 year) which are accounted at amortized cost in its financial statements and do not contain a significant financing component. With this approach, the Company measures the loss provisions for trade receivables at an amount equal to "lifetime expected credit losses", in cases where trade receivables are not impaired for certain reasons (except for realized impairment losses).

In addition, since the trade receivables accounted for at amortized cost in the financial statements do not contain an important financing component, the Company uses the provision matrix by choosing the simplified application for impairment calculations. With this practice, the Company measures the expected credit loss provision at an amount equal to lifetime expected credit losses. In the calculation of expected credit losses, the Company's forecasts for the future are also taken into account, along with past credit loss experiences. Following the provision for doubtful receivables, if all or part of the doubtful receivable amount is collected, the collected amount is deducted from the doubtful receivable provision and recorded as income in the profit or loss statement.

The Company has applied the simplified approach specified in TFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for a lifetime expected credit loss provision for all trade receivables. In order to measure the expected credit loss, the Company first grouped its trade receivables by considering their maturities and credit risk characteristics. The expected credit loss ratio is calculated for each class of trade receivables grouped by using past credit loss experiences and prospective macroeconomic indicators, and the expected credit loss provision is calculated by multiplying the determined rate with the total trade receivables.

Financial investments

All financial investments are recorded at cost, which is considered to represent the fair value at the time of initial purchase and includes transaction costs. The Company measures these assets at their fair value, Gains or losses on related financial assets, excluding impairment and foreign exchange gains or expenses, are recognized in other comprehensive income.

After the initial recording, they are valued at their fair values. Interest earned from financial investments is shown as interest income. Other gains or losses on financial investments are shown in a separate line item "revaluation funds" in equity until the related assets are sold, liquidated or otherwise disposed of or are impaired in any way, after which income and associated with expense accounts.

Financial investments traded in Borsa İstanbul A.Ş. are valued on the basis of market prices formed in the stock market at the end of the business day on the balance sheet date. When there is no applicable valuation method to value unlisted financial investments, related financial investments are valued at historical cost.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Impairment of financial assets

Financial assets or groups of financial assets, other than financial assets at fair value through profit or loss, are evaluated at each balance sheet date to see if there are indications of impairment. An impairment loss occurs when one or more events occur after the initial recognition of the financial asset and there is an objective indication that the financial asset is impaired as a result of the adverse effect of the event on the future cash flows of the financial asset or group of assets that can be reliably estimated.

For available-for-sale equity instruments, a significant and sustained decline in fair value below cost is considered an objective indication of impairment.

Gains or losses on financial assets, excluding impairment gains and losses and foreign exchange gains or expenses, are recognized in other comprehensive income. In case of sale of said assets, valuation differences classified to other comprehensive income are reclassified to retained earnings.

For all financial assets, with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account, the impairment loss is directly deducted from the carrying amount of the financial asset. In case the trade receivable cannot be collected, the said amount is deducted from the provision account and written off. Changes in the provision account are accounted for in the income statement.

The increase in the fair value of available-for-sale equity instruments after impairment is recognized directly in equity.

For available-for-sale equity instruments, an impairment loss previously recognized in profit or loss is not reversed in profit or loss. The fair value increase resulting from the impairment loss is recognized in other comprehensive income and collected under the heading of revaluation provision for investments. For available-for-sale debt securities, an impairment loss is reversed in profit/loss in subsequent periods if the increase in the fair value of the investment is attributed to an event that occurs after the impairment loss has been recognized.

Financial liabilities

Financial liabilities are initially recognized at fair value net of transaction costs and are subsequently carried at amortized cost using the effective interest method, together with the interest expense calculated over the effective interest rate.

The effective interest method is the method of calculating the amortized costs of the financial liability and allocating the related interest expense to the related period. Effective interest rate is the rate that exactly discounts estimated future cash payments over the expected life of the financial instrument or, where appropriate, a shorter period of time, to the net present value of the financial liability.

Bank Loans

All bank loans are recorded at cost, which is considered to reflect their fair value at the time of initial registration and includes the issuance cost.

After initial recording, loans are shown with their net values discounted using the effective interest rate method, When calculating the discounted value, the costs at the time of the first issue and the discounts and premiums at the time of repayment are taken into account.

Income or expenses incurred during the amortization process or recording of liabilities are associated with the income statement.

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2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

Trade payables and other payables

Trade and other payables are recorded at a reduced cost, which represents the fair value of the invoiced or unbilled amount that will arise in the future related to the purchase of goods and services.

Provisions

Provisions are accounted for when the Company has a past legal or structural obligation as of the balance sheet date, it is probable that there will be an outflow of resources that provide economic benefits to settle the obligation, and a reliable estimate can be made about the amount of the obligation. No provision is made for operating losses expected to occur in future periods.

- *Severance pay liability* is determined by actuarial calculations based on certain assumptions including discount rates, future salary increases and employee turnover rates. Due to the long-term nature of these plans, these assumptions involve significant uncertainties. Details on provisions for employee benefits are provided in Note 15.
- *Provisions for doubtful receivables* reflect the amounts that the Company management believes will cover the future losses of the receivables that exist as of the balance sheet date but have the risk of being uncollectible within the current economic conditions. While evaluating whether the receivables are impaired or not, the past performance of the debtors other than the related parties and key customers, their credibility in the market, their performance from the balance sheet date to the approval date of the financial statements and the renegotiated conditions are also taken into consideration. As of the relevant balance sheet date, provisions for doubtful receivables are reflected in Note 7.
- The Company has applied the simplified approach specified in TFRS 9 to calculate the expected credit loss provision for trade receivables. This approach allows for a lifetime expected credit loss provision for all trade receivables. In order to measure the expected credit loss, the Company first grouped its trade receivables by considering their maturities and credit risk characteristics. The expected credit loss ratio is calculated for each class of trade receivables grouped by using past credit loss experiences and prospective macroeconomic indicators, and the expected credit loss provision is calculated by multiplying the determined rate with the total trade receivables.
- *Provisions for lawsuits*, the possibility of losing the relevant lawsuits when leaving, and the consequences that will be endured in case of loss are evaluated in line with the opinions of the Company's legal advisors, and the Company Management makes its best estimates using the data at hand and the explanations regarding the provision it deems necessary are included in Note 13.
- Regarding the *inventory impairment*, the stocks are examined physically and how old they are, their usability is determined in line with the opinions of the technical personnel, and a provision is made for items that are not expected to be used. In determining the net realizable value of inventories, data on list sales prices and average discount rates given during the year are used, and estimates are made regarding the sales expenses to be incurred. As a result of these studies, the details of the provision for inventories with a net realizable value below the cost value are given in Note 9.

2. Basis For Presentation of Financial Statements (Continued)

2.3 Summary of significant accounting policies (Continued)

- The Company makes assumptions based on views of the technical personnel in the calculation of provision for recultivation of exploitation lands. As a result of these analyses, assessments of the provision for recultivation of exploitation lands are provided in Note 13.

Recognition and de-recognition of financial instruments

The company reflects the financial assets or liabilities on its balance sheet if it is a party to the related financial instrument contracts. The company derecognises all or part of the financial asset only when it loses control over the contractual rights to which the said assets are subject. The company writes off financial liabilities only if the obligation defined in the contract ceases to exist, is canceled or expires.

Going Concern

Financial statements have been prepared according to the going concern principle.

2.4 Significant accounting estimates, judgments, and assumptions

The preparation of the financial statements requires the disclosure of the amounts of assets and liabilities reported as of the balance sheet date, the disclosure of contingent assets and liabilities, and the use of estimates and assumptions that may affect the amounts of income and expenses reported during the accounting period. The company makes predictions and assumptions about the future. Accounting estimates may not result in exactly the same amounts as the actual results due to their nature. Some estimates and assumptions that may cause significant adjustments to the carrying value of assets and liabilities in the upcoming financial reporting period are as follows:

Goodwill impairment assessment:

In accordance with the accounting policies regarding goodwill stated in Note 2, these amounts are reviewed by the Company for impairment every year or more frequently when there are conditions indicating the existence of impairment. The recoverable value of cash-generating units was determined based on value-in-use calculations. Certain estimates have been made for these calculations (Note 12). As a result of these studies, no impairment was detected.

Fair value calculation of financial investments

In accordance with the accounting policies related to financial investments stated in Note 2, these amounts are reviewed annually by the Company. The recoverable value of cash-generating units was determined based on value-in-use calculations. Certain estimates have been made for these calculations (Note 5). As a result of these studies, no significant increase in value was detected.

Useful lives

The company determines the nature of the capitalized asset for its tangible and intangible assets in TAS 16 and TMS 38 standards and based on this, the relevant assets are capitalized when they are ready for use. Tangible assets and intangible assets excluding goodwill are amortized over their estimated useful lives. The company determines the useful life of an asset by considering the estimated useful life of that asset. Useful lives determined by management are disclosed in Note 2.3.

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3. Segment Reporting

The majority of the Company's overseas sales consist of one-time sales to different geographical regions, and the distribution of sales by geographical regions is not consistent over the years. Therefore, the details of the revenue are given in Note 18 as domestic and international sales.

The Company's business activities are managed and organized depending on the content of the services and products it provides. The company reports according to its segments in accordance with TFRS 8. Information on the Company's business areas includes the Company's earnings and profits from cement (including clinker and aggregate) and ready-mixed concrete activities as of 31 December 2024 and 31 December 2023.)

1 January - 31 December 2024	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Revenue	12,345,833	7,362,342	-	1,906,014	21,614,189
Cost of sales (-)	(9,030,947)	(7,072,073)	-	(1,906,014)	(18,009,034)
Gross profit	3,314,886	290,269	-	-	3,605,155
General administrative, marketing expenses (-)	(890,944)	(124,017)	-	-	(1,014,961)
Other income/expenses from operating activities (-), net	(47,544)	(37,549)	-	-	(85,093)
Operating profit	2,376,398	128,703	-	-	2,505,101
Income/expense from investing activities(-), net	2,239	566	108,863	-	111,668
Financial income/expense (-), net	-	-	(14,031)	-	(14,031)
Monetary Loss/(Gain)	-	-	(77,068)	-	(77,068)
Profit before tax from continuing operations	2,378,637	129,269	17,764	-	2,525,670
Profit before tax from continuing operations, net	-	-	(853,163)	-	(853,163)
Current tax expense (-)	-	-	(330,927)	-	(330,927)
Deferred tax income/(expense)	-	-	(522,236)	-	(522,236)
Profit from continuing operations	2,378,637	129,269	(835,399)	-	1,672,507

31 December 2024	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Assets and liabilities					
Segment assets	18,633,512	2,156,901	-	-	20,790,413
Associates	-	-	4,232,010	-	4,232,010
Unallocated assets	-	-	3,375,284	-	3,375,284
Total assets	18,633,512	2,156,901	7,607,294	-	28,397,707
Unallocated liabilities	-	-	28,397,707	-	28,397,707
Total liabilities	-	-	28,397,707	-	28,397,707

