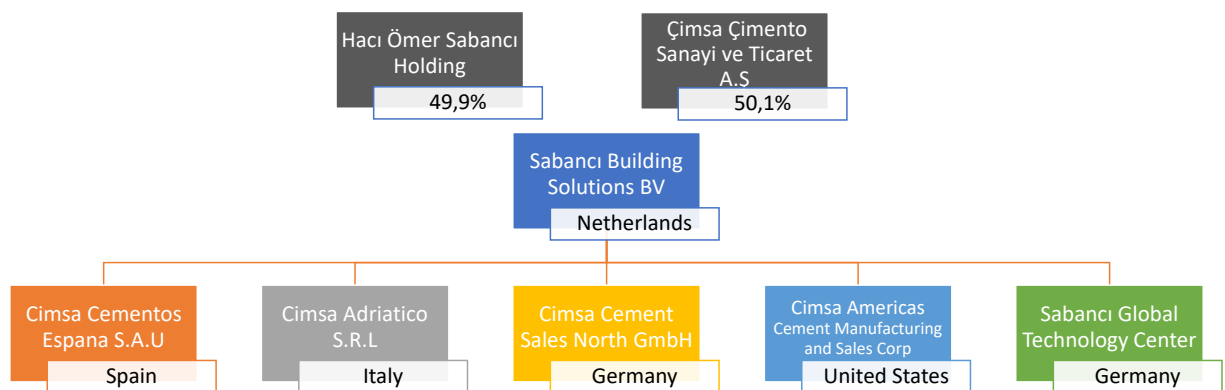


## QUESTIONS REGARDING PARTIAL SALE OF THE SHARES OF SABANCI BUILDING SOLUTIONS BV

### 1- Impact on NAV: What will be the impact of the transfer transaction on Sabancı Holding's net asset value?

The value of SBS BV will increase to USD 265 mn (EUR 250 mn) from current USD 194 mn following Ernst Young valuation. After adjusting with Sabancı Holding's new ownership (49.9%), the value of SBS to Sabancı Holding will reach USD 132 mn from USD 117 mn (with 60% ownership). The transaction will result in USD 26.8 mn (EUR 25 mn) cash inflow to Sabancı Holding.

### 2- Organizational Structure: Could we obtain more information regarding the organizational structure of SBS BV?



You may find subsidiaries of SBS BV established in 2021 with the partnership of 60% Sabancı Holding and 40% Çimsa. Following the share transfer, Çimsa will be the majority partner of SBS BV with 50.1 % shares.

- ➔ *Çimsa Adriatico - With its four 5,000-tonne silos in the Port of Trieste, Çimsa Adriatico S.R.L. serves the Italian market, which is the third largest in Europe after Spain and Germany, with the Çimsa brand.*
- ➔ *Cimsa Cement Sales North GmbH, Cimsa Cement Sales North GmbH has been carrying out white cement and CAC marketing activities in North and West Europe under the Çimsa brand since 2000 with its 9,000-tonne capacity bulk cement silo.*
- ➔ *Cimsa Cementos, Until July 2021, Cementos was an important channel in bringing the white cement and CAC (calcium aluminate cement) from Çimsa's plants in Türkiye to international customers. With the inclusion of the Buñol Plant into the production network, the operational activities grew in Spain. Bringing its products to a wide territory ranging from South America to Africa, Cementos played a major role in the growth in trade volume.*

→ *Cimsa Americas Cement Manufacturing and Sales Corp. (USA) operational since 2017, to produce, sell, and market cement in the United States of America. It began making white cement in November 2019. White clinker, imported from Çimsa Türkiye, is ground in Cimsa Americas' plant in the port of Houston and sold as bulk white cement or in bags according to market and customer demands.*

→ *Sabancı Global Technology Center In line with Sabancı Group's long term strategy to become a leading player in the global building materials trade, it was founded as Sabancı Global Technology Center GmbH (SGTC) in Munich, Germany in October 2022 with Sabancı Building Solutions B.V. as a 100% affiliate. Established in the campus of Munich Technical University, SGTC will undertake research and development in the area of sustainable building materials and studies on innovative technologies.*

**3- Preference for Share Increase:** What is the basis for the preference for a 10.1% share increase on SBS BV, and is there a plan for the repurchase of all shares?

