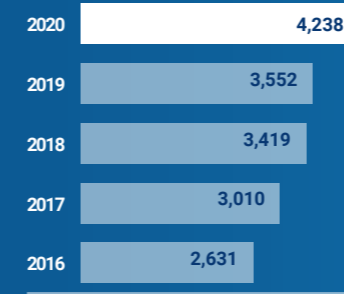


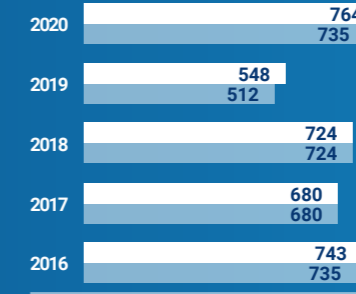
Building Materials

Turkey's cement giants Akçansa and Çimsa focused on creating value to the environment, society and the national economy while carrying out their activities in 2020.

Combined Net Sales (TL Million)

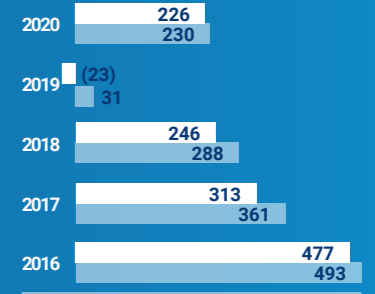


Combined EBITDA (TL Million)



■ EBITDA ■ EBITDA⁽¹⁾
⁽¹⁾ Excluding one-off income/expenses

Combined Net Income (TL Million)



■ NET INCOME ■ NET INCOME⁽¹⁾
⁽¹⁾ Excluding one-off income/expenses

DEVELOPMENTS IN 2020



Strong export performance

With logistics advantage and effective port management, Akçansa demonstrated a successful export performance in 2020.

Leading supplier of the US market

With the export of special cement produced at the Çanakkale Plant, Akçansa is the leading supplier of the US market.

For a livable world

Reducing its carbon footprint with various practices in production for a livable world, Akçansa continues to reduce its environmental footprint with the use of low clinker cement and higher mineral additives.

DEVELOPMENTS IN 2020



New expansions

In 2020, it was decided to establish a company with the title "Çimsa Sabancı Cement BV" in the Netherlands. Sabancı Holding owns 60% and Çimsa owns 40% share in the company.

Pioneering investments

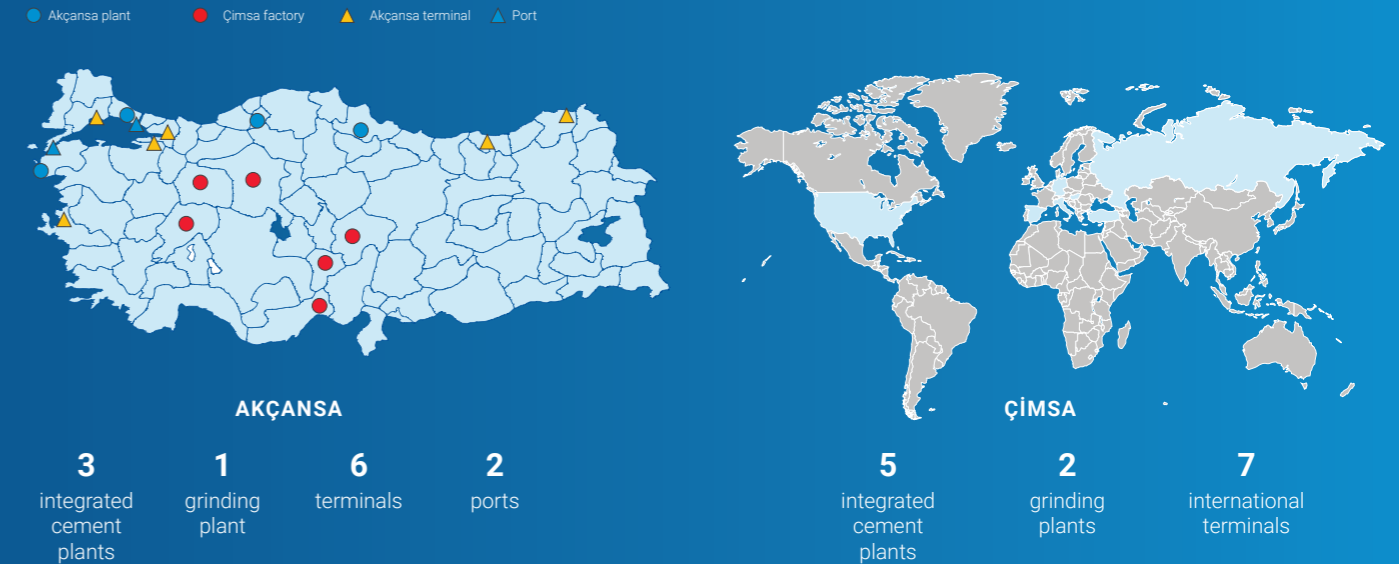
Established by Sabancı Holding and Çimsa, Çimsa Sabancı Cement BV made an important investment with the acquisition of Buñol Plant located in Valencia/Spain for USD 154.5 million.