1 January - 31 December 2024	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Other segment information					
Capital expenditures (expenses)					
Tangible and intangible assets	1,038,776	128,910	-	-	1,167,686
Total capital expenditures	1,038,776	128,910	-	-	1,167,686
Amortization expenses	1,032,959	195,131	-	-	1,228,090
Depreciation expenses	40,019	300	-	-	40,319

3. Segment Reporting (Continued)

1 January - 31 December 2023	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Revenue	20,796,439	8,433,400	-	(2,195,697)	27,034,142
Cost of sales (-)	(15,707,845)	(7,779,292)	-	2,195,697	(21,291,440)
Gross profit	5,088,594	654,108	-	-	5,742,702
General administrative, marketing expenses (-)	(1,079,855)	(165,018)	-	-	(1,244,873)
Other income/expenses from operating activities (-), net	(410,560)	31,790	-	-	(378,770)
Operating profit	3,598,179	520,880	-	-	4,119,059
Income/expense from investing activities (-), net	(62,755)	(4,356)	277,909	-	210,798
Financial income/expense (-), net	-	-	243,142	-	243,142
Monetary Loss/(Gain)	-	-	(28,822)	-	(28,822)
Profit before tax from continuing operations	3,535,424	516,524	492,229	-	4,544,177
Tax income/(expense)	-	-	(1,120,651)	-	(1,120,651)
Current tax expense (-)	-	-	(1,169,405)	-	(1,169,405)
Deferred tax income/(expense)	-	-	48,754	-	48,754
Profit from continuing operations	3,535,424	516,524	(628,422)	-	3,423,526

31 December 2023	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Assets and liabilities					
Segment assets	17,986,840	2,342,913	-	-	20,329,753
Associates	-	-	3,865,225	-	3,865,225
Unallocated assets	-	-	4,119,543	-	4,119,543
Total assets	17,986,840	2,342,913	7,984,768	-	28,314,521
Unallocated liabilities	-	-	28,314,521	-	28,314,521
Total liabilities	-	-	28,314,521	-	28,314,521

1 January - 31 December 2023	Cement	Ready- mixed concrete	Unallocated	Elimination	Total
Other segment information					
Capital expenditures (expenses)					
Tangible and intangible assets	1,074,492	296,921	-	-	1,371,413
Total capital expenditures	1,074,492	296,921	-	-	1,371,413
Amortization expenses	962,160	173,848	-	-	1,136,008
Depreciation expenses	39,942	300	-	-	40,242

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4. Cash and Cash Equivalents

	31 December 2024	31 December 2023
Cash at banks (including short-term time deposits)	4,450,626	3,742,557
Checks due before the reporting period	58,720	183,981
Total	4,509,346	3,926,538

Time deposits are made with maturities varying between 1-30 days for Turkish Lira and 1-30 days for USD (1-30 days for 31 December 2023 TRY and US Dollars), depending on the Company's urgent cash needs, The interest rate is 50% for TRY and 5% for USD (43% for TRY on 31 December 2023, 5% for USD).

5. Financial Investments

Short-term financial investments

The Company's short-term financial investments are as follows;

	31 December 2024	31 December 2023
Other financial assets (*)	-	294,596
Total	-	294,596

(*) As of December 31, 2023, the Company's financial assets at fair value through profit or loss item has been recognized as an exchange rate protected deposit of TL 294,596, according to the December 2024 purchasing power, under other financial assets.

Long-term financial investments

The Company's long-term financial investments are as follows;

	31 December 2024			31 December 2023		
	Share (%)	Amount	2024 Increase in Value	Sale	Share (%)	Amount
Financial assets measured at fair value through other comprehensive income						
Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi (Çimsa)	8.98	3,956,989	359,968	-	8.98	3,597,021
Arpaş Ambarlı Römorkaj Pilataj Ticaret A.Ş. (Arpaş)	16.00	168,195	10,084	-	16.00	158,111
Liman İşletmeleri ve Nakliyecilik A.Ş. (Liman İşletmeleri)	15.00	95,585	5,491	-	15.00	90,094
Eterpark Endüstri Ürünleri İmalat Ticaret İthalat İhracat Pazarlama A.Ş. (Eterpark)	-	-	28,474	(39,034)	8.73	10,560
Ambarlı Kılavuzluk A.Ş.	16.00	3,601	(1,785)	-	16.00	5,386
Altaş Ambarlı Liman Tesisleri A.Ş. (Altaş)	14.00	7,640	3,587	-	14.00	4,053
Total		4,232,010	405,819	(39,034)		3,865,225

5. Financial Investments (Continued)

Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi, one of the Company's assets traded in the stock exchange, whose fair value difference is recorded in other comprehensive income, was valued with the best purchase price pending in the BIST on the balance sheet date, and the fair value determination was made.

Fair value increase (net) amounting to a total of TRY359,968 (31 December 2023: TRY480,594) of Çimsa Çimento Sanayi ve Ticaret Anonim Şirketi, one of the assets whose fair value difference is recorded in other comprehensive income for the accounting period ending on 31 December 2024 (net). TRY22,498 (31 December 2023: TRY30,037), taking into account the deferred tax effect, was accounted for under the "Gains / losses from financial assets at fair value through other comprehensive income" account.

	2024	2023
As of 1 January	3,865,225	3,171,348
Change in fair value	405,819	693,877
Affiliate sale (Eterpark)	(39,034)	-
As of 31 December	4,232,010	3,865,225

The Company has valued its other financial investments at fair value as of December 31, 2024. In this analysis, the average of discounted cash flow estimates and comparable value estimates were used on the financial statements of financial investments projected until 2029. The main assumptions used in making the discounted cash flow estimate in TL, weighted average cost of capital and long-term growth rates are as follows for each company:

Altaş	Long Term Growth Rate		
Sensitivity Analysis	4.00%	5.00%	6.00%
WACC	34.2%	54.385	56.348
	36.7%	50.184	51.949
	39.2%	46.433	48.024
			49.835

Ambarlı İskele	Long Term Growth Rate		
Sensitivity Analysis	4.00%	5.00%	6.00%
WACC	32.7%	23.908	24.569
	35.2%	22.404	22.998
	37.7%	21.051	21.586
			22.203

Arpaş	Long Term Growth Rate		
Sensitivity Analysis	4.00%	5.00%	6.00%
WACC	33.9%	1,096.387	1,123.888
	36.4%	1,029.497	1,054.224
	38.9%	969.309	991.584
			1,016.973

Liman İşlt.	Long Term Growth Rate		
Sensitivity Analysis	4.00%	5.00%	6.00%
WACC	32.7%	632.277	651.446
	35.2%	590.125	607.343
	37.7%	552.290	567.786
			585.678

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6. Financial Liabilities

Short-term financial liabilities

Financial debts	Currency	31 December 2024	31 December 2023
Short-term loans	TRY	2,463,696	2,529,165
Total short-term loans		2,463,696	2,529,165
Less than 3 months	TRY	727,516	759,183
Between 3-12 months	TRY	1,736,180	1,769,982
		2,463,696	2,529,165

The movement of the borrowing transactions is as follows:

	Principal	Interest	2024
1 January	2,352,511	176,654	2,529,165
Inflation accounting adjustments	(823,952)	(32,539)	(856,491)
Provision/currency difference received during the period	2,998,348	953,203	3,951,551
Interest capitalized during the period	-	317,158	317,158
Provision paid-canceled during the period	(2,176,907)	(1,300,780)	(3,477,687)
31 December	2,350,000	113,696	2,463,696

	Principal	Interest	2023
1 January	3,422,135	264,057	3,686,192
Inflation accounting adjustments	(1,412,582)	(69,158)	(1,481,740)
Provision/currency difference received during the period	3,933,152	760,214	4,693,366
Provision paid-canceled during the period	(3,590,194)	(778,459)	(4,368,653)
31 December	2,352,511	176,654	2,529,165

Payables from leases

	Currency	31 December 2024	31 December 2023
Payables from short-term lease transactions	TRY	56,284	57,819
Payables from long-term lease transactions	TRY	298,400	334,236
		354,684	392,055

Movement of debts from leasing transactions is presented below:

	2024	2023
1 January balance	392,055	457,014
Inflation accounting adjustments	(102,321)	(161,459)
Disposal	(11,066)	(5,587)
Additions	197,123	228,253
Interest expense	75,326	76,814
Payments	(196,433)	(202,980)
31 December balance	354,684	392,055

7. Trade Receivables and Payables

Trade receivables

Short-term trade receivables

	31 December 2024	31 December 2023
Trade receivables, net	2,549,594	2,982,514
Notes receivables and post-dated checks, net	737,941	902,745
Due from associates (Note 26)	66,327	26,402
Due from related parties (Note 26)	63,717	204,262
Doubtful receivables	43,883	86,545
Provision for doubtful receivables [-]	(43,883)	(86,545)
31 December Balance	3,417,579	4,115,923

The effective interest rates used to calculate net book value of the receivables are 48.25% for TRY, 4.3051 % for USD (31 December 2023: 43.25% for TRY, 5.5930% for USD).

The provision for doubtful receivables for trade receivables has been determined based on past experience of uncollectibility.

The movement of the provision for doubtful receivables for the period ended 31 December 2024 and 31 December 2023 is as follows:

	2024	2023
1 January	86,545	65,885
Inflation accounting adjustments	(24,972)	(34,838)
Provision for doubtful receivables in the current period (Note 19)	(16,918)	55,843
Collections (Note 19)	(772)	(345)
31 December	43,883	86,545

The collection period of trade receivables varies depending on the product quality and the contracts with the customers and the average is 52 days (31 December 2023: 47 days).

The Company has accounted for lifetime expected losses on trade receivables under trade receivables net account.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

7. Trade Receivables and Payables (Continued)

Trade receivables

As of 31 December 2024 and 31 December 2023, the maturity analysis of trade receivables is as follows:

	Receivables that are overdue but not provided for doubtful receivables						Total
	Not due receivables	Less than one month	1-2 months	2-3 months	3-4 months	More than 4 months	
31 December 2024	3,123,328	163,188	745	106	24	144	3,287,535
31 December 2023	3,814,529	69,660	123	135	812	-	3,885,259

Trade payables

Short-term trade payables

	31 December 2024	31 December 2023
Suppliers, net	3,696,585	4,101,409
Due to shareholders (Note 26)	4,199	4,192
Due to other related parties (Note 26)	46,233	237,752
Due to associates (Note 26)	6,321	12,418
	3,753,338	4,355,771

The effective interest rates used to calculate net book value of the payables are 48,25% for TRY and 4.3051% for USD (31 December 2023 43.25% for TRY - 5.5930% for USD).

