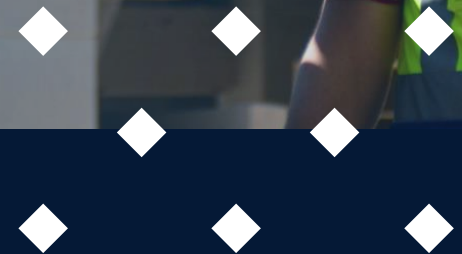


Limak Cement
Now, must say new things

Investor Presentation

SEPTEMBER 2024



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Company Overview



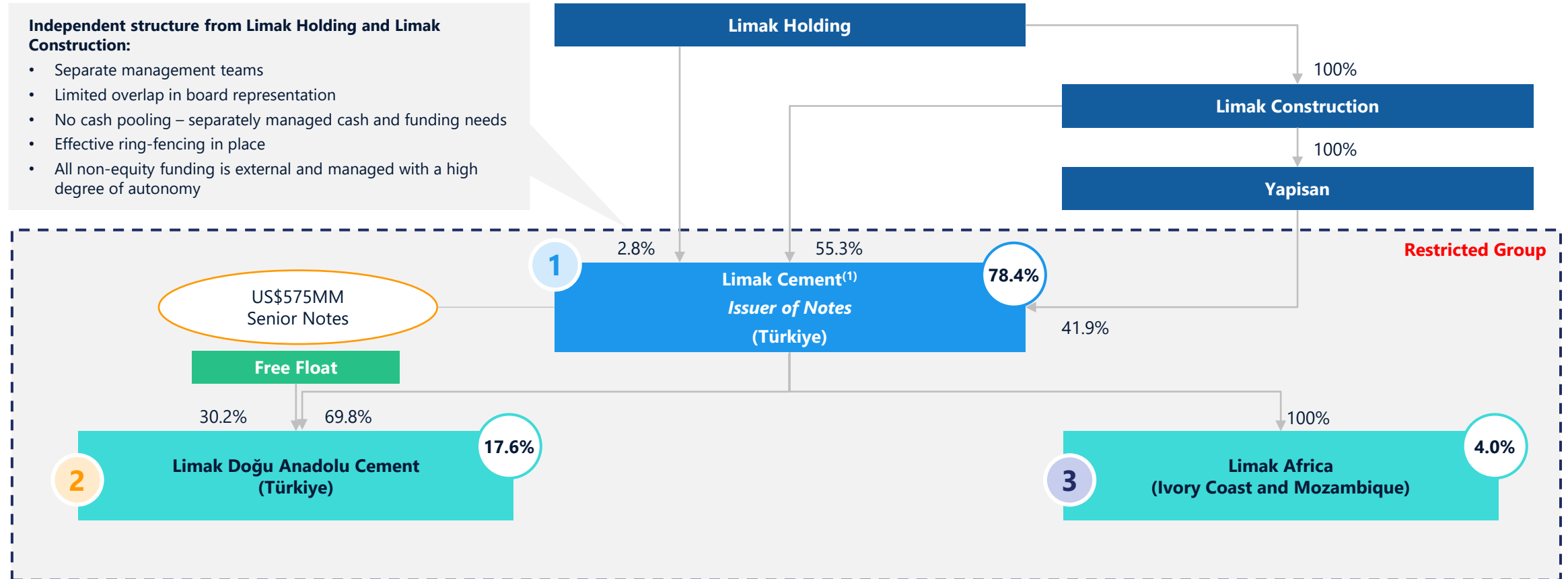
Transaction Overview

Uses	Planned US\$MM	Realized US\$MM
Repayment of Existing Finance Facilities in Full	512.4	512.6
Prepayment Fees / Accrued Interest	20.0	17.9
USD Bond-Related Transaction Cost	10.2	10.4
General Corporate Purposes	32.4	34.1
Total Uses	575.0	575.0
Consolidated Cash Balance as of Sep 15th		70.0

Corporate and Financing Structure

Independent structure from Limak Holding and Limak Construction:

- Separate management teams
- Limited overlap in board representation
- No cash pooling – separately managed cash and funding needs
- Effective ring-fencing in place
- All non-equity funding is external and managed with a high degree of autonomy



- 1 **Limak Cement generates 75%+ of EBITDA in the group⁽²⁾**
- 2 **Limak Doğu holds no bank loans; entity free to distribute any dividends**
- 3 **No debt in Limak Mozambique entity; loan at Ivory Coast entity has been closed with proceeds from the issuance – no dividend hindrance in the future**

■ Issuer
■ Restricted Subsidiaries
⊗ % of LTM Jun-24 EBITDA per management accounts

Source: Company information

Notes:

1. Beyond Limak Doğu Anadolu Cement, Limak Africa SA, and Limak Cimentos SA, Limak Cement has 3 other subsidiaries – (1) Limak Cement FZE (100% ownership) – Dubai-based trading unit of Limak Cement, (2) Muğla Yapı (50% ownership), and (3) Limak Ege Cement (100% ownership)
2. As of LTM Jun-24 per management accounts

Limak Cement at a Glance

Limak Cement
Now, must say new things



Market-leading cement producer, operating 11 cement factories and 28 ready-mix concrete plants⁽¹⁾, making it **the second-largest cement manufacturer in Türkiye** in terms of capacity



Strong global footprint, operating sites in Türkiye, Ivory Coast and Mozambique and **exporting to 15 countries** across 4 continents