First cement company to be admitted to Turquality

Turquality is the first and most comprehensive government-sponsored brand development program globally. In 2020, Çimsa made a significant achievement by becoming the first cement company to be admitted to the Turquality program.

Building Materials

In 2020, Building Materials companies contributed to the national economy with a combined export volume of TL 2 billion.



Developments in 2020

Overseas Organization

In line with the long-term strategy of Sabancı Group to become a leading global player in the white cement trade, Çimsa Sabancı Cement BV was established by combining financial power with operational competence. Çimsa Sabancı Cement BV is a productive and financially sound platform operating overseas.

Flexible Business Model During the Pandemic

Akçansa and Çimsa met the demands in the domestic market and export by continuing production at full capacity with flexible business models despite the impact of the pandemic in 2020. Exporting to 17 countries in 4 continents from 3 ports at a record level, Akçansa achieved great success by reaching the highest monthly export volume in the Turkish cement industry's history.

Technology-Oriented and Sustainable Production

Focusing on smart plant systems, data analytics and energy efficiency with the digital strategies they have developed, Akçansa and Çimsa produced greener products by increasing the use of waste as an alternative fuel source.



Priorities in 2020

Industry and Sabancı Building Materials Group companies

Turkish cement industry ranks first in Europe with 55 integrated production facilities, 22 grinding plants and a total annual production capacity of 100 million tons. With the recovery in the domestic market in 2020 after the contractions in 2018 and 2019, there has been an increase in the export volume of the Turkish cement industry.

Akçansa and Çimsa represent 16% of total Turkish clinker capacity

Akçansa produces cement and ready-mixed concrete in the Marmara, Aegean and the Black Sea regions. Akçansa operates 6 cement terminals in Ambarlı, Aliağa, Yalova, Derince, Trabzon and

Marmara Ereğlisi in addition to Istanbul, Çanakkale and Ladik plants. Operating in the Marmara, Aegean and Black Sea regions of Turkey, Akçansa produces ready mix concrete at 26 ready mix concrete plants under the "Betonasa" brand and aggregate in the Saray, Kemerburgaz, Samsun and Bursa aggregate quarries under the "Agregasa" brand. Also, Karçimsa Cement Grinding and Packaging Facility has been established with the partnership of 51% Akçansa and 49% Karabük Demir Çelik İşletmeleri.

Çimsa operates in the cement and building materials industry with integrated plants in Kayseri, Mersin, Eskişehir, Niğde and Afyonkarahisar; two grinding plants in Houston/USA and Ankara; 21 ready mix concrete facilities and international cement terminals.

Focusing on sustainable production in 2020, Building Materials Group companies continued to create value to their stakeholders.

2020 Performance

In 2020, Building Materials companies contributed to the national economy with a combined export volume of TL 2 billion.

Exceeding its record in the history of the Turkish cement industry, Akçansa reached an export amount of 4.1 tons in 2020 thanks to the logistical advantage provided by Çanakkale and Ambarlı ports. Operating in important export markets with its effective port management and long-term customer portfolio, Akçansa's export revenue rose by 26% compared to the previous year.

A world-renowned brand in white cement, Çimsa maintained its contributions to the Turkish economy in 2020. Via its seven terminals and one grinding plant abroad, Çimsa exports white cement and specialized products to more than 65 countries - especially in the Middle East, Europe, North Africa and North America. With the logistical advantage of its Mersin Plant, Çimsa increased its export revenue in 2020 compared to the previous year.

Operating at full capacity thanks to domestic and international sales, the sales income of the companies rose over



the prior year. Despite the rising energy costs due to the exchange rates, Building Materials Group companies managed to make a difference in the industry with the improvements in fuel and raw material usage recipes while making use of the advantages of their logistics networks.

With Buñol Plant joining the production and distribution network, Building Materials Group aims to establish a sound export network in North Africa and South America markets as well as Europe by having a say in a wider geography. With a 40% increase in production capacity thanks to this investment, it is expected that the group will rise to the leading position in the global white cement trade.

In 2020, the highest alternative fuel usage rate has been achieved

With an alternative fuel use of 19% in Akçansa and 7% in Çimsa (including Afyon factory), the Group reached the highest level in its history in the use of alternative fuel. Akçansa Büyükçekmece plant is positioned as the solution partner of Istanbul's waste issue. By using most of the dried sludge from the treatment plants of İSKİ in Istanbul and the fluid waste from ships in the Sea of Marmara with the collaboration of İSTAÇ as fuel in the Büyükçekmece plant, energy recovery is provided. At the Sabancı Golden Collar Awards, Akçansa received the first prize in the Lean Transformation category with its Alternative Fuel Project.

Building Materials

Achieving a first in Turkey, Betonsa monitors the quality of concrete instantly and remotely. Betonsa continues to lead the sector in digitalization and innovation with its Smart Concrete product.

Akçansa is the strategic solution partner in 1915 Çanakkale Bridge

Akçansa is among the suppliers of 1915 Çanakkale Bridge, which will be the "World's largest suspension bridge with a span." After the completion of the tower constructions, the construction of the concrete structures on the approach viaducts continued in 2020. A total of 480 thousand cubic meters of concrete was used in the project, including the construction of the approach viaduct decks. 1915 Çanakkale Bridge Project is an exemplary project with innovative product studies and zero-error project management while leaving a legacy to the generations to come.

Digitalization, Technology and Investments

Pioneer in technology-oriented and innovative production

By breaking new ground in the sector as a result of long-term R&D studies, Akçansa digitalized the traditional sampling management and launched the Smart Concrete product. The quality of the concrete is measured with digital sensors placed inside the concrete. As the first concrete company to prove the sustainability of its quality and share it with its customers thanks to the technological infrastructure provided by Vodafone Business, Betonsa controls the quality of the concrete used in its projects remotely with the application installed on customers' mobile devices.

Building Materials companies created a cloud infrastructure to develop projects with big data, within the scope of the Advanced Data Analytics program



As the leading building materials companies in Turkey, Akçansa and Çimsa continue to invest by prioritizing sustainability and technology.



commenced with SabancıDx. The company developed a machine learning initiative to reduce electricity consumption in kiln, cement and raw meal mills.

Focusing on Industry 4.0 projects by prioritizing smart factory systems, data analytics and efficiency in line with its digital strategies, Çimsa's R&D Center Formula Center continues its activities inside the Mersin Plant as a global solution center for the needs of cement users.

The production of "Duro," which is the most recently developed product in the Formula Center, is only carried out by Çimsa in Turkey. With a low melting point,

Duro helps to clean steel melts at 1,375°C and does not include fluorine. Duro was offered to the iron and steel industry as an environmentally-friendly material.

Another project of Çimsa, "Forge" became one of 8 projects supported by the EU Commission within the scope of "nanotechnology, advanced materials, biotechnology, advanced manufacturing and processing technologies" areas under TÜBİTAK Horizon 2020 Program's Industrial Leadership and Competitiveness category.



Reduction in environmental impact with 1803 Concrete product

55%

Completing the environmental product declaration process conducted by Global Cement and Concrete Association for its ready mix concrete products, Akçansa became the first company to obtain this certificate.

People and Sustainability

Sustainability

In line with the solution-oriented strategy adopted in the field of climate change at Akçansa and Çimsa; environmental and economically effective solutions such as alternative fuel and raw material use are implemented in addition to energy efficiency and emission reduction practices.

As a result of studies conducted with a sustainable product focus, Akçansa used recycled alternative raw materials in the 1803 Concrete product, which was developed especially for 1915 Çanakkale Bridge and possesses superior performance characteristics. Compared to traditional concrete, the product's environmental impact is 55% lower. Akçansa became the first in Turkey and the sixth in the world to receive the "Responsible Use of Resources Certificate - Gold Level" from the International Concrete Sustainability Council (CSC). Therefore, Akçansa was able to improve its image in the eyes of export customers.

Pioneering the industry in the adoption of sustainable and responsible business models, Akçansa completed the environmental product declaration process of the Global Cement and Concrete Association for its ready mix concrete products, becoming the first ready mix concrete manufacturer to obtain this certificate.



Building Materials

Çimsa is focused on creating value to the environment, society and the national economy within the scope of its sustainability studies.

Çimsa is focused on creating value to the environment, society and the national economy within the scope of its sustainability studies. While carrying out the investments, designing the product and service development applications, social and environmental factors are taken into consideration. With its waste policy, Çimsa aims to contribute to a clean environment, to provide value to its main areas of activity, and to protect the health of its stakeholders by managing the disposal of wastes in a modern method.

Gold standard in employee management and development

Akçansa's human resources practices were awarded the Gold Standard by Investors in People (IIP), making it the first company to receive a certificate in the 6th generation. With the Gender Equality policy it has published, Akçansa contributes to the combat against all kinds of discrimination and providing equal opportunities in an inclusive environment. Believing that domestic violence can only be prevented through social gender equality, Akçansa became one of the 12 founders of the "Business Against Domestic Violence, BADV" project, launched by Sabancı University with the support of the United Nations Population Fund (UNFPA).

Corporate social responsibility

Reaching over 35 thousand students, teachers and parents for the last 4 years, Akçansa's mobile education program conducted within the scope of "My Neighborhood" went digital due to the disruption of education during the pandemic, the increased free time of



Reaching over 35 thousand students, teachers and parents for the last 4 years, Akçansa's mobile education program conducted within the scope of "My Neighborhood" went digital.



students and their changed habits. Going digital in order to create a solution to the problems experienced and to ensure that students spend their time well, "My Neighborhood" project continued to contribute to the education of children with the support of TOÇEV's expert instructors. Akçansa's graffiti mixer set on a journey to wander around the villages in Turkey and distributed boots, coats and toys to children in need.

On the other hand, Çimsa executes social responsibility projects with its sustainability approach focused on creating value for the society and defines education as one of the areas that need corporate support and contribution and prioritizes projects that support children.

With the Yaz Çocukları project, which has been ongoing for nine years, Çimsa contributes to the children who live in rural areas to have a desire to succeed, to

The priorities of Building Materials Group companies in 2021 are to realize their high-added value digital transformation projects and to increase the use of alternative fuel.

develop teamwork and cooperation, while aiming to support their emotional, social and physical development. The project started in 2011 with the participation of the children of Çimsa Niğde Plant employees.

Additionally, Çimsa has made a collaboration with the Mersin Metropolitan Municipality within the scope of the Disability Awareness Week for six years, contributing to the supply of battery-powered wheelchairs for disabled people. In the project, 241 battery-powered wheelchairs have been delivered to those in need.

2021 Priorities and Industry Strategy

With the recovery started in the domestic market in 2020, Akçansa and Çimsa met the domestic demand and worked full capacity while maintaining its export volume. The priorities of the Building Materials Group companies in 2021 are to realize their high-added value digital transformation projects and to increase the use of alternative fuel. In this context, studies involving smart factory systems and cloud solutions are progressing at full speed to increase production and efficiency in energy usage. The Buñol Plant, which is a leading global white cement production facility, will be integrated into the Building Materials network.

AKÇANSA

Area of activity

Grey cement and clinker production, ready mix concrete

Countries of activity

Turkey

Cement and clinker plants

3 integrated plants (Istanbul - Büyükçekmece, Çanakkale and Samsun - Ladik)

Terminals

6 Terminals (Istanbul-Ambarlı, Izmir- Aliağa, Yalova, Trabzon, Derince and Marmara Ereğlisi)

Total capacity

9.2 million tons/year cement

Ready mix concrete and aggregate plants

25 concrete plants and 2 aggregate quarries

Number of employees

1,009

Sabancı Holding share

39.7%

Website

www.akcansa.com.tr

According to data as of 31.12.2020.

ÇİMSA

Area of activity

Grey and white cement and clinker production, calcium aluminate cement production, ready mix concrete

Countries of activity

Turkey, Germany, USA, Italy, Spain, Russia, Romania and TRNC

Cement plants

5 integrated plants (Mersin, Eskişehir, Kayseri, Niğde and Afyonkarahisar), 1 overseas grinding plant (Houston/USA), 1 domestic grinding plant (Ankara), 7 International terminals (Hamburg/Germany, Trieste/Italy, Seville and Alicante/Spain, Famagusta-TRNC, Constanta-Romania and Novorossiysk-Russia)

Ready mix concrete plants

21 concrete plants

Total capacity

5.2 million tons/year grey cement, 1.7 million tons/year white cement

Number of employees

1,100

Sabancı Holding share

54.54%

Website

www.cimsa.com.tr

According to data as of 31.12.2020.