8. Other Receivables, Other Payables, Deferred Income and Payables Within the Scope of Employee Benefits

Short-term other receivables

	31 December 2024	31 December 2023
Deferred VAT	95,594	166,436
Due from personnel (Note 26)	11,763	13,961
Insurance receivables	476	666
Other	1,587	11,943
	109,420	193,006

Short-term other payables

	31 December 2024	31 December 2023
Other payables	77,076	86,902
Taxes and funds payable	42,088	54,081
Deposits and guarantees received	8,116	14,688
	127,280	155,671

8. Other Receivables, Other Payables, Deferred Income and Payables Within the Scope of Employee Benefits (Continued)

Short-term deferred income

	31 December 2024	31 December 2023
Advances received	17,483	55,571
	17,483	55,571

Short-term liabilities within the scope of employee benefits

	31 December 2024	31 December 2023
Social security premiums payable	30,821	27,369
Taxes and funds payable	29,865	20,392
Due to personnel (Note 26)	16,412	13,880
	77,098	61,641

Other long-term receivables

	31 December 2024	31 December 2023
Deposits and guarantees given	12,108	12,658
	12,108	12,658

9. Inventories

	31 December 2024	31 December 2023
Raw materials, net	1,363,297	1,173,771
Semi-finished goods	401,239	522,173
Finished goods	245,373	149,413
Goods in transit (*)	57,520	407,881
	2,067,429	2,253,238

(*) Goods in transit consist of Petrocoke and coal stocks that were purchased as of 31 December 2024 and did not reach the Company.

As of 31 December 2024 and 2023, the movement of provision for impairment of inventories is presented below:

	2024	2023
1 January	40,114	49,560
Current year charge (*)	4,972	11,281
Period usage	(29,814)	(20,727)
31 December	15,272	40,114

(*) Accounted for under cost of sales.

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

10. Property, Plant and Equipment

	1 January 2024	Additions	Transfers (**)	Disposals	31 December 2024
Cost					
Land and land improvements	2,959,435	110	32,285	-	2,991,830
Buildings	6,150,268	-	248,213	(1,562)	6,396,919
Machinery and equipment [*]	30,177,049	31,641	833,918	(14,484)	31,028,124
Furniture, fixtures and motor vehicles	1,488,066	8,828	222,322	(8,330)	1,710,886
Leasehold improvements	1,414,095	-	63,852	-	1,477,947
Construction-in-progress	616,572	1,127,107	(1,456,297)	-	287,382
Total	42,805,485	1,167,686	(55,707)	(24,376)	43,893,088
Minus: Accumulated depreciation:					
Land and land improvements	2,065,890	34,447	-	-	2,100,337
Buildings	4,896,878	128,422	-	(1,561)	5,023,739
Machinery and equipment	24,120,917	745,848	-	(13,658)	24,853,107
Furniture, fixtures and motor vehicles	1,206,752	101,445	-	(8,044)	1,300,153
Leasehold improvements	1,091,529	44,523	-	-	1,136,052
Total	33,381,966	1,054,685	-	(23,263)	34,413,388
Property, plant and equipment, net	9,423,519				9,479,700

[*] It consists of investment expenditures that meet the substitution, development, environmental and legal requirements for the Company to continue its activities.

	1 January 2023	Additions	Transfer	Disposals	31 December 2023
Cost					
Land and land improvements	3,024,766	-	32,630	(97,961)	2,959,435
Buildings	6,056,562	2,762	175,151	(84,207)	6,150,268
Machinery and equipment [*]	29,407,604	1,877	940,414	(172,846)	30,177,049
Furniture, fixtures and motor vehicles	1,435,480	25,502	70,263	(43,179)	1,488,066
Leasehold improvements	1,275,051	-	139,044	-	1,414,095
Construction-in-progress	639,701	1,341,272	(1,364,401)	-	616,572
Total	41,839,164	1,371,413	(6,899)	(398,193)	42,805,485
Minus: Accumulated depreciation:					
Land and land improvements	2,087,641	35,938	-	(57,689)	2,065,890
Buildings	4,830,874	141,685	-	(75,681)	4,896,878
Machinery and equipment	23,556,887	716,279	-	(152,249)	24,120,917
Furniture, fixtures and motor vehicles	1,168,934	73,941	-	(36,123)	1,206,752
Construction-in-progress	1,037,287	54,242	-	-	1,091,529
Total	32,681,623	1,022,085	-	(321,742)	33,381,966
Property, plant and equipment, net	9,157,541				9,423,519

[* *] As of 31 December 2024, there is TRY14,978 transfer from investments to intangible assets and TRY40,729 to goodwill. [31 December 2023: TRY1,364,401].

As of 31 December 2024, the total cost of tangible assets purchased through financial leasing is TRY182,867 (31 December 2023: TRY128,817), total accumulated depreciation is TRY179,552 (31 December 2023: TRY125,797).

As of 31 December 2024, the cost value of tangible and intangible assets that are still in use but fully depreciated is TRY24,565.188 (31 December 2023: TRY16,334,455).

Pledge and mortgages on assets

There are no pledges or mortgages on Group's property, plant and equipment as of 31 December 2024 and 31 December 2023.

11. Intangible Assets

	1 January 2024	Additions/ Charge	Transfers from construction-in-progress	Disposals	31 December 2024
Cost					
Rights and other intangibles [*]	1,146,564	-	14,978	(245)	1,161,297
Minus: Accumulated amortisation					
Rights and other intangibles [* *]	647,570	40,319	-	(245)	687,644
Intangible assets, net	498,994				473,653

	1 January 2023	Additions/ Charge	Transfers from construction-in-progress	Disposals	31 December 2023
Cost					
Rights and other intangibles [*]	1,510,831	-	6,899	(371,166)	1,146,564
Minus: Accumulated amortisation					
Rights and other intangibles [* *]	788,951	40,242	-	(181,623)	647,570
Intangible assets, net	721,880				498,994

[*] As of 31 December 2024, intangible assets amounting to TRY526,237 consist of mining rights (31 December 2023 - TRY81,077).

[* *] As of 31 December 2024, TRY122,427 of accumulated amortization related to intangible assets consists of accumulated amortization related to mining rights (31 December 2023 - TRY364,774).

12. Goodwill

As of 1 May 2007 the company has concluded all transactions regarding the fair value determination of the assets and liabilities of the purchased Ladik Cement factory, and as a result of this study, goodwill amounting to TRY129,458 has been reflected in the records, The value of the related goodwill at 2024 purchasing power is TRY2,481.873. [31 December 2023 purchasing power value: TRY1,718.999]

As of November 28, 2017, the Company has finalized all transactions regarding the determination of the fair value of the assets and liabilities of Çarşamba Ready-Mixed Concrete Plant, and as a result of this study, it has reflected goodwill amounting to TRY623 in the records. The purchasing power value of the relevant goodwill as of December 31, 2024 is TRY 5,399. [December 31, 2023 purchasing power value: TRY 3,739]

As of April 30, 2024, the Company has finalized all transactions regarding the determination of the fair value of the assets and liabilities of Beykoz Ready-Mixed Concrete Plant, and as a result of this study, it has reflected goodwill amounting to TRY 33,500 in the records. The purchasing power value of the relevant goodwill as of December 31, 2024 is TRY 40,729.

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12. Goodwill (Continued)

The details of the goodwill are as follows:

	31 December 2024	31 December 2023
Ladik Çimento Fabrikası	2,481,873	2,481,873
Çarşamba Hazır Beton Tesisi	5,399	5,399
Beykoz Hazır Beton Tesisi	40,729	-
	2,528,001	2,487,272

The goodwill impairment test was performed on the 5-year projections approved by the management between the dates of 1 January 2024 and 31 December 2028,

In order to calculate the recoverable value of the unit, the weighted average cost of capital ratio is used as the after-tax discount rate of 19.00% (31 December 2023: 32.79%) and it has been tested at a sensitivity of 1.00% (31 December 2023 - 1.00%),

The after-tax rate has been adjusted for tax-related cash outflows, other future taxable cash flows, and the differences between the cost of assets and tax bases,

	31 December 2024		
	Currency	Discount Rate (%)	Discount Rate Change Effect 1% +/-
Akçansa	TRY	19.00	33.430,89/34.861,18

13. Provisions, Contingent Assets and Liabilities

Short-term provisions for employee benefits

	31 December 2024	31 December 2023
Bonus premium	72,000	107,993
Unused vacation provision	36,463	48,095
	108,463	156,088

Other short-term provisions

	31 December 2024	31 December 2023
Provision for lawsuits	44,355	67,382
Other provisions	5,775	66,642
	50,130	134,024

13. Provisions, Contingent Assets and Liabilities (Continued)

The movement chart of short-term provisions is as follows:

	Provision for lawsuits (Note 21)	Vacation pay liability	Provision for Premium	Other
1 January 2024	67,382	48,095	107,993	66,642
Inflation accounting adjustments	(20,368)	(15,839)	(28,150)	(14,931)
Change in vacations, net	-	12,872	-	-
Current year charge	13,774	-	64,844	(45,936)
Payments	(2,374)	(8,665)	(72,687)	-
Changes in estimates	(14,059)	-	-	-
31 December 2024	44,355	36,463	72,000	5,775

	Provision for lawsuits (Note 21)	Vacation pay Liability	Bonus Premium	Other
1 January 2023	45,823	26,059	70,589	10,259
Inflation accounting adjustments	(29,265)	(15,286)	(20,131)	(3,023)
Change in vacations, net	-	51,325	-	-
Current year charge	29,502	-	109,967	64,477
Payments	(1,641)	(14,003)	(52,432)	(5,071)
Changes in estimates	22,963	-	-	-
31 December 2023	67,382	48,095	107,993	66,642

Other long-term provisions

	31 December 2024	31 December 2023
Provision to make mine fields natural		
January 1	35,728	26,554
Inflation accounting adjustments	(12,084)	(16,993)
Current year charge/(reversal)	8,196	25,524
Discount effect	923	643
	32,763	35,728

Guarantees received and given

As of 31 December 2024 and 31 December 2023, the guarantees received and given on behalf of the Company's own legal entity are as follows:

		31 December 2024		31 December 2023	
	Currency	Original amount	TRY Equivalent	Original Amount	TRY Equivalent
Guarantee letters received	EUR	1,247	45,810	3,131	147,251
Guarantee letters received	USD	87	3,069	404	17,171
Guarantee letters received	TRY	3,031,326	3,031,326	2,463,596	3,556,915
Mortgages received	TRY	406,565	406,565	317,206	457,979
Cheques and notes received	TRY	35,768	35,768	35,768	51,641
Cheques and notes received	EUR	53	1,947	53	2,493
Cheques and notes received	USD	135	4,763	135	5,738
Total Guarantees received			3,529,248		4,239,188

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13. Provisions, Contingent Assets and Liabilities (Continued)

Currency	31 December 2024		31 December 2023	
	Original Amount	TRY Equivalent	Original Amount	TRY Equivalent
A. Given on Behalf of Its Legal Entity				
Total Amount of Collateral, Pledge and Mortgage (CPM)				
TRY	2,143,408	2,143,408	137,928	199,139
USD	1,193	42,165	1,543	65,700
EUR	-	-	-	-
B. Total Amount of CPMs Given in Favor of Partnerships Included in Full Consolidation				
C. Total Amount of CPM's Given by Other 3rd Persons for the Purpose of Ordinary Commercial Activities				
D. Total Amount of Other CPMs Given				
i. Total amount of guarantees given on behalf of main shareholder				
ii. Total amount of guarantees given on behalf of group Company which is not under Section B and C				
iii. Total amount of guarantees given on behalf of third parties which is not under Section C				
Total guarantees given		2,185,573		264,839

The ratio of other CPM's given by the Company to the Company's equity is 0% as of 31 December 2024 (31 December 2023: 0%).

Insurance amount on assets

Insurance amount for cash, stocks and tangible assets included in the assets is TRY44,104,288 (31 December 2023: TRY36,655,304).

Lawsuits

As of 31 December 2024, the amount of pending lawsuits against the Company is TRY99,029 (31 December 2023: TRY70,598). These lawsuits mostly consist of lawsuits filed by workers or their families due to work accidents or the alleged negligence of the Company's employees by third parties. As of 31 December 2024, a provision of TRY44,355 has been reserved for the risky cases that are not covered by the employer's liability insurance and that the lawsuits are concluded against the Company (31 December 2023: TRY46,670 expressed in 2023 purchasing power).

Possible contingencies related to environment law and land protection and usage law

In accordance with the legislation on environmental protection, the Company has obligations related to activities such as mining and cement production. All taxes, fees and emission fees etc, arising from this legislation obligations are fulfilled by the Company. The aforementioned legislation also includes regulations regarding the elimination of soil polluting and degrading negativities that may arise during the abandonment of the mines. As a result of this, the Company has calculated the net present value of the estimated cost of the recovery plans that it thinks will meet the requirements of the legislation regarding the mining sites it operates. The net present value of this cost, which corresponds to the area of the land opened as of 31 December 2024, is TRY32,763 (31 December 2023: TRY35,728) as of the aforementioned date, by recording the mine sites as a provision for reclaiming the nature, and showed it under the "Long-Term Debt Provisions" item.

14. Right of Use Assets

	1 January 2024	Addition	Disposal	31 December 2024
Cost				
Property	715,882	181,184	(26,213)	870,853
Fixtures	91,635	30,561	-	122,194
Vehicles	211,257	14,656	(3,931)	221,984
Total	1,018,774	226,401	(30,144)	1,215,031
Minus: Accumulated depreciation				
Property	201,586	106,813	(5,485)	302,915
Fixtures	20,636	13,478	-	34,113
Vehicles	114,185	53,114	(1,569)	165,730
Total	336,407	173,405	(7,054)	502,758
Right of use assets, net	682,367			712,273

	1 January 2023	Addition	Disposal	31 December 2023
Cost				
Property	519,076	213,333	(16,527)	715,882
Fixtures	74,966	16,669	-	91,635
Vehicles	181,775	29,699	(217)	211,257
Total	775,817	259,701	(16,744)	1,018,774
Minus: Accumulated depreciation				
Property	142,030	59,556	-	201,586
Fixtures	14,432	6,204	-	20,636
Vehicles	66,023	48,162	-	114,185
Total	222,485	113,922	-	336,407
Right of use assets, net	553,332			682,367

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

15. Employee Benefits

Long-term provision for employee termination benefits

	31 December 2024	31 December 2023
Provision for employee termination benefits	164,970	184,327
Seniority incentive premium	83,750	86,336
	248,720	270,663

According to the Turkish Labor Law, the Company is obliged to pay a certain amount of severance pay to employees who retire after serving at least one year or whose employment is terminated for reasons other than resignation or bad conduct. The compensation to be paid is the lesser of one month's salary or the severance pay ceiling for each year of service, and this amount is limited to TRY 41,828.42 (December 31, 2023: TRY 23,489.83) as of December 31, 2024.

Actuarial calculation is required in order to calculate the Company's liabilities in accordance with Turkish Accounting Standards (TMS) 19 (Employee Benefits). The Company has reflected the provision for severance pay to the financial statements in accordance with TAS 19, using the "Projection Method" and based on the calculations made by the professional actuary, within the framework of actuarial methods and assumptions. All actuarial gains and losses incurred are reflected in equity as other comprehensive income/(expense).

The main actuarial assumptions used to calculate the liability at the balance sheet dates are as follows:

	31 December 2024	31 December 2023
Net Discount rate	3.33%	2.72%

The movement of provision for severance pay as of 31 December 2024 and 2023 is presented below:

Provision for employee termination benefits	31 December 2024	31 December 2023
January 1	184,327	505,877
Affiliate exit effect	(57,247)	(147,708)
Severance pay paid	(42,431)	(195,610)
Actuarial gain/loss	29,708	(26,911)
Interest expense	29,775	12,486
Charge for the year	20,838	36,193
	164,970	184,327

The Company has reached an agreement in the Collective Bargaining Agreement negotiations between the Cement Industry Employers' Union, to which it is affiliated, and T. Çimse-İş Union, and signed the Company Collective Bargaining Agreement with an effective period of 1 January 2024 - 31 December 2025 on 31 January 2024.

15. Employee Benefits (Continued)

Long-term provision for employee termination benefits (Continued)

The movement of severance incentive provision as of 31 December 2024 and 2023 is presented below:

Seniority incentive Premium	31 December 2024	31 December 2023
Opening	86,336	122,239
Inflation accounting adjustments	(29,033)	(51,394)
Paid seniority incentive premium	(15,246)	(17,685)
Interest expenses	16,695	8,747
Charge for the year	24,998	24,429
	83,750	86,336

It is the benefit provided to the employees in line with the Company policy in return for the severance incentive and is shown in the financial statements of the Company by reducing the obligation as of the balance sheet dates to its present value with the effective discount rate.

16. Prepaid Expenses, Other Assets and Liabilities

Short-term prepaid expenses

	31 December 2024	31 December 2023
Prepaid expenses	747,643	453,055
Advance payment	6,393	1,488
	754,036	454,543

Long-term prepaid expenses

	31 December 2024	31 December 2023
Advances given for capital expenditures	102,152	59,930
	102,152	59,930

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17. Shareholders' Equity

Capital

	31 December 2024	31 December 2023
Number of common shares (authorized and outstanding)		
TRY0.01 per value	19,144,706	19,144,706

As of 31 December 2024, the Company's paid-in capital is TRY191,447 (31 December 2023: TRY191,447) (based on historical costs).

As of 31 December 2024 and 31 December 2023, the Company's shareholding structure and shareholders' shares are as follows:

	31 December 2024		31 December 2023	
	Amount	%	Amount	%
Hacı Ömer Sabancı Holding A.Ş.	76,035	39.72	76,035	39.72
HeidelbergMaterials AG	76,035	39.72	76,035	39.72
Quoted shares	39,377	20.57	39,377	20.57
Total nominal capital	191,447	100	191,447	100
Capital adjustment differences (*)	9,000,838		9,000,838	

(*) Adjustment to share capital represents the difference between the restatement effect of cash and cash equivalent contributions to share capital in accordance with CMB Financial Reporting Standards and the pre-adjustment amount. Adjustment to share capital has no other use except to be added to share capital.

There is no additional right, privilege and restriction related with these shares.

Legal and other reserves

In accordance with the Turkish Commercial Code, legal reserves consist of first and second reserves. Until the legal reserves reach 20% of the Company's historical paid-in capital, 5% of the net profit for the period is set aside as primary legal reserves. The second legal reserve is reserved at the rate of 10% over the entire profit distribution above 5% of the Company's paid-in capital. According to the Turkish Commercial Code, legal reserves cannot be distributed unless they exceed 50% of the paid-in capital, but they can be used to cover losses at the point where profit reserves are exhausted.

17. Shareholders' Equity (Continued)

Listed companies distribute dividend in accordance with the Communiqué No, II-19,1 issued by the CMB which is effective as of 1 February 2014.

Partnerships distribute their profits within the framework of the profit distribution policies to be determined by their general assemblies and in accordance with the provisions of the relevant legislation. Within the scope of the said communiqué, a minimum distribution rate has not been determined. Companies pay dividends as determined in their articles of association or dividend policy. In addition, dividends can be paid in installments of equal or different amounts, and dividend advances can be distributed in cash over the profit included in the financial statements.

Unless the reserves required to be set aside in accordance with the TCC and the dividend determined for the shareholders in the articles of association or the profit distribution policy are reserved; It cannot be decided to allocate other reserves, to transfer profits to the next year, and to distribute dividends to shareholders, members of the board of directors, partnership employees and non-shareholders.

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

In 2023, the company will provide full TRY 1,3058 gross to full-fledged taxpayer corporations and non-resident corporations partners who receive dividends through a workplace or permanent representative in Turkey, at the rate of 130.58% and with a nominal value of TRY1.00. The General Assembly decided to pay a net cash dividend of 130.58% to other shareholders and to pay a full TRY1.3058 gross and net full TRY 1,1753 cash dividends for shares with a nominal value of TRY1.00, a total of TRY250,000,000. The dividend payment of the amount of the amount has been made in cash as of 27 March 2023. With the effect of inflation accounting, the payment amount is TRY528,559.608 at 31/12/2024 purchasing power.

In 2024, the company will provide a gross amount of TRY 6,0069 to full-fledged taxpayer corporations and to non-resident corporations shareholders who receive dividends through a workplace or permanent representative in Turkey, at a rate of 600.69% and a nominal value of TRY1.00. The General Assembly decided to pay a net cash dividend of 6,0069TRY in gross and 600,69% in net total for shares with a nominal value of TRY1.00 and at the rate of 600,69% to other shareholders, a total of TRY1,150,000,000 The dividend payment of the amount of the amount has been made in cash as of 15 April 2024. With the effect of inflation accounting, the payment amount is TRY1,398,515,000 at 31/12/2024 purchasing power.

The historical values and inflation adjustment effects of the following accounts under equity of Akçansa Çimento Sanayi ve Ticaret A.Ş. are as follows as of December 31, 2024, in accordance with the TFRS and VUK financial statements:

31 December 2024 (TFRS)	Historical Value	Inflation adjustment effect	Indexed value
Capital Adjustment Differences	233,178	8,767,660	9,000,838
Restricted Reserves Allocated from Profit	512,036	3,189,309	3,701,345

31 December 2024 (TPL)	Historical Value	Inflation adjustment effect	Indexed value
Capital Adjustment Differences	216,898	6,749,985	6,966,883
Restricted Reserves Allocated from Profit	617,005	4,943,840	5,560,845

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

18. Revenue and Cost of Sales

Revenue

	1 January – 31 December 2024	1 January – 31 December 2023
Domestic sales	17,069,654	20,762,383
Foreign sales	4,428,765	6,116,426
Sales discount (-)	(64,573)	(45,451)
Other discounts (-)	(283,055)	(319,480)
	21,150,791	26,513,878
Domestic service sales (*)	463,398	520,264
Total	21,614,189	27,034,142

Cost of sales

	1 January – 31 December 2024	1 January – 31 December 2023
Direct material and supplies expenses	13,185,416	16,138,221
Direct labor expenses	1,180,438	982,460
Depreciation and amortization expenses	1,116,296	1,037,409
Other production expenses	1,651,509	1,802,699
Total production cost	17,133,659	19,960,789
Change in work-in-process	120,934	(4,690)
Work-in-progress at the beginning of the period	522,173	517,483
Work-in-progress at the end of the period	401,239	522,173
Change in finished goods	(95,960)	4,205
Finished goods at the beginning of the period	149,413	153,618
Finished goods at the end of the period	245,373	149,413
Cost of trade goods sold	707,386	1,106,075
Cost of domestic service sold	143,015	225,061
Total	18,009,034	21,291,440

(*) Domestic service sales are the service income generated by the Company from port operations.

19. Marketing and General Administrative Expenses

	1 January – 31 December 2024	1 January – 31 December 2023
General administrative expenses	881,488	1,002,470
Marketing expenses	133,473	242,403
	1,014,961	1,244,873

	1 January – 31 December 2024	1 January – 31 December 2023
General and administrative expenses		
Personnel expenses	498,286	567,445
Depreciation and amortization	123,043	110,694
Outsourced benefit and services	86,738	88,351
Consultancy expenses	50,163	73,371
Representation and hospitality expenses	32,134	24,627
Traveling expenses	27,102	28,576
Advertisement, communication and announcement	11,156	38,056
Taxes, duties and fees	10,608	14,402
Insurance expenses	8,418	8,045
Employee termination benefits	4,425	7,994
Rent expenses	2,558	2,996
Other expenses	26,857	37,913
	881,488	1,002,470

Marketing expenses

Personnel expenses	91,201	74,302
Sales guarantee expenses	14,727	14,723
Depreciation and depletion shares	10,697	9,516
Representation and hospitality expenses	7,427	60,159
Traveling expenses	6,854	6,246
Taxes, duties and fees	5,312	6,748
Outsourced benefit and services	3,369	2,363
Employee termination benefits	679	1,439
Rent expenses	279	1,039
Doubtful receivable expenses (Note 7)	(17,690)	55,498
Other expenses	10,618	10,370
	133,473	242,403

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

20. Expenses by Nature

Depreciation and amortization expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Property, plant and equipment		
Production costs	1,091,901	1,019,096
General administrative expenses	108,475	89,540
Marketing expenses	10,697	9,516
Other operating expenses	17,017	17,856
Total amortization expenses	1,228,090	1,136,008
Intangible assets		
Production costs	24,395	18,313
General administrative expenses	14,568	21,154
Other operating expenses	1,356	775
Total depreciation expenses	40,319	40,242

Personnel expenses

	1 January - 31 December 2024	1 January - 31 December 2023
Personnel expenses		
Wages and salaries	1,340,718	1,140,829
Other social expenses	413,473	456,616
Provision for employee termination benefits, net (Note 15)	20,838	36,193
	1,775,029	1,633,638

Fees for Services Obtained from an Independent Auditor/Independent Audit Firm

The Company's explanation regarding the fees for services rendered by independent audit firms, which is prepared by the KGK pursuant to the Board Decision published in the Official Gazette on 30 March 2021, and the preparation principles of which are based on the letter of the KGK dated 19 August 2021 are as follows,

	1 January - 31 December 2024	1 January - 31 December 2023
Independent audit fee for the reporting period	2,565	2,379
Fee for other assurance services	454	1,126
	3,019	3,505

21. Other Operating Income / Expenses

Other operating income

	1 January - 31 December 2024	1 January - 31 December 2023
Operational foreign exchange gains	150,474	285,130
Rent income	52,703	67,761
Gain on sale of auxiliary materials	32,643	45,904
Maturity difference income	31,604	7,729
Idemnity income	26,626	49,705
Rediscount revenues	26,177	58,096
Income from grants	9,159	28,189
Provisions that are no longer subject to legal proceedings	2,659	-
Other	17,678	12,384
	349,723	554,898

Other operating expenses (-)

	1 January - 31 December 2024	1 January - 31 December 2023
Operational foreign exchange losses	267,537	588,958
Help and donations	61,406	88,902
Rediscount expenses	53,018	98,974
Expenses for leased terminals	18,730	22,950
Property Tax	16,528	21,749
Provision to make mine fields natural (Note 13)	8,196	25,524
Disallowable expenses	5,287	9,880
Compensation and penalties	2,384	1,677
Provision for lawsuits (Note 13)	-	50,824
Other	1,730	24,230
	434,816	933,668

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(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

22. Income and Expenses from Investment Activities

As of 31 December 2024 and 31 December 2023 income from investing activities are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Profit on sales of subsidiaries (*)	107,102	76,202
Valuation difference on financial assets at fair value through profit or loss	1,761	25,338
Dividend income	2,805	109,258
	111,668	210,798

(*) The details of dividend income as of 31 December 2024 and 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Çimsa	105,620	74,155
Arpaş	1,482	2,047
	107,102	76,202

23. Financial Income and Expenses

Details of financial income as of 31 December 2024 and 31 December 2023 are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest income	941,567	641,572
Financial foreign exchange gains	179,418	527,661
Foreign exchange gain on derivative instruments	946	46,003
	1,121,931	1,215,236

As of 31 December 2024 and 31 December 2023 details of financial expenses are as follows:

	1 January - 31 December 2024	1 January - 31 December 2023
Interest expense	1,077,466	926,564
Financial foreign exchange gains	43,471	37,286
Derivative instruments exchange difference expense	15,025	8,244
	1,135,962	972,094

24. Net Monetary Position Gains/(Losses)

The details of the Company's net monetary position gains/(losses) in accordance with TMS 29 as of December 31, 2024 and December 31, 2023 are as follows:

Monetary Asset Items	1 January - 31 December 2024	1 January - 31 December 2023
Cash and Cash Equivalents	(1,067,050)	(1,386,937)
Financial Investments	(9,254)	(80,667)
Trade Receivables	(1,344,578)	(1,691,832)
Short-Term Other Receivables	(159,821)	(282,548)
Long-Term Other Receivables	(20,953)	(16,207)
Monetary Liability Items		
Financial Liabilities	923,574	1,254,163
Financial Lease Liabilities	131,364	159,833
Trade Liabilities	1,112,245	1,523,005
Liabilities Under Employee Benefits	32,349	31,209
Short-Term Provisions for Employee Benefits	44,112	30,787
Other Short-Term Provisions	54,578	33,238
Deferred Income	9,992	28,930
Other Short-Term Liabilities	53,477	60,042
Current Profit Tax Liability	62,641	140,261
Long-term provisions for employee benefits	57,443	112,376
Other Long-Term Provisions	42,813	55,525
NET MONETARY POSITION GAINS (LOSSES)	(77,068)	(28,822)

25. Tax Assets and Liabilities (Including Deferred Tax Assets and Liabilities)

As of 31 December 2024 and 31 December 2023, details of deferred tax assets and liabilities are as follows:

	Deferred tax assets (*)		Deferred tax liabilities (*)		Deferred tax income/ (expense)	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	1 January- 31 December 2024	1 January- 31 December 2023
Temporary differences on tangible and intangible assets	369,048	795,086	-	-	(426,038)	(320,052)
Goodwill	-	-	(624,552)	(621,818)	(2,734)	124,637
Inventories	-	-	(46,963)	(20,084)	(26,879)	7,554
Allowance for employee termination benefits	-	-	(9,528)	(15,773)	6,245	116,948
Rediscount on receivables and payables	27,611	30,312	(16,000)	(18,544)	(157)	(819)
Provision for recycling mine fields	26,918	29,672	-	-	(2,754)	(12,941)
Other temporary differences, net (including revaluation fund)	100,955	109,351	(190,473)	(128,950)	(69,919)	35,919
Tax income/expense related with other comprehensive income	-	-	(128,697)	(112,540)	(16,157)	68,568
	524,532	964,421	(1,016,213)	(917,709)	(538,393)	19,814

(*) The net total of these two balances is presented in the balance sheet as deferred tax asset with the amount of TRY491,681 (31 December 2023 : TRY46,712).

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25. Tax Assets and Liabilities (Including Deferred Tax Assets and Liabilities) (Continued)

Movement table of net deferred tax liabilities is as follows;

	1 January - 31 December 2024	1 January - 31 December 2023
Balance as at January 1	46,712	66,526
Deferred tax (income)/expense stated in the income statement	(522,236)	48,754
Tax (income) / expense related to other comprehensive income items	(16,157)	(68,568)
31 December net balances	(491,681)	46,712

Deferred tax is calculated by using the liability method as the temporary differences between recorded values and tax bases of assets and liabilities in the financial statements. This calculation is made by using the enacted tax rates as of the date of the statement of financial position.

On July 5, 2023, with the "Legislative Proposal on the Amendment of Certain Laws and the Decree Law No. 375 on the Amendment of Certain Laws and the Legislative Decree Law No. 375 with the Additional Motor Vehicles Tax for the Compensation of the Economic Losses Caused by the Earthquakes Occurring on February 6, 2023", which entered the agenda of the Turkish Grand National Assembly on July 5, 2023, as a result of a 5 percentage point increase in the corporate tax rate (from 25% to 30% for certain institutions, particularly financial institutions), the corporate tax rate was raised from 20% to 25%, and it was suggested that the regulation exempting gains from the sale of real estate from corporate tax be terminated. The law proposal in question was enacted into law on 15/07/2024.

Pursuant to the Law No. 7440 on "Restructuring of Certain Receivables and Amendments to Certain Laws" published in the Official Gazette on March 12, 2023, 2022 by being shown in the corporate tax return for the year, in accordance with the regulations in the laws, exemption and discount amounts deducted from the corporate income in accordance with the regulations in the laws and tax bases subject to discounted corporate tax should be calculated at the rate of 10% on the exemption and discount amounts deducted from the corporate income and on the bases subject to discounted corporate tax, without being associated with the period earnings, and an additional tax of 5% on the exempt earnings. As of December 31, 2023, the effect of the Company's tax expense for the period calculated within the scope of the aforementioned regulation is TRY4,095,375 and the first installment of TRY2,047,687 of the related tax payments was paid in May 2023 and the second installment was paid in September 2023.

The corporate tax rate is applied to the net corporate income of the corporations after deducting the non-deductible expenses, exemptions and deductions in accordance with the tax laws from the commercial income of the corporations. Corporate tax is payable by the twenty-fifth of the fourth month following the end of the year to which it relates, and is payable by the end of the relevant month.

In Turkey, the general corporate tax rate is 25%. However, within the scope of the "Law on the Amendment of the Law on the Collection Procedure of Public Receivables and Certain Laws" numbered 7316 published in the Official Gazette dated April 22, 2021, this rate is applied as 25% for the corporate income of the corporations for the taxation period of 2022 starting from the declarations to be submitted as of July 1, 2021 [31 December 2023: %25].

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 deductible in accordance with the tax laws to the commercial income of the corporations, and deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant year and is paid until the end of the relevant month.

25. Tax Assets and Liabilities (Including Deferred Tax Assets and Liabilities) (Continued)

Companies calculate a provisional tax of 25% on their quarterly financial profits and declare it by the 14th day of the second month following that period and pay it by the evening of the seventeenth day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of provisional tax paid remains despite being deducted, this amount can be refunded in cash or offset against other financial debts to the state.

According to the Corporate Tax Law, 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. Declarations and related accounting records can be examined by the tax office within five years and tax accounts can be revised.

The income tax payable as of 31 December 2024 and 31 December 2023 (assets related to current tax) is summarized follows:

	31 December 2024	31 December 2023
Current income tax liabilities	330,927	1,169,405
Prepaid income tax	(196,502)	(767,032)
Inflation effect	(16,816)	(155,045)
Current income tax liabilities, (assets related to current period tax liability)	117,609	247,328

	1 January- 31 December 2024	1 January- 31 December 2023
Profit before tax and non-controlling interests	2,525,670	4,544,177
At the effective statutory income tax rate of 25% (2023:25%)	(631,418)	(1,136,044)
Income not subject to tax	158,045	105,006
Expenses that are not deductible	(41,503)	(28,320)
Deferred Tax Asset within the Incentive Scope[*]	38,286	-
Tax advantage utilized within the Incentive Scope[*]	2,260	-
Effect of reduced tax rate within the scope of KVK 32/7 and 32/8	23,600	64,906
Inflation Effect	(397,315)	(158,704)
Other	(5,118)	32,505
	(853,163)	(1,120,651)

[*] Within the scope of the Company's investments in ship loaders and waste tire shredding units in Çanakkale and Ladik factories, a deferred tax asset has been created within the framework of the investment incentive system. This incentive contributes to the reduction of future tax liabilities.

The total investment amount for the Ladik Factory shredded tire unit investment is 12,618 TRY, the investment contribution rate is 40% and the investment contribution amount is 5,047 TRY. In 2024, 2,260 TRY of the portion was deducted from the corporate tax calculated for 2024. The total investment amount for the Çanakkale Factory ship loader investment is 177,493 TRY, the investment contribution rate is 20% and the investment contribution amount is 35,499 TRY.

All relevant investments are planned to be completed in 2026, and the investment contribution amounts for these parts will be subject to deduction for 2025 and 2026 corporate taxes.

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25. Tax Assets and Liabilities (Including Deferred Tax assets And Liabilities) (Continued)

Global Minimum Supplementary Corporate Tax

In September 2023, the POA published amendments to TAS 12, which introduce a mandatory exception to the recognition and disclosure of deferred tax assets and liabilities related to Second Pillar income taxes. These amendments clarify that TAS 12 will apply to income taxes arising from tax laws that have entered into force or are close to entering into force for the purpose of implementing the Second Pillar Model Rules published by the Organization for Economic Co-operation and Development (OECD). These amendments also introduce certain disclosure provisions for businesses affected by such tax laws. The exception that information about deferred taxes in this context will not be recognized and disclosed and the disclosure provision that the exception has been applied will be implemented upon publication of the amendment.

With a Bill submitted to the Turkish Grand National Assembly on July 16, 2024, it has begun to adopt the OECD's Global Minimum Supplementary Corporate Tax regulations (Pillar 2). These regulations entered into force with the laws published in the Official Gazette on August 2, 2024. The application in Turkey is largely compatible with the OECD's Pillar 2 Model Rules and shows similarities in terms of scope, exemptions, consolidation, tax calculations and declaration periods. Although the secondary regulation regarding the calculation details and application method has not yet been published, it is evaluated that the said regulations will not have a significant impact on the financials in the preliminary assessments made by taking into account the regulations published by the OECD. However, legislative changes are being followed in Turkey and other countries where the Bank/Company operates.

Domestic Minimum Corporate Tax

Turkey has put into effect the Domestic Minimum Corporate Tax with the laws published in the Official Gazette dated August 2, 2024. This tax will be applied starting from the 2025 accounting period. "The institution of the Minimum Corporate Tax was introduced with Law No. 7524, and a regulation was made stating that the corporate tax calculated within this scope cannot be less than 10% of the corporate income before deductions and exemptions. The regulation will enter into force on the date of publication to be applied to the corporate income of the 2025 taxation period. In addition, the Corporate Tax General Communiqué No. 23 has been published on the subject.

26. Earnings Per Share

Profit/loss per share is calculated by dividing the net profit for the period by the weighted average of the number of shares outstanding as of the end of the year, As of 31 December 2024 and 31 December 2023, the weighted average number of shares is 19,144,706,825.

There are no ordinary shares issued or to be issued as of the date of preparation of the financial statements and prior to the completion of these financial statements,

26. Earnings Per Share (Continued)

Earnings per share and dividends per share distributed as follows:

	2024	2023
Net profit for the year	1,672,507	3,423,526
Weighted average number of ordinary shares issued (kr 1 each)	19,144,707	19,144,707
Earnings per share (kr) (*)	8,736	17,882
Dividend distributed to shareholders	1,398,515	528,560
Gross dividends per share (kr) (*)	7,305	2,761

(*) Since all shareholders of the Company have the same equal rights and there are no privileged shares, the basic and diluted earnings per share and dividends distributed per share do not differ.

27. Related Party Disclosures

The definition of a company as a related company is determined by the fact that one of the companies has control over the other or has a significant influence on the financial and administrative decisions of the related company, The company, Hacı Ömer Sabancı Holding A.Ş. (39.72%) (31 December 2023 -39.72%) and Heidelberg Materials Group (39.72%) (31 December 2023 -39.72%). For the financial statements, shareholder companies and financial assets and their affiliates and subsidiaries and balances of other Sabancı and Heidelberg Materials Group companies are shown as separate items and these companies and the Company's senior managers are named as related companies.

The balances of related parties as of 31 December 2024 and 31 December 2023 and the total amount of transactions made with these institutions as of 31 December 2024 and 2023 are as follows:

Sales to related parties

Related Parties	1 January - 31 December 2024			1 January - 31 December 2023		
	Product	Service	Other	Product	Service	Other
Shareholders						
Hacı Ömer Sabancı Holding A.Ş.	-	-	-	-	-	-
Heidelberg Materials A.G.	-	-	1,835	-	-	-
Financial assets						
Çimsa Çimento Sanayi ve Ticaret A.Ş. (Çimsa)	426,503	-	-	616,554	-	1
Arpaş Ambarlı Römorkaj Pilotaj Tic. A.Ş.	-	-	-	1,074	-	-
Çukurova İth.ve İhr.Taş.	-	-	-	-	-	46,306
Other(*)						
Exsa Export San.Mam.Satış ve Araş.A.Ş.	-	-	-	-	-	270,455
Heidelberg Materials AG	-	-	-	-	-	12,787
Kordsa Teknik Tekstil A.Ş.	-	-	-	-	-	122
Temsa İş Makinaları İmalat Paz ve Sat.	-	-	14	-	-	-
HC Trading Americas, LLC	3,001,314	-	9	3,917,539	158	-
HM Trading Asia and Pasific Pte LTD	-	-	-	-	120	-
HM Trading GMBH	932,543	-	7,854	1,496,322	2,455	-

(*) Associated entities of shareholders.

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27. Related Party Disclosures (Continued)

Purchases from related parties

Related Parties	1 January - 31 December 2024			1 January - 31 December 2023		
	Product	Service	Other (*)	Product	Service	Other(*)
Shareholders						
Hacı Ömer Sabancı Holding A.Ş.	-	-	13,074	-	-	19,837
Heidelberger Materials A.G.	-	-	-	-	-	-
Financial assets						
Çimsa Çimento Sanayi ve Ticaret A.Ş.	-	-	61	-	-	-
Liman İşletmeleri ve Nakliyecilik A.Ş. (Liman İşletmeleri)	-	12,105	3,798	-	14,161	5,410
Altaş Ambarlı Liman Tesisleri Tic. A.Ş. (Altaş)	-	-	15,320	-	-	11,403
Arpaş Ambarlı Römorkaj Pilotaj Tic A.Ş (Arpaş)	-	211	-	-	191	-
Other(**)						
Aksigorta Sigortacılık A.Ş.	-	-	120,302	-	-	76,942
Afyon Çimento Sanayii Türk A.Ş.	-	-	-	-	-	817
Sabancı Dijital Teknoloji Hizmetleri Tic. A.Ş.	-	-	27,431	-	-	17,224
Agesa A.Ş.	-	-	1,518	-	-	1,402
Teknosa İç ve Dış Tic. A.Ş.	-	-	3,110	-	-	2,668
Carrefoursa	-	-	13,744	-	-	26,576
Enerjisa Üretim Santralleri A.Ş.(***)	-	-	706,160	-	-	2,042,010
Enerjisa Enerji A.Ş. (***)	-	-	496	-	-	504
Kordsa Teknik Tekstil A.Ş.	-	-	10,579	-	-	11
Vista Turizm ve Seyahat A.Ş.	-	-	30,265	-	-	83,167
HM Trading GMBH (****)	-	-	-	-	-	804,099
Temsa İş Makinaları İmalat Pazarlama ve Satış A.Ş.	-	-	227	-	-	844
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	-	-	4,253	-	-	-

(*) The majority of the assets consist of the purchase or sale of tangible assets, the due date difference and the foreign exchange difference.
(**) Related companies of the Company's shareholders.
(***) The company covers its electricity expenses, which constitute a significant part of its production costs, from this company.
(****) Consists of company import transactions

27. Related Party Disclosures (Continued)

	Due from related parties		Due to related parties	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Shareholders				
Hacı Ömer Sabancı Holding A.Ş.	-	-	6,321	12,418
Heidelberg Materials A.G.	-	15,798	-	-
Total (*)	-	15,798	6,321	12,418
Financial assets				
Arpaş	-	-	37	31
Çimsa	66,327	26,402	-	-
Liman İşletmeleri	-	-	2,474	3,419
Altaş	-	-	1,688	741
Total (*)	66,327	26,402	4,199	4,191
Other(***)				
Aksigorta Sigortacılık A.Ş.	-	-	136	1,930
Brisa Bridgestone Lastik Sanayi ve Ticaret A.Ş.	-	-	3,541	1,729
Teknosa A.Ş.	-	-	944	224
Sabancı Dijital Teknoloji Hizmetleri Tic. A.Ş.	-	-	21,491	2,570
Agesa A.Ş.	58	-	-	1
Enerjisa Üretim Santralleri A.Ş.	-	42	16	-
Enerjisa Elektrik Enerji Toptan Satış A.Ş.	-	4,248	1,668	-
HM Trading GMBH	5,313	16,461	-	216,866
HM Trading Americas, LLC	58,345	167,705	-	-
Vista Turizm ve Seyahat A.Ş.	-	-	1,668	682
Carrefoursa Carrefour Sabancı Ticaret Merkezi A.Ş.	-	-	12,123	13,359
Temsa İş Makinaları İmalat Pazarlama ve Satış A.Ş.	-	-	37	392
Kordsa	-	-	4,609	-
Total	63,716	188,456	46,233	237,753
Personnel (**)	11,763	13,961	16,412	13,880
Total	141,806	244,617	73,165	268,242

(*) Presented in "Short-term trade receivables/payables" accounts (Note 7).
(**) Presented in "Other receivables/payables for employee benefits" accounts.
(***) Related parties of Company shareholders

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27. Related Party Disclosures (Continued)

As of 31 December 2024, TRY80,559 (31 December 2023: TRY42,434) of the receivables from the Direct Debit System (DBS) included in trade receivables belongs to Akbank T.A.Ş.

	31 December 2024	31 December 2023
Deposit at banks		
Akbank T.A.Ş.	2,138,401	2,008,375
Financial liabilities		
Akbank T.A.Ş.	-	151,227
	1 January - 31 December 2024	1 January - 31 December 2023
Financial expenses to related parties		
Akbank T.A.Ş.	4,773	47,138
Interest income from related parties		
Akbank T.A.Ş.	790,758	365,155
Donations		
Sabancı Üniversitesi	2,099	959
Vaksa Hacı Ömer Sabancı Vakfı	36,053	47,692
	38,152	48,651
Executive members' remuneration total;		
	1 January - 31 December 2024	1 January - 31 December 2023
Short-term benefits provided to management	68,026	54,568
Post-employment benefits	6,279	2,005
Other long-term benefits	3,160	1,459
Total benefits	77,465	58,032
Employer's social security premium portion	3,206	2,701

28. The Nature and Level of Risks Arising from Financial Instruments

Financial risk management objectives and policies

The main financial instruments used by the Company are bank loans, financial leases, cash and short-term bank deposits, The main purpose of using these tools is to create financing for the Company's operations, The Company also has financial instruments such as trade receivables and trade payables arising directly from operations,

The risks arising from the instruments used are foreign currency risk, interest risk, credit risk and liquidity risk, Company management manages these risks as stated below, The company also monitors the market risk that may arise from the use of financial instruments,

Foreign currency risk

The Company has a foreign currency risk arising from its transactions, These risks arise from the Company's purchases and sales of goods in currencies other than the valuation currency,

The Company's net foreign currency debt as of 31 December 2024 including derivative receivables, is TRY156,274 and as of 31 December 2023, its net foreign currency receivable is TRY315,902.

Foreign currency position of the Company is as follows:

	Table of foreign currency position					
	Current Period 31 December 2024					
	TRY equivalent (functional currency)	USD	EUR	GBP	AUD	Other
1. Trade receivables	147,824	3,433	727	-	-	-
2a. Monetary financial assets (including cash and bank accounts)	1,003,722	25,020	3,294	-	-	-
Total currency assets (1+2a)	1,151,547	28,453	4,021	-	-	-
3. Trade payables	(1,307,820)	(26,749)	(9,845)	(2)	-	-
4. Financial liabilities	-	-	-	-	-	-
Total foreign currency liabilities	(1,307,820)	(26,749)	(9,845)	(2)	-	-
Net foreign currency position	(156,273)	1,704	(5,824)	(2)	-	-
Total fair value of financial instruments used for currency hedge	-	-	-	-	-	-
Exports (*)	4,428,765	116,545	-	-	-	-
Imports(*)	2,448,650	39,918	24,421	79	75	-

	Table of foreign currency position					
	Current Period 31 December 2023					
	TRY equivalent (functional currency) [* *]	USD	EUR	GBP	SEK	Other
1. Trade receivables	184,191	4,325	7	-	-	-
2a. Monetary financial assets (including cash and bank accounts)	1,044,350	17,737	6,176	-	-	-
Total currency assets (1+2a)	1,228,541	22,062	6,183	-	-	-
3. Trade payables	(1,544,443)	(22,089)	(12,770)	(7)	(64)	-
4. Financial liabilities	-	-	-	-	-	-
Total foreign currency liabilities	(1,544,443)	(22,089)	(12,770)	(7)	(64)	-
Net foreign currency position	(315,902)	(27)	(6,587)	(7)	(64)	-
Total fair value of financial instruments used for currency hedge	-	-	-	-	-	-
Exports (*)	6,116,426	139,509	-	-	-	-
Imports(*)	3,038,548	52,985	16,616	52	-	60

(*) Import and export figures cover the January-December periods of 2024 and 2023 and are shown in 2024 purchasing power.

(**) TRY equivalent values for the 2023 period are shown in 2024 purchasing power.

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28. Nature and Level of Risks Arising from Financial Instruments (Continued)

The following table shows the effect of a 20% depreciation of TRY in the pre-tax profit level:

Foreign currency sensitivity analysis

	31 December 2024 *	
	Profit/ loss	Profit/ loss
	Appreciation of foreign currency	Depreciation of foreign currency
If the US Dollar changes by 20% against TRY:		
1- USD denominated net asset/ liability	12,024	(12,024)
2- USD denominated hedging instruments (-)	-	-
3- Net effect in USD (1+2)	12,024	(12,024)
If the Euro changes 20% against TRY:		
4- EUR denominated net asset/ liability	(42,867)	42,867
5- EUR denominated hedging instruments (-)	-	-
6- Net effect in EUR (4+5)	(42,867)	42,867
Average 20% change in other exchange rates against TRY:		
7- Other foreign currency denominated net assets, liabilities	(18)	18
8- Other foreign currency hedging instruments (-)	-	-
9- Net effect in other foreign currency (7+8)	(18)	18
Total (3+6+9)	(30,861)	30,861

	31 December 2023 * *	
	Profit/ loss	Profit/ loss
	Appreciation of foreign currency	Depreciation of foreign currency
If the US Dollar changes by 20% against TRY:		
1- USD denominated net asset/ liability	(230)	230
2- USD denominated hedging instruments (-)	-	-
3- Net effect in USD (1+2)	(230)	230
If the Euro changes 20% against TRY:		
4- EUR denominated net asset/ liability	(62,069)	62,069
5- EUR denominated hedging instruments (-)	-	-
6- Net effect in EUR (4+5)	(62,069)	62,069
Average 20% change in other exchange rates against TRY:		
7- Other foreign currency denominated net assets, liabilities	(74)	74
8- Other foreign currency hedging instruments (-)	-	-
9- Net effect in other foreign currency (7+8)	(74)	74
Total (3+6+9)	(62,373)	62,373

(*) The change in the exchange rate has no effect on the Company's equity items.

(**) December 31, 2023 values are shown in 2024 purchasing power.

28. Nature and Level of Risks Arising from Financial Instruments (Continued)

Price risk

Price risk is a combination of foreign currency, interest and market risk and is naturally managed by the Company through hedging, by meeting the debts and receivables in the same currency, and interest bearing assets and liabilities. Market risk is closely monitored by the Company through the analysis of market information and appropriate valuation methods.

The Company does not have any variable interest rate financial instruments. Current loans are fixed interest rate.

Credit risk

Credit risk is the risk that the other party will incur financial loss as a result of the failure of one of the parties in a mutual relationship to fulfill its obligations regarding a financial instrument. The Company tries to manage its credit risk by limiting transactions with certain parties and by constantly evaluating the reliability of the parties with which it is in contact. The Company's total credit risk is shown in the balance sheet.

Credit risk concentration is related to the fact that certain companies operate in similar business areas, are located in the same geographical region, or that the changes that may occur in economic, political and other conditions affect the contractual obligations of these companies within the framework of similar economic conditions. Concentration of credit risk indicates the sensitivity of the Company's performance to developments affecting a particular sector or geographic region.

The Company tries to manage its credit risk by spreading its sales activities over a wide area, avoiding unwanted concentration on individuals or companies in a certain sector or region. The company also obtains collateral from its customers when it deems necessary.

31 December 2024	Receivables				
	Trade receivables		Other Receivables		
	Related party	Other party	Related party	Other party	Deposit at banks
Maximum credit risk exposures as of report date (A+B+C+D) (1)	130,044	3,287,535	11,763	109,765	4,450,626
- Guaranteed portion of credit risk by guarantees, etc,	-	3,139,919	11,763	-	-
A. Net book value of financial assets which are not overdue or not impaired (2)	130,044	3,112,712	11,763	109,765	4,450,626
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired (3)	-	10,616	-	-	-
C. Net book value of assets which are overdue but not impaired assets	-	164,207	-	-	-
- Under guarantee	-	141,113	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	43,883	-	-	-
- Impairment (-)	-	(43,883)	-	-	-

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28. Nature and Level of Risks Arising from Financial Instruments (Continued)

31 December 2023	Receivables				
	Trade receivables		Other Receivables		Deposit at banks
	Related party	Other party	Related party	Other party	
Maximum credit risk exposures as of report date (A+B+C+D) (1)	230,664	3,885,259	13,961	191,703	3,742,557
- Guaranteed portion of credit risk by guarantees, etc.	-	3,859,590	13,961	-	-
A. Net book value of financial assets which are not overdue or not impaired (2)	230,664	3,811,552	13,961	191,703	3,742,557
B. Net book value of financial assets that conditions are reassessed and become not overdue or impaired (3)	-	2,977	-	-	-
C. Net book value of assets which are overdue but not impaired assets	-	70,730	-	-	-
- Under guarantee	-	57,709	-	-	-
D. Net book value of impaired assets	-	-	-	-	-
- Overdue (gross book value)	-	86,545	-	-	-
- Impairment (-)	-	(86,545)	-	-	-

(1) When determining the amount, guaranties received and factors increasing the reliability of the loan are not considered.

(2) Guarantees consist of letters of guarantee, guarantee cheques and mortgages taken from customers.

(3) There has been no collection issues related to these customers in the past.

Liquidity risk

Liquidity risk is the risk of not meeting the net funding requirement. Liquidity risk is reduced by balancing cash inflows and outflows with the support of credit limits given by reliable credit institutions.

In the liquidity table, the breakdown of non-derivative financial liabilities according to their maturities is shown by considering the period from the balance sheet date to the maturity date under the written contracts and taking into account the contractual undiscounted cash flows.

The company has no derivative assets or liabilities as of 31 December 2024

31 December 2024

Maturities per agreement	Carrying value	Total cash outflows pursuant to the contract (=I+II+III+IV)				
		Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)	
Non-derivative financial liabilities	6,571,718	7,164,750	4,596,478	1,841,356	236,492	490,424
Bank loans	2,463,696	2,493,189	743,189	1,750,000	-	-
Financial lease liabilities	354,684	848,724	30,452	91,356	236,492	490,424
Trade payables	3,753,338	3,822,837	3,822,837	-	-	-

28. Nature and Level of Risks Arising from Financial Instruments (Continued)

31 December 2023

Maturities per agreement	Carrying value	Total cash outflows pursuant to the contract (=I+II+III+IV)	Less than 3 months (I)	Between 3-12 months (II)	Between 1-5 years (III)	Over 5 years (IV)
Bank loans	2,529,165	2,540,812	759,626	1,781,186	-	-
Financial lease liabilities	392,055	972,534	14,810	73,021	229,401	655,302
Trade payables	4,355,771	4,429,947	4,429,947	-	-	-

Capital management

The Company's objectives when managing capital are to create returns for its shareholders and value for other stakeholders. In addition, the Company aims to maintain its capital structure, which will ensure that the cost of capital is at the lowest level.

In capital management, the company monitors the debt-to-equity ratio in parallel with other companies in the sector, This ratio is found by dividing net debt by total capital.

	31 December 2024	31 December 2023
Total liabilities	7,842,945	8,393,705
Minus: Cash and cash equivalents (Note 4)	4,509,346	3,926,538
Net debt	3,333,599	4,467,167
Total shareholder's equity	20,554,762	19,920,816
Total assets	191,447	191,447
Debt to equity ratio	0.16	0.22

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29. Financial Instruments (Fair Value Disclosures and Disclosures Under Hedge Accounting)

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

It is assumed that the amortized cost and cost value and the fair values of the financial assets and liabilities carried in the balance sheet are close to their carrying values due to the following reasons.

Monetary assets

It is accepted that the fair values of the balances in foreign currency translated with the period-end rates approximate their book values. It is accepted that the fair values of some financial assets shown at cost, including cash and receivables from banks, approximate their book values due to their short-term nature and negligible loss of receivables. The fair values of securities investments have been estimated based on the market prices at the date of the statement of financial position. Trade receivables are valued at their amortized cost using the effective interest method and it is accepted that their carrying values, together with the related doubtful receivables provisions, approximate their fair values.

Fair values of financial liabilities carried at cost or amortized cost in the balance sheet:

Due to the short-term nature of trade payables and other monetary liabilities, their fair values are considered to be close to their carrying values. Bank loans are expressed at discounted cost and transaction costs are added to the initial cost of the loans. Since the interest rates of long-term floating rate bank loans are updated by taking into account the changing market conditions, it is considered that the fair values of these loans represent the value they carry. When the long-term fixed interest bank loans are valued with the fixed interest rate valid as of the balance sheet date, it is seen that the fair value is close to the carrying value. Since the maturities of short-term loans are short, it is assumed that their carrying values reflect their fair values.

Fair value hierarchy table

The Company classifies its financial instruments, which are reflected with their fair values in its financial statements, according to the source of the valuation inputs of each financial instrument class, using a three-level hierarchy as follows.

Level 1:	Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)
Level 2:	Other valuation techniques includes direct or indirect observable inputs
Level 3:	Valuation techniques does not contains observable market inputs

29. Financial Instruments (Fair Value Explanations and Disclosures Within the Framework of Hedge Accounting) (Continued)

Fair value hierarchy table (Continued)

As of 31 December 2024 and 31 December 2023 the Group's assets at fair value and its levels are as follows:

31 December 2024	Level 1 (*)	Level 2	Level 3
a) Assets indicated by fair value			
Financial assets			
Çimsa Çimento Sanayi ve Ticaret A.Ş.	3,956,989	-	-
Arpaş Ambarlı Römorkaj Pilataj Ticaret A.Ş.	-	-	168,195
Liman İşletmeleri ve Nakliyecilik A.Ş.	-	-	95,585
Altaş Ambarlı Liman Tesisleri A.Ş.	-	-	7,640
Ambarlı Kıluzluk AŞ	-	-	3,601
Eterpark Endüstri Ürünleri İmalat Ticaret İthalat İhracat Pazarlama A.Ş.	-	-	-
Total Assets	3,956,989	-	275,021
31 Aralık 2023	Level 1 (*)	Level 2	Level 3
b) Assets indicated by fair value			
Financial assets			
Çimsa Çimento Sanayi ve Ticaret A.Ş.	3,597,021	-	-
Arpaş Ambarlı Römorkaj Pilataj Ticaret A.Ş.	-	-	158,111
Liman İşletmeleri ve Nakliyecilik A.Ş.	-	-	90,094
Altaş Ambarlı Liman Tesisleri A.Ş.	-	-	4,053
Ambarlı Kıluzluk AŞ	-	-	5,386
Eterpark Endüstri Ürünleri İmalat Ticaret İthalat İhracat Pazarlama A.Ş.	-	-	10,560
Total Assets	3,597,021	-	268,204

(*) It is valued at the market prices as of the balance sheet date in the stock market.

In determining the fair value of Arpaş, Ambarlı Kıluzluk, Altaş and Liman İşletmeleri, discounted cash flow ("DCF") and comparable value were applied.

The DCF method estimates the value of a business's equity by subtracting the market value of the debts used to finance its operations from the estimated total value of the business.

The total value of the entity consists of the following basic elements:

The sum of the present value of cash flows from the Company's activities for the estimated period and the value of other non-essential assets and securities.

An estimated "continuing value" that expresses the present value of business attributable to operations after the estimated period.

Cash flow from operations is equal to the difference between cash inflows from operations and cash outflows allocated to pay taxes. Cash outflows should also include working capital and fixed asset investments needed to support the company's strategies. Net cash flow after taxes represents the cash available to pay debts and dividends to shareholders (or to reinvest in the future in the company's operations).

AKÇANSA ÇİMENTO SANAYİ VE TİCARET ANONİM ŞİRKETİ

NOTES TO THE FINANCIAL STATEMENTS FOR

THE YEAR ENDED 31 DECEMBER 2024

(Unless otherwise stated, amounts are expressed in Turkish Lira ("TRY") based on the purchasing power of the thousand Turkish Lira as of 31 December 2024.)

29. Financial Instruments (Fair Value Explanations and Disclosures Within the Framework of Hedge Accounting) (Continued)

Fair value hierarchy table (Continued)

The cash flow from operations is equal to the difference between the cash inflows related to the operations and the cash outflows allocated for the cash taxes payable. Cash outflows should also include the working capital and fixed asset investments necessary to support company strategies. Net cash flow after tax refers to cash available to pay off debt and dividends to shareholders (or to reinvest in the business's operations in the future).

The ongoing value is calculated as follows:

Future cash flows can be considered as a constant growing income (cash flows that continue to increase at the same rate every year forever). The value of such a permanent income (ie the value of the business at the end of the projected period) is calculated by dividing the annual cash flow expected to last indefinitely by the weighted average cost of capital. The continuing value calculated in this way is discounted to the present value using the normal method.

Discount Rate: The discount rate expresses the expected return on investment in a particular business or project. This ratio is applied to the future cash flows of a business or project, taking into account the risk premium expected by investors in addition to the normal return expected from a risk-free investment. The discount rate used in the INA calculations is based on the weighted average cost of capital ("AOSM"). The weighted average cost of capital is the combined rate of return on equity that shareholders expect to achieve and the return on lenders to the company, which is the typical cost of borrowing.

Beta: The beta multiplier indicates the sensitivity of any company's additional returns (returns above risk-free returns) to total additional returns (investment index over Rf) above some market return. Therefore, it is one of the criteria of market risk (systematic risk), which is one of the two components of risk according to capital market theory. Beta multipliers above one indicate higher volatility than the market average. In our study, the beta of the group composed of peer companies was used to calculate the discount rate.

Country Risk Premium: Compared to the developed markets, underdeveloped or developing countries include additional risks that investors should take. Measuring these risks constitutes the risk premium of that country. The most common method used to determine this premium is the calculation of the difference between the government bonds of the country concerned and the government bonds of a developed country.

According to the Adjusted Net Asset Value Method, a company's share value is valued with an asset-based technique that adjusts the book value of the company for unrealized value changes in the company's assets and liabilities.

30. Subsequent Events

None.

AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş.

PROFIT DISTRIBUTION PROPOSAL

AKÇANSA ÇİMENTO SANAYİ VE TİCARET A.Ş. DIVIDEND DISTRIBUTION STATEMENT FOR 2024 (TL)		
1. PAID IN CAPITAL/ISSUED CAPITAL		191.447.068,25
2. Total Legal Reserves (According to Statutory Income Statements)		379.884.517,91
Information on privileges in profit distribution if any in the Articles of Association		None
	CMB Result	Local Tax Result
3. Current period profit	2.525.669.488,00	1.864.997.442,99
4. Taxes payable [-]	-853.162.839,00	-304.892.819,83
5. Net profit [=]	1.672.506.649,00	1.560.104.623,16
6. Previous years losses [-]	0,00	0,00
7. 1 st Legal reserves [-]	0,00	0,00
8. NET DISTRIBUTABLE NET PROFIT FOR THE PERIOD (=)	1.672.506.649,00	1.560.104.623,16
9. Donations made during the year [+]	61.406.290,00	
10. Net Distributable Profit added donations for the calculations of 1 st Reserves	1.733.912.939,00	
11. First dividend to Shareholders	9.572.353,41	
-Cash	9.572.353,41	
-Bonus		
-Total	9.572.353,41	
12. Dividend to privileged shareholders		
13. Dividend to the Board members and Employees		
-BoD		
-Employees		
-Non Shareholders		
14. Dividend to redeemed shareholders		
15. Secondary dividends to shareholders	1.190.427.646,59	
16. Secondary legal reserves	119.042.764,66	
17. Statutory reserves		
18. Special reserves	6.703.414,67	6.703.414,67
19. EXTRAORDINARY RESERVES	346.760.469,67	234.358.443,83
20. Other Distributable Reserves		
-Previous Year Profit		
-Extraordinary reserves		
-Other distributable reserves as per the law and the Articles of Association		

TABLE OF DIVIDEND RATIO					
	TOTAL DISTRIBUTED DIVIEND		TOTAL DISTRIBUTED DIVIEND / NET DISTRIBUTABLE PROFIT FOR THE PERIOD	DIVIDEND CORRESPONDING TO SHARE AMOUNTING TO 1 TL NOMINAL VALUE	
	CASH (TL)	NON CASH (TL)	RATE (%)	TUTARI (TL)	ORANI (%)
BRÜT	1.200.000.000,00	-	71,75%	6,2681	626,81
NET*	1.020.000.000,00	-	60,99%	5,3278	532,78

* The net calculation is made with the assumption that there will be 15% income tax withholding.

According to our financial statements related to the term January 01, 2024 – December 31, 2024; prepared in accordance with the Series II no:14.1 “Communiqué on the Principles of Financial Reporting in Capital Market” of the Capital Markets Board and audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş.; net profit for the period of TL 1,672,506,649.00 has been generated.

As explained at the below profit distribution chart, in accordance with the Article 33 of the Articles of Association and communiqués of Capital Markets Board, TL 1,672,506,649.00 profit calculated for the period of 2024 according to the Capital Markets Board legislation and the remaining net distributable period profit will be distributed according to the below stated table.

First share of profit	TL 9,572,353.41
Second share of profit	TL 1,190,427,646.59
Total gross profit share	TL 1,200,000,000.00
General legal reserve fund (second edition)	TL 119,042,764.66
Special Reserve	TL 6,703,414.67
Excess Reserve Fund	TL 346,760,469.67

Upon the profit distribution to be made according to the above principles, taking into consideration our legal records, prepared according to the Tax Procedure Law, The Board has unanimously decided to;

- Afford the gross share profit of TL 1,200,000,000.00 to be distributed to shareholders from net distributable period profit,
- Spare the TL 6,703,414.67 profit share from subsidiaries sales income related to year 2024 as special reserve to benefit from the corporation tax exempt, stated at Article 5/1 (e) of the Corporation Tax Law, spare TL 234,358,443.83 as excess reserve fund; of the net distributable profit in our legal records,

Thus, the Board has unanimously decided to submit to the approval of the Ordinary General Assembly to be held on March 18, 2025 that total TL 1,200,000,000.00 Profit share for 2024 shall be distributed in cash as of March 24, 2025 to the shareholders representing the capital of 191.447.068,25 TL according to their legal status on the proportion of %626.81 (Gross), %532.78 (Net).

We would like to submit to the approval of the General Assembly.

Best regards,

Board of Directors