*In 2021, Sabancı Holding decided to establish Sabancı Building Solutions (SBS BV) (former Çimsa Sabancı Cement BV) with the aim of uniting all international building materials operations under one roof through the amalgamation of its financial strength with Çimsa's operational strength. During that period, Çimsa transferred its white cement assets to SBS BV in accordance with the valuation reports prepared in 2021. Given the strengthened balance sheet and leverage ratio of Çimsa in recent years and the consideration of future investment strategies, the transfer of control of SBS BV to Çimsa has been considered. Thus, Çimsa will directly consolidate its investments in new generation building materials, especially the global white cement trade operation gathered under SBS. Transferred 10.1% share ratio of SBS BV determined based on the current and forecasted debt ratio and cash flows and to ensure majority of shares are hold by Çimsa. It may be subject to adjustment in the future considering the growth plans, debt ratio and cash flows for the upcoming periods.*

**4- Determination of Transaction Price:** How was the price for the transfer transaction determined and according to which criteria?

*The valuation of the SBS BV to be transferred has been completed by Ernst Young Kurumsal Finansman Danışmanlık A.Ş.. The valuation took into account the future cash flows of SBS BV and its consolidated subsidiaries bu discounted cash flow method. Transaction price determined based on independent valuation reports.*

**5- Sources of Financing:** How will Çimsa finance the transfer amount?

*The 10.1% share transfer of SBS BV amount of 25,280,098 MEUR has been determined for financing from Çimsa's existing cash resources,the transfer will not create additional indebtedness.*

**6- Financial Reporting:** How will SBS BV be consolidated in the 3rd quarter financial reports, and what is the financial impact of this transaction?

*SBS BV is already consolidated into Çimsa Cement's financials using the Equity Method. There will be no change in the consolidation method as of the closing date of the 3rd quarter financial statements. However, from the date the transaction is completed and control is transferred to Çimsa, full consolidation will be applied. Additionally, as Sabancı Holding is the ultimate controlling*

shareholder for Çimsa Cement, both companies will be subject to "Common Control Business Combination." Adjustments and changes required in the financial statements will be disclosed in the year-end financials for 2023.

**7- Indebtedness and Its Effects:** How will the consolidation of SBS BV affect Çimsa's indebtedness? The 10.1% share transfer of SBS BV, will not incur additional borrowing. Consolidated debt will be calculated with current debt and cash of Çimsa and SBS BV. Recalculated debt is expected to be lower than Çimsa's average debt of prior periods..

**8- Contribution to Financial Performance:** How will the consolidation of SBS BV affect the financial performance of Çimsa?

Currently, 40% of SBS BV is evaluated as equity-method investments within Çimsa's financial statements. Its contribution to consolidated financials is already presented in the financial statements for June 2023. It is expected to have a positive impact on Çimsa's consolidated financial results in the future when the company's financial performance of current operations, cash flows and future investment strategy are considered together.

**9- Dividend Expectation:** How will this transaction affect Çimsa's dividend capacity?

Çimsa's dividend policy aims to maximize value for all stakeholders based on distributable net profit and investment projections. While the share transfer will not have any adverse effect on Çimsa's dividend capacity, it is expected to increase Çimsa's distributable profit base with the profitability of SBS BV's existing and new investments. Çimsa will continue to distribute sustainable dividends to its shareholders with its increasing profitability and strong financial structure.

**10- Strategic Significance:** The companies under SBS BV were acquired from Çimsa in 2021. With this transaction, essentially, these same companies will be resold to Çimsa. How should we interpret this transaction in terms of Çimsa's strategy? What are the advantages?

*In line with Sabancı Group's objective to become a leading player in global construction materials trade, through the amalgamation of Çimsa's operational capabilities and Sabancı Holding's financial strength, international building materials operations united under one roof. To benefit from organic and inorganic growth opportunities abroad, capital of SBS BV that founded in 2020 with 87 million Euros, increased to 187 million Euros in October 2022. Although Sabancı Holding's financial support was needed at the establishment period of SBS, to realize subjected growth investments, today financial need gradually decreased*

*Considering Çimsa's strong financial performance and low debt in the past period, consolidating the international operations of building materials as well as domestic operations under Çimsa will provide simplification and managerial convenience. In addition, it will ensure that all domestic and international production and sales operations are consolidated within Çimsa financials and financial performance is presented holistically. When the efficient execution of the future strategy and a strong balance sheet are considered together, share transfer of SBS BV create added value for stakeholders.*