Proven and resilient business model underpinned by **close proximity to customers and raw materials, strong operational performance**, and **high flexibility** to shift sales between the domestic and export markets **enabling high utilization rates**



Leader in R&D and sustainability in the industry, operating an **internationally accredited R&D Center** focused on **low-carbon and sustainable new-generation cement and concrete** product developments



ESG leader with strong commitment to green transition, targeting **net zero by 2050**

11
Cement
Factories



28
Ready-mix
Concrete
Plants⁽¹⁾



~1,900
Employees



#2
In Turkish
Cement Sector⁽²⁾



10MM
Tons of Clinker
Production
Capacity



17MM
Tons of Cement
Production
Capacity



Our History



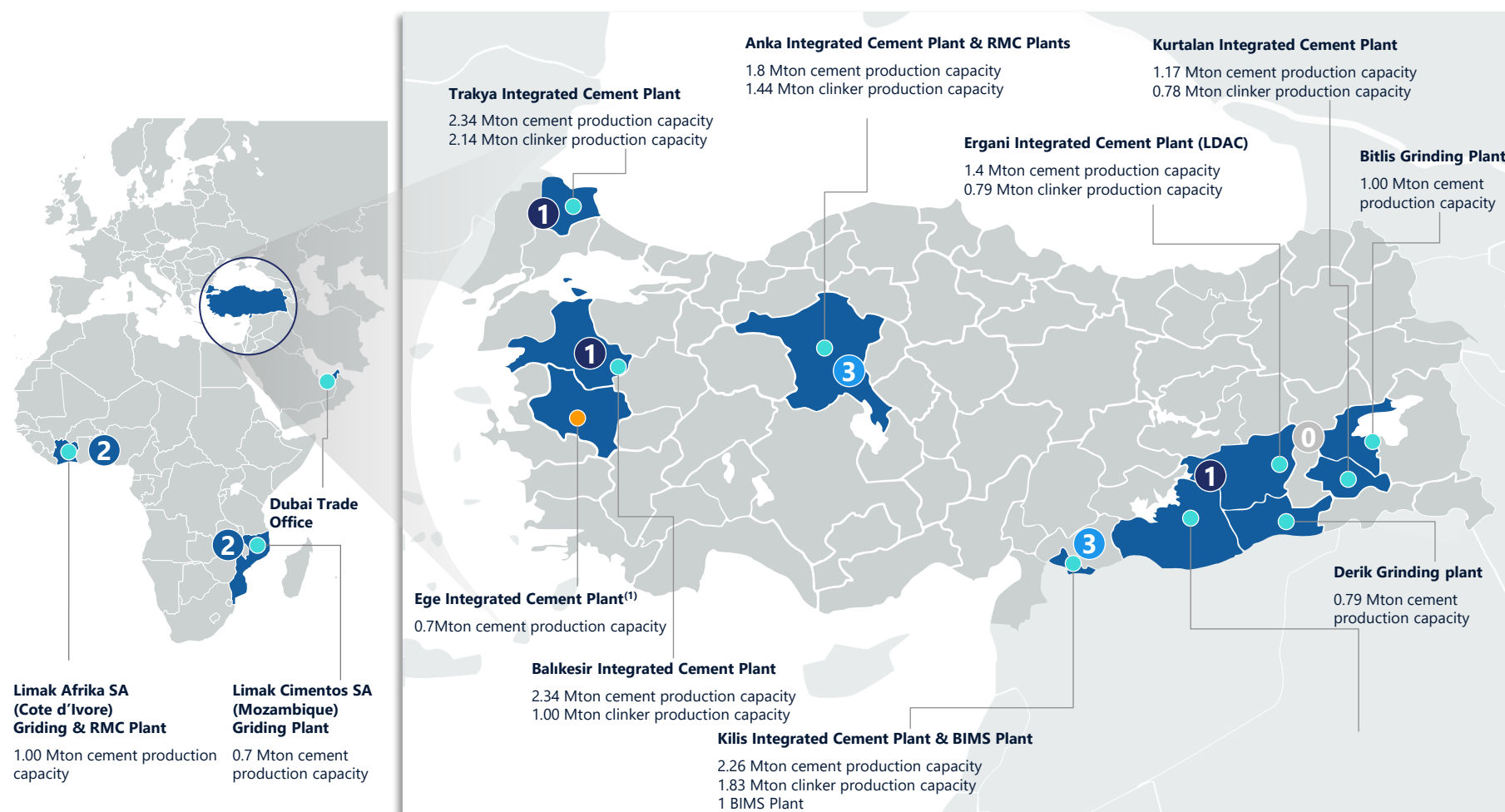
Source: Company information

Notes:

1. Out of 28 ready-mix concrete plants, 14 are owned by Limak Cement and the remaining 14 are franchises
2. Based on capacity

Strategically-Located Footprint in Türkiye, Complemented by Sites in Ivory Coast & Mozambique

Limak Cement
Now, must say new things



Source: Company information

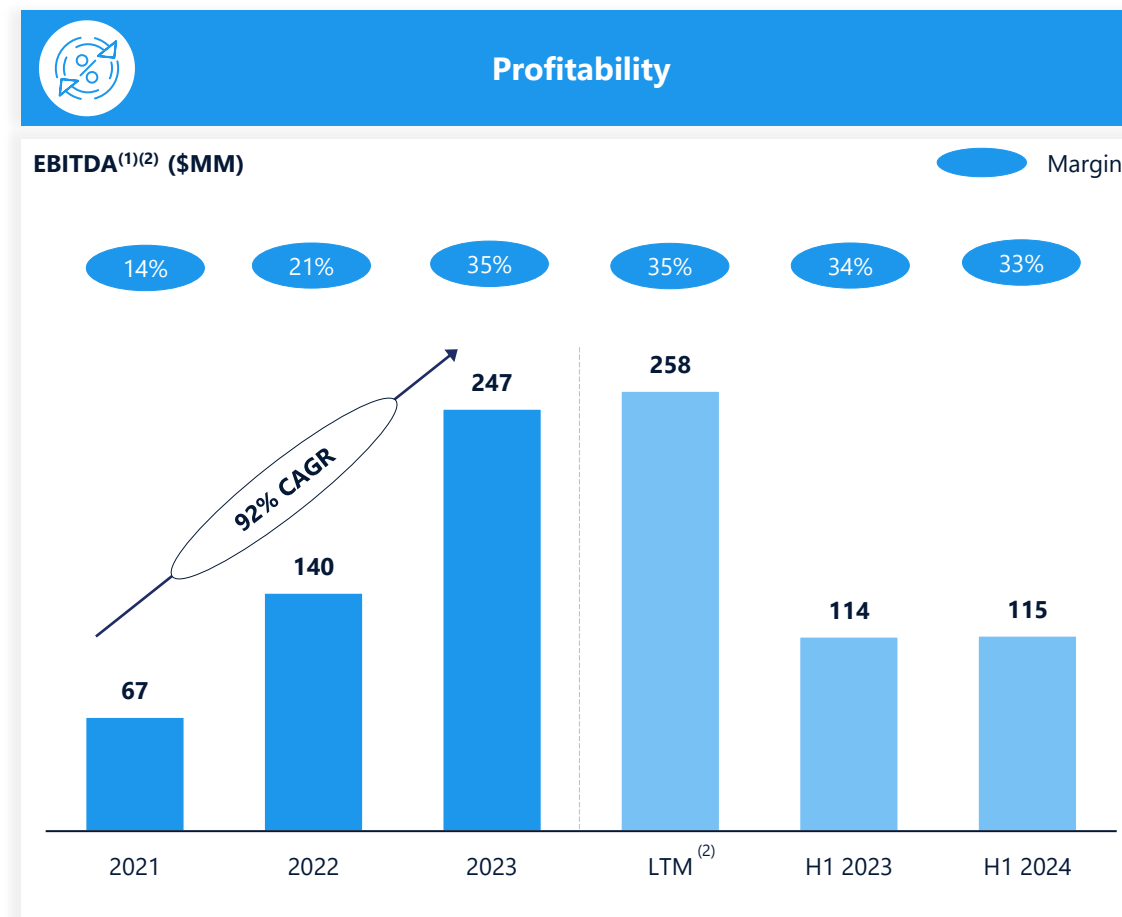
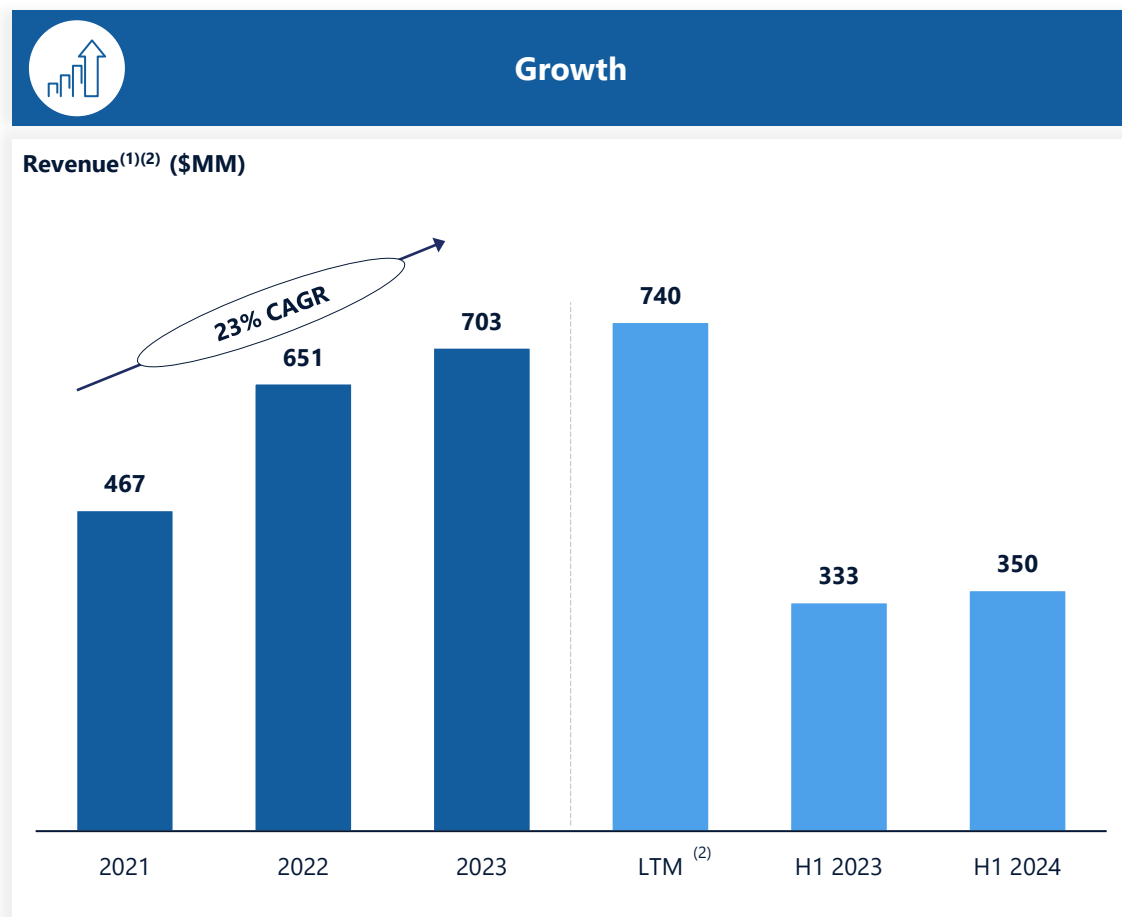
Notes:

1. Owned by Limak Cement but leased to and operated by third party

Outstanding Financial Performance with Clear Value Creation Path Ahead

Limak Cement
Now, must say new things

Consolidated



Source: Company information

Notes:

1. FY figures are based on 2023 IFRS accounts converted into USD using Dec-23 Period-end. The rest of the figures are based on management accounts converted into USD using monthly USD rates.
2. LTM as of Jun-24 per management accounts

Outstanding Financial Performance with Clear Value Creation Path Ahead

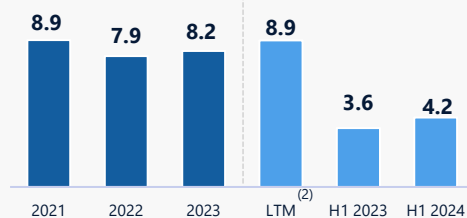
Limak Cement
Now, must say new things

Operations in Türkiye

Türkiye Operations Cement Production

mton

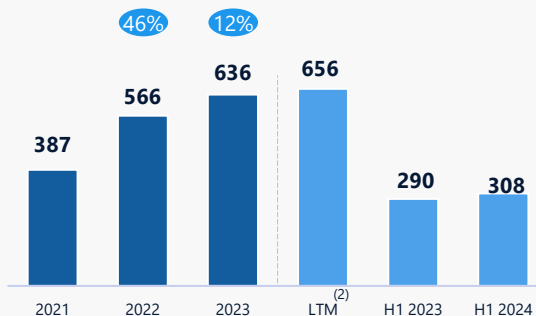
Production decreased in line with c. 10% cement market drop in Türkiye in 2022, due to significant reduction in housing loans in 2021



Türkiye Operations Revenue

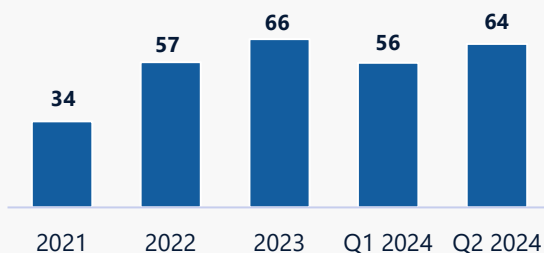
\$MM⁽¹⁾

Y-o-Y Growth (%)



Türkiye Average Cement Prices

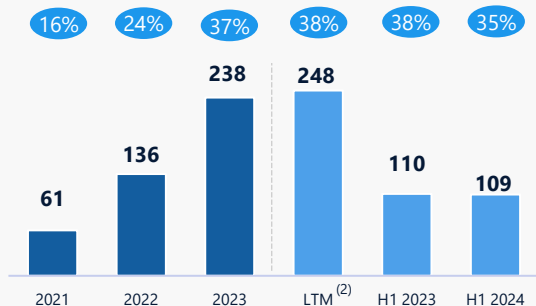
\$/ton



Türkiye Operations EBITDA

\$MM⁽¹⁾

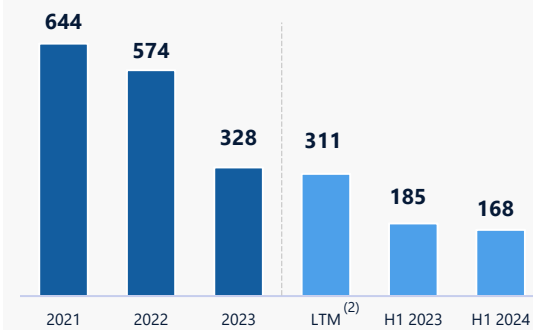
EBITDA Margin (%)



Operations in Africa

Ivory Coast Cement Production

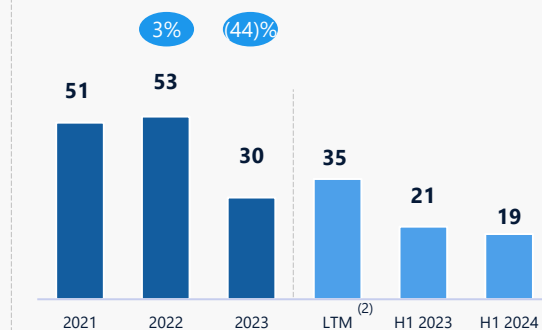
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Ivory Coast Revenues

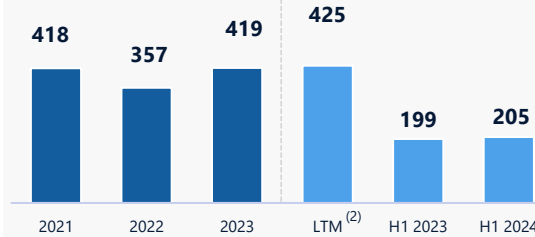
\$MM⁽¹⁾

Y-o-Y Growth (%)



Mozambique Cement Production

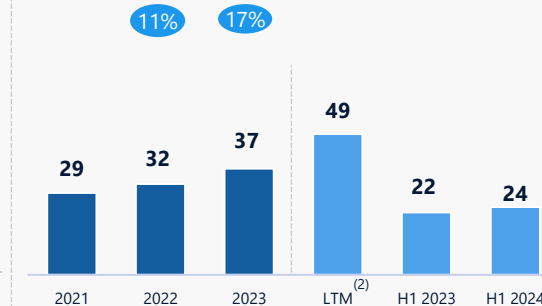
kton



Mozambique Revenues

\$MM⁽¹⁾

Y-o-Y Growth (%)



Source: Company information

Notes:

1. FY figures are based on 2023 IFRS accounts converted into USD using Dec-23 Period-end. The rest of the figures are based on management account converted into USD using monthly USD rates.
2. LTM as of Jun-24 per management accounts

Sustainability



Latest on our Sustainability pathway

- We have taken concrete steps to commit to our 2050 Net-Zero target through **Science Based Targets Initiative (SBTi)**. We have submitted our targets to the organization, and we are expecting to finalize our validation by the end of Q1 2025.



SCIENCE
BASED
TARGETS

COMPANY/FINANCIAL INSTITUTION	TARGETS			ORGANIZATION TYPE
	NEAR TERM	LONG TERM	NET-ZERO	
Limak Çimento San. ve Tic. A.Ş. Turkey, Europe	COMMITTED	-	COMMITTED	Company

- We are collaborating with the world’s leading ESG rating institutions. We have initiated correspondence with **Sustainable Fitch** and we expect to obtain our **ESG Score** by the end of Q1 2025.



- We are currently in the process of reporting data to **Carbon Disclosure Project (CDP)** in order to be scored for 2024. We have been scored by this platform since 2022.

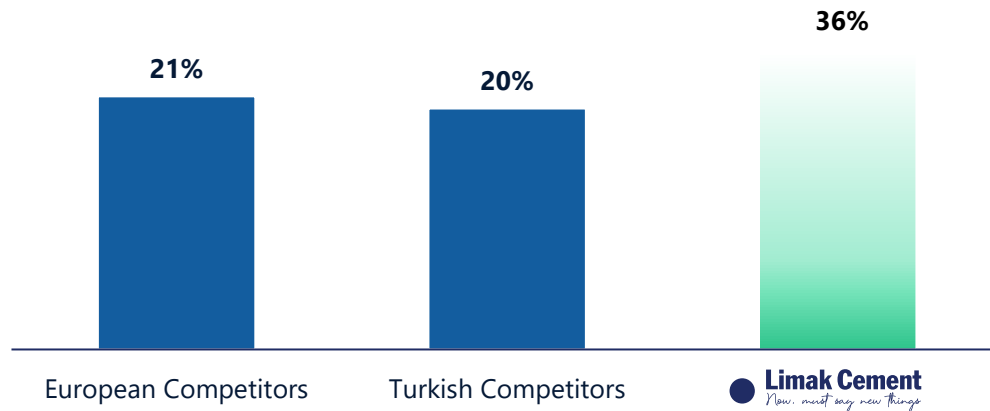


- As Limak Cement, we are also preparing to publish our **Sustainability Report** of 2023 by the end of this year. **Limak Cement Sustainability Report** is planned to be published each year, regularly.

Strong Commitment to Green Transition

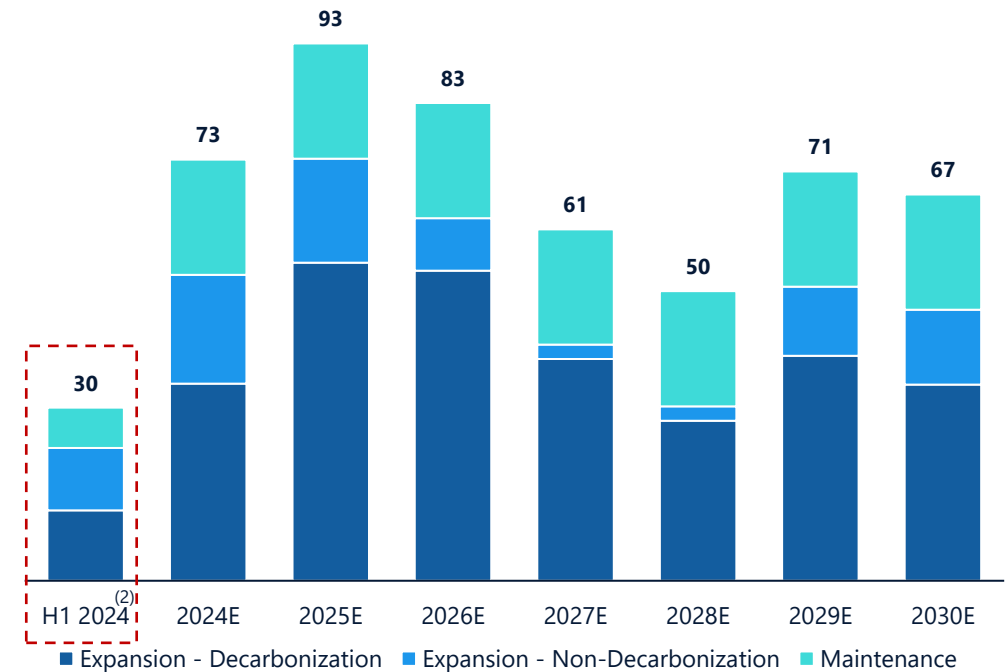
Strongly Committed to Green Transition...

CO₂ Emissions 2021 – 2030E Reduction Targets (kg CO₂ / t cement)⁽¹⁾



...Driven by an Ambitious Decarbonization Capex Plan

\$MM



Source: Company information, Public information

Notes:

1. Company information for own metrics
2. It represents the actual expenditures of H1 2024

Becoming an ESG Leader

Clear Path to Lead Decarbonization in Türkiye

Ambitious Sustainability Targets

Scope 1 & Scope 2 CO₂ Emissions (kg CO₂ / t cement)

767



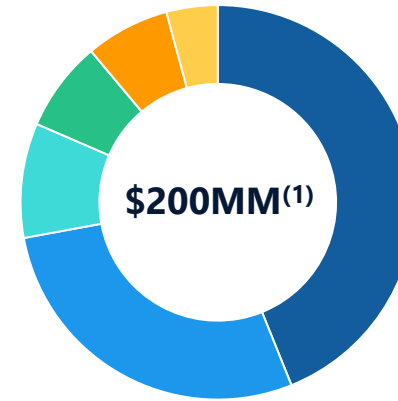
2023

2050E



Limak Cement Decarbonization Capex Breakdown

2024E – 2028E



- Renewable Energy
- Maximization of AF Thermal Substitution
- Alternative Fuels with RDF Content
- Clinker Content in Cement
- Energy Efficiency in Thermal Consumption
- AF with Biomass / Sludge Content

Multiple Awards and Accomplishments

2020

Received zero waste certificate for all its factories in 2020



2019

"Most Environmentally Sensitive Company Award"



2019

"Integrated Plants with the Lowest Electrical Energy Consumption" Award



4 Limak Cement factories ranked in top 5 in kwh/ton cement category in Türkiye



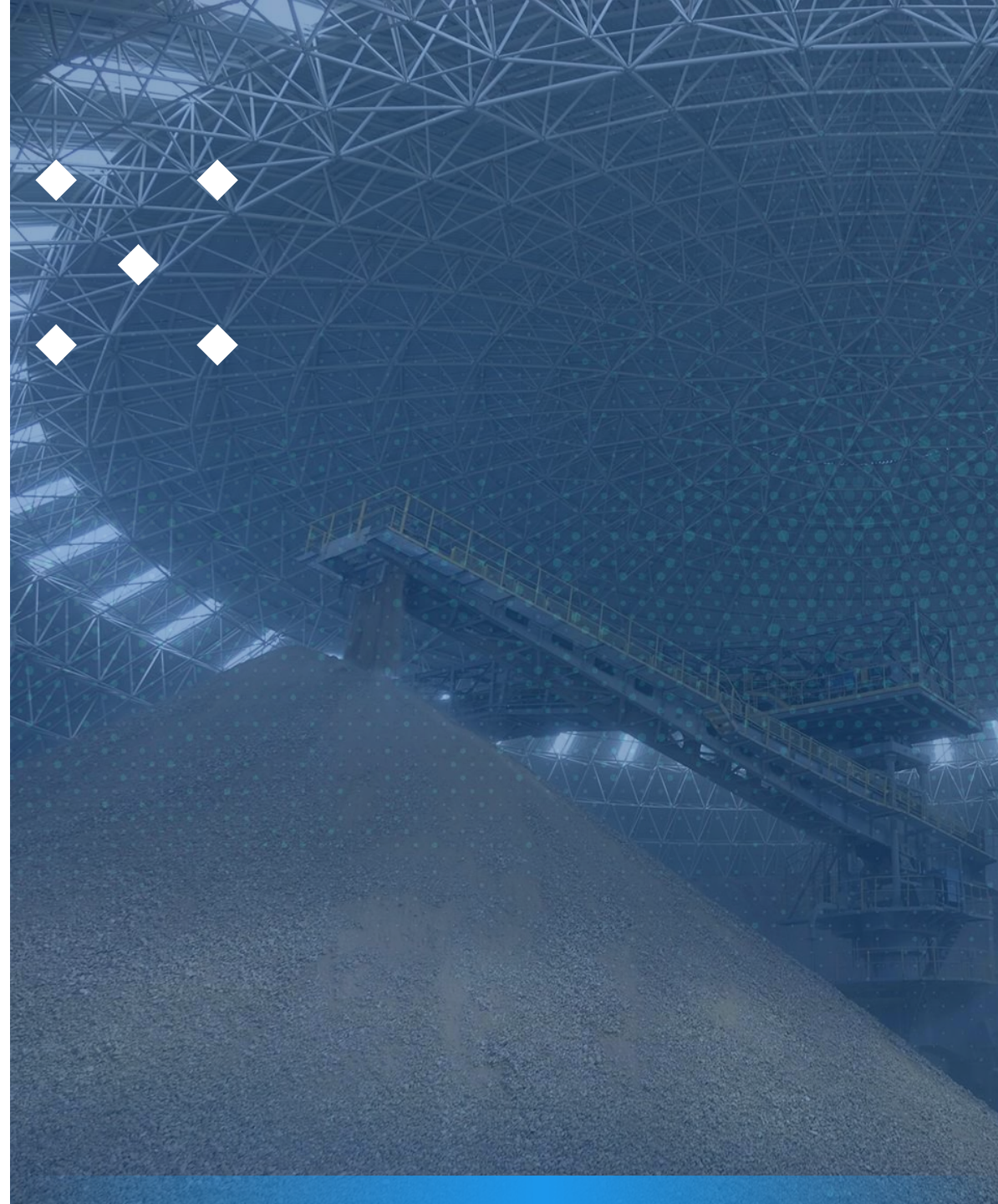
Only cement plant ranking at top of most eco-friendly companies ranking in Ivory Coast



First TURKAK-accredited organization in cement sector for certified for carbon footprint



Appendix



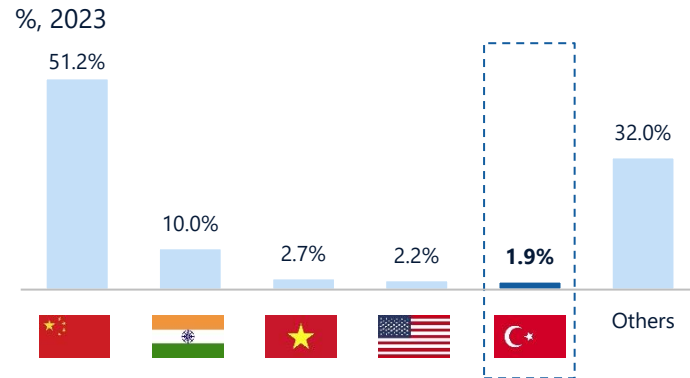
Key Credit Highlights



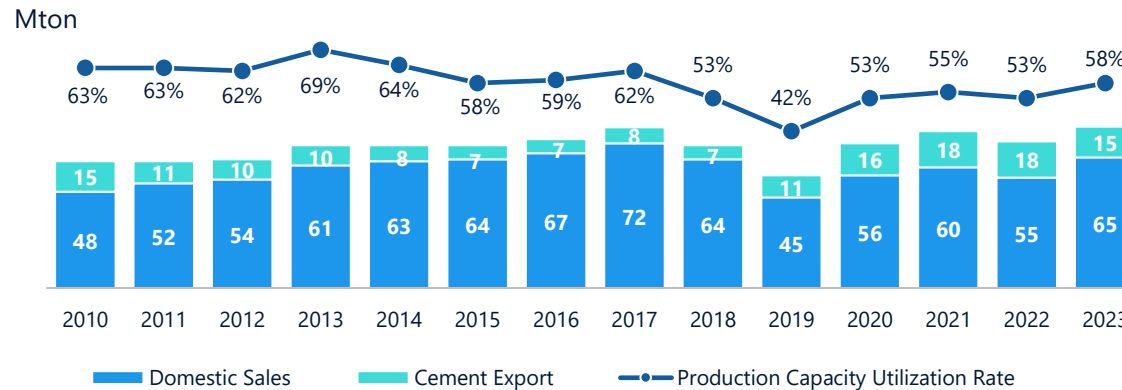
Türkiye is One of the Largest Cement Producers in the World, with a Market Poised for Growth...

Limak Cement
Now, must say new things

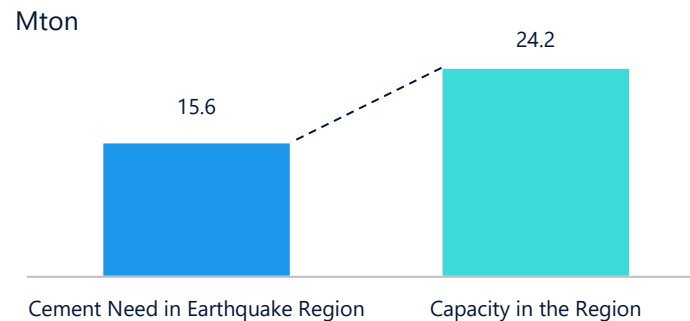
Top-5 Cement Producer in the World...



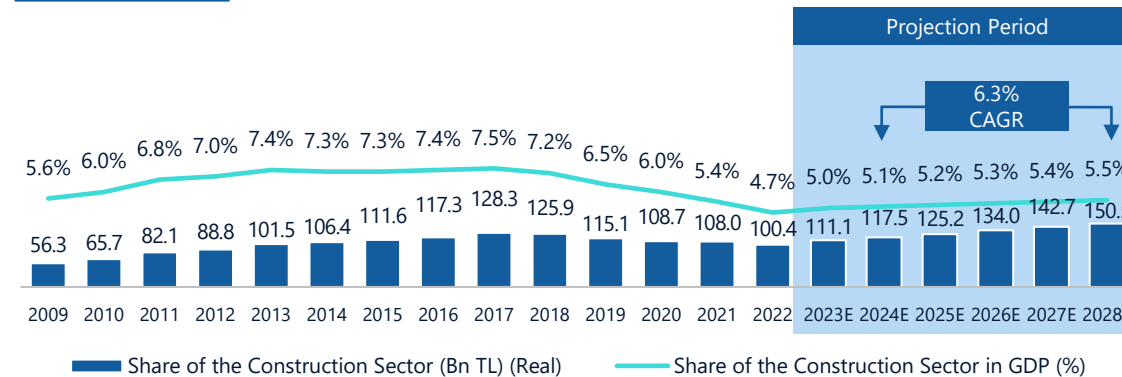
...with a Resilient and Export Oriented Market



Future Demand Driven by Recent Earthquake...



... Supported by High Growth of Turkish Construction Market



#1 Largest cement production in Europe

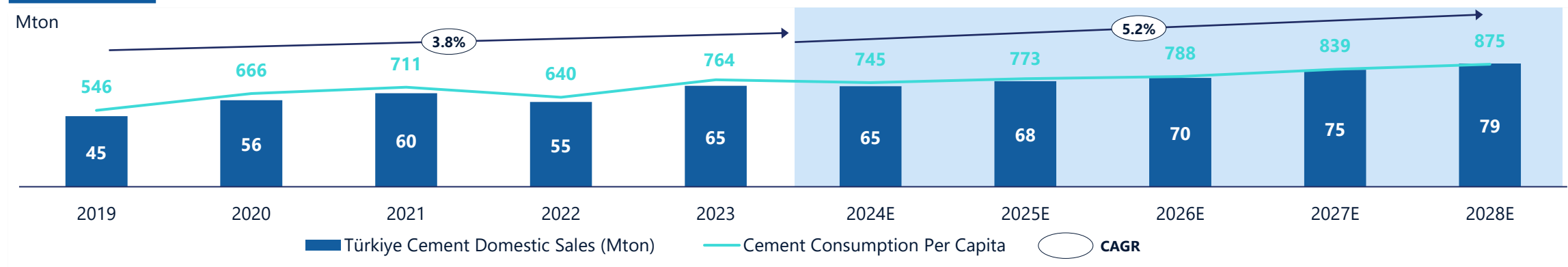
#5 Largest cement production in the World

#1 Largest cement exporter in the World

#2 Largest clinker exporter in the World

...as the Impact of the Earthquake is Expected to Drive Demand in the Medium-Term

Strong Historical Growth in Market with Upwards Trajectory Expected to Accelerate



Earthquake Reconstruction Activities Key Driver in the Short-Term

- ✓ **650k units subject to reconstruction** following the earthquake according to the Ministry of Environment, Urbanization and Climate Change, equating to a **total cement need in the region of 15.6Mton**
- ✓ **Construction to take place between 2023 and 2026E** due to urgent need, driving domestic demand in this period
- ✓ Incremental demand related to the **residential and social reconstruction activities** to form **~8% of the domestic cement sales volumes** between 2024E and 2026E

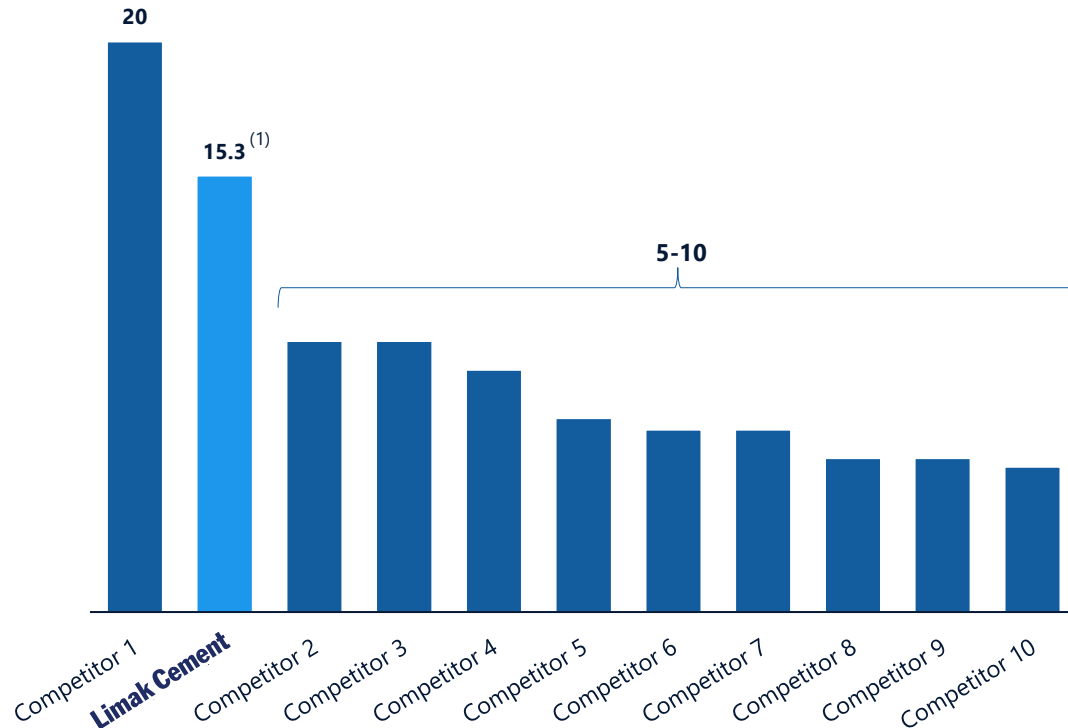
Acceleration of Urban Regeneration Projects to be the Main Demand Driver in Medium- and Long-Term

- ✓ **High risk of earthquakes** in other Turkish regions and cities have led to **acceleration in urban regeneration projects**
- ✓ As of 2021, **residential building stock in earthquake-prone cities totalled 4.6MM units**, with 48% of the units constructed before 2000, using **outdated engineering standards and low-quality building materials**
- ✓ **Istanbul accounts for 49% of the 4.6MM units**, with 600k houses taken into urban transformation as a priority
- ✓ Sales generated from the urban regeneration projects to **form ~8%, on average, of the annual domestic cement sales volumes** through 2032

Proven Leadership Position in the Turkish Cement Market

Second Largest Grey Cement Manufacturer in Türkiye

Installed Capacity in Türkiye, 2023 (Mton)



Source: Company information

Notes:

