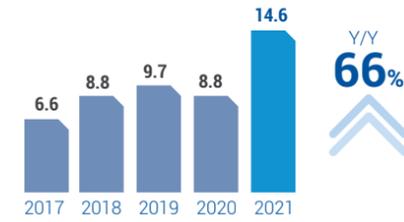
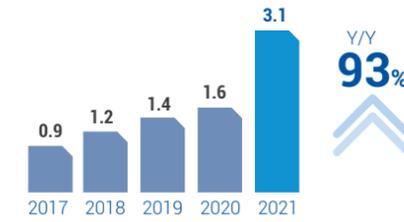


Sabancı Group's Industrials Companies' ability to **act quickly and decisively, both in overcoming challenges and in seizing opportunities**, has been a major factor behind their perpetual success.

Combined Revenue (TL Billion)

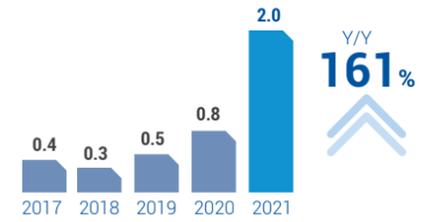


Combined EBITDA* (TL Billion)



*Excluding one-off income/expenses

Combined Net Income* (TL Billion)



*Excluding one-off income/expenses

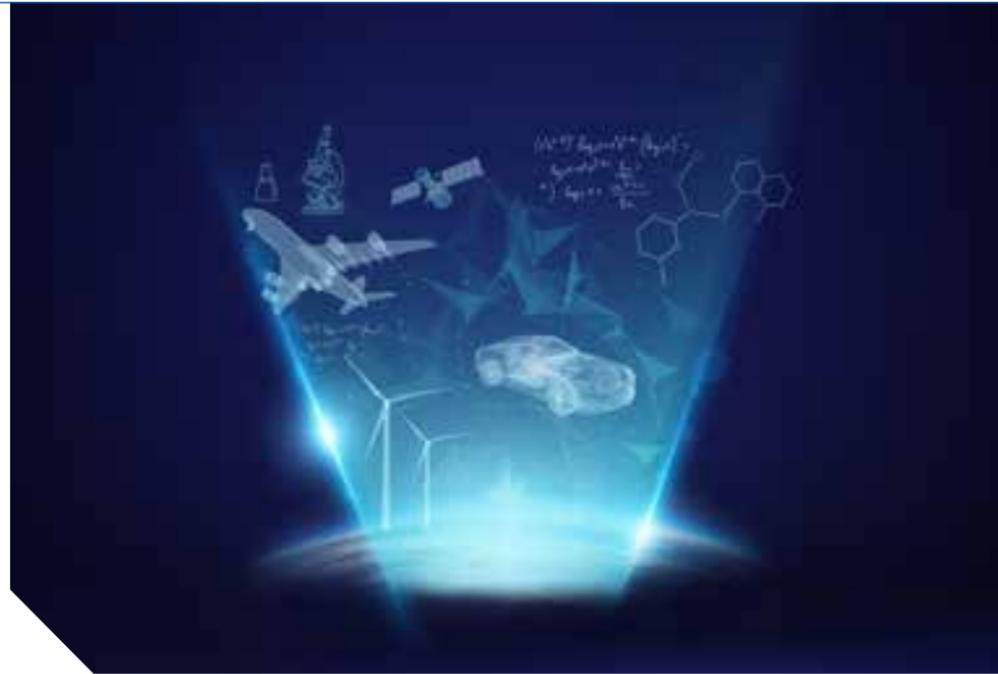


Industrials



Kordsa İzmit Plant

Industrials



Transformation through advanced materials

We continue to extend and transform our reinforcement business to composites and then further advanced materials. This paves the way for expanding wide range of areas from automotive to aerospace and energy storage.

umbrella we restructured our international network and heightened our eBus journey stronger by providing eBuses to Sweden, one of the premium showcase markets. Electric vehicles are going to be the major segment of our product line in coming years. Based on this target, half of our R&D investments are going to be allocated to electrification.

In addition to those, being a part of green transformation, we set out "Sustainable Chemicals" field as a potential mid-long term investment area in our journey of transforming our reinforcement unit to an advanced materials business. This strategy has been detailed through studies carried out by our internal agile teams.

Steering to future with wider customer experience

In Tire Reinforcement, vendor managed inventory were reshaped according to customized needs of customers. This is done through digitalization, yielding increased shipping and supply flexibilities.

In Composites, the demand for transition from traditional materials to composites increases every day. In aerospace industry, for aircraft interior cabin and seats, we offer AX180 Flame retardant epoxy resin instead of phenolic solutions which release harmful gases to human health in production process. In automotive, our KCF650 carbon fabrics provide lightening, hardness and chemical sealing in case of explosion to electric vehicle battery boxes. Besides, in green energy, we supply our Ceramic Matrix Composite (CMC) solutions resistant to 1,000°C temperature for aircraft engine parts and fuel cell technology used in electricity generation with zero emission.

Turning Challenges Into Opportunities

In an unprecedented year which came with unique post-COVID-19 era challenges, we delivered (i) solid financial performance, while overcoming volatilities and supply chain challenges, (ii) gained market share both per customer segments and per strategic mix of our product portfolio, (iii) took fundamental steps towards our strategic focus on Mobility and Advanced Materials.

2021 has been a year of harvesting the benefits of our industrials' strategic operational model, performing with executional depth towards year's challenges and laying strategic foundation towards future.

World trying to pass through COVID-19 pandemic period lived amplified challenges in forecasting demand, balancing supply chains for manufacturing, transforming workspace towards future of work. Our use of advanced analytics and

integrated planning models which have been revamped in previous years with a transformational digital approach has helped us to pass through the supply chain challenges of the year. Our international operation model consisting of manufacturing and service centers in North America, South America, Europe, Asia and Turkey, together with our sales and service centers around the world have paved us the way towards gaining market shares in our tire reinforcement, tire and commercial vehicles business lines. In par with our strategic business model, execution depth at every level has taken our results to an unmatched level.

2021 has also been the year to carry out our strategy of growing Industrials Business Unit. Deep-rooted upon three main themes; (i) sustainability, (ii) wider customer experience and (iii) changing operating models, the strategy aims to grow our industrials' in the direction of an integrated Advanced Materials and Mobility Group.

Globally acclaimed leadership in sustainability

In 2021, our Industrial Group's two companies have taken their sustainability performance to globally acclaimed Leadership-A levels in climate leadership and water management, while our four R&D centers have delivered new sustainable alternative products in their markets and currently keep more than 60% of their current project portfolios in projects addressing to sustainability goals.

The Industrials group expanded its achievements in sustainability and made it recognized in international environmental reporting platforms such as the Carbon Disclosure Project's (CDP) 2021. In this report our two companies achieved to rank among CDP Turkey Climate Change Leaders and CDP Turkey Water Leaders List. Moreover, the long-term emissions targets set were approved by the global

organization of the Science Based Targets Initiative. On top of climate leadership and water management, we are among the "Global Leaders" in the Supplier Communication Rating.

Reinforcement of 1 out of every 3 automobile tires and 2 out of every 3 aircraft tires in the world

In tire reinforcement, we offer products developed with global tire manufacturers, using green technologies which replace traditional chemicals. Aiming to share our inspiration and improve the industry standards, our Cokoon® solutions have been opened to all interested tire builders, with an open patent platform without any charge. In 2021 leading tire manufacturers in the world have become a member of this program.

Our composite products which provide weight reduction compared to metal materials and energy saving, find wide range usage area from aerospace to batteries. While carbon composites are used in structural parts of new

generation A350 and B787 aircrafts, glass and sandwich panel composites are part of interior cabins of airplanes.

In tire business, our sustainability initiatives comply with better energy efficient tire products and manufacturing processes. But, we do not consider product and process improvements enough. We consider ourselves as one of the leaders to turn mobility as a whole experience, more green and sustainable. This is why we extend our investments and offerings into mobility towards electrification and connectivity; hence comes our latest acquisition Arvento Mobile Tracking System Inc. Together with our Otopratik network Arvento will play a key role in our new offerings for fleets, for fuel saving. In the diversity front "Let the Cranes Fly Forever" project continued in 2021, which we started in 2013 with the cooperation of WWF-Turkey (World Wildlife Fund).

In commercial vehicles, under the Sabancı and Skoda Transportation



Mobility Solutions

The timely acquisition of Arvento, ranked as the number one company in "IoT and M2M" out of 500 IT companies in Turkey, added another stronghold for our group. We are going to provide holistic mobility and connectivity solutions with together with Arvento and Otopratik network.

& Brisa gained B2B Web Site Golden Reward in 2021 Marcom Awards, and website for each dealer project was started. In international markets, 3 online technical trainings were given to above 160 participants, an online launch event named "Lassa Digital Premiere" was conducted for new distributors and "Dealer Catch Project" which aims to reach new sales points expanded to 3 countries.

In Commercial Vehicles and Unique Manufacturing Solutions, Agile teams from diversified companies and functions have worked throughout the year around our comprehensive next steps in IoT and started a small entrepreneurial startup at seed level to expand into the IoT universe.

Operational excellence in internal processes is our traditional backbone throughout the group. In the last three years, significant steps have been taken with digitalization in this field. To name a few, over 200 processes within the group are managed with RPAs. These grey collar robots support employees to focus on more value-added jobs and direct innovation by taking over frequently repeated jobs. Besides, with integrating market screening and artificial intelligence, all possible scenarios are conducted quickly starting from demand to all cross function operations. In today's volatile and uncertain environment, it helps us to foresee upcoming challenges and respond quickly to changing needs.

All of our operational changes came true thanks to our human sources. Ingenuity and successes of our 8,925 employees were the main driver of our execution depth. As Industrial group, we share best practices and failure stories across the companies and reward them with the "Reveals" platform since 18 months.

In construction business, with our Kratos brand, we offer innovative solutions by focusing on market needs in concrete reinforcement. We become the solution partner of infrastructure, superstructure and mining projects with environmentally friendly solutions and high-performance products that offer labor, cost and time advantages.

In Tires, Otopratik and Propratik service points increased to 95 in 41 cities, where an extensive customer experience is provided with fast-fit maintenance and eCar charging services. The number of Otopratik and Propratik service points are planned to increase to 150 in 2022. We started to offer the best class high-end privileged services for tires and beyond in our newly opened Bridgestone Performance Center store.

Services to more than half of Turkey's vehicle fleets using telematics

The timely acquisition of Arvento, ranked as the number one company in "IoT and M2M" out of 500 IT companies

in Turkey, added another stronghold for our group in the IoT universe towards providing holistic mobility solutions to our customers.

Manufacturer of Turkey's first electrical bus

In Commercial Vehicles, while strengthening our leadership of the pick-up market with the Mitsubishi vehicles for a 4th consecutive year in Turkey, we have committed our resources to become a hub of electric mobility, including the connected services around it.

We renewed our buses according to customer needs in areas such as ease of maintenance, reliability, safe driving and accessibility. The transition of engine exhaust emission levels to the next level has been completed in line with both European and American regulations. Our first electric bus deliveries were made both in Europe and Turkey. We started to serve to not only Temsa but also other brands in our service points located in Florida,

California and New Jersey. In 2021, we managed to increase our market share to over 10% in the USA with service quality, parts availability and active field support management and aim to further strengthen our presence with new product launches in 2022.

Transformation through digitalization

In 2021, 43% of Sabancı Industrials total revenue comes from international sales from 125 different countries all over the world. With the heritage and power we gain from Turkey, Industrials' group products and services are delivered to all over the world from our facilities in North America, South America, Asia and Turkey.

In tire reinforcement, supply chain vulnerabilities from far East brings us market share in our strategic mix product portfolio.

In composites, while 30% of our business was non-aerospace three years ago, this ratio increased to 53% with diversifying into automotive

and green energy fields in 2021. We developed 9 new product groups at Composite Technologies Center of Excellence (CTCE) with Sabancı University. We applied for 38 patents and protected 11 of our projects as trade secrets at CTCE.

In tires, we continued to create value with 582 sales points in Turkey & 6,000 points all around the world in 87 countries. With both Lassa & Bridgestone brands, served as a powerful business partner for vehicle manufacturers, especially for their premium and electric segment vehicle manufacturing processes. While expansion of Otopratik & Propratik service network solidified the strong position in tire markets with providing wider customer experience, the Industrials also step into the growing IoT universe with the acquisition of Arvento. Digitalization focus played significant roles in strengthen the bond with dealers both in Turkey & all around world. In Turkey, Brisaliyiz.biz platform which acts as a bridge between dealers

Agile Teams

Ingenuity and successes of our human sources were the main driver of our all operational change and execution depth. We encourage all of our employees to be more innovative and entrepreneur. With practicing future of work models, our agile task forces and X-teams study on new strategic areas. We share best practices and failure stories across the companies and reward them with the "Reveals" platform since 18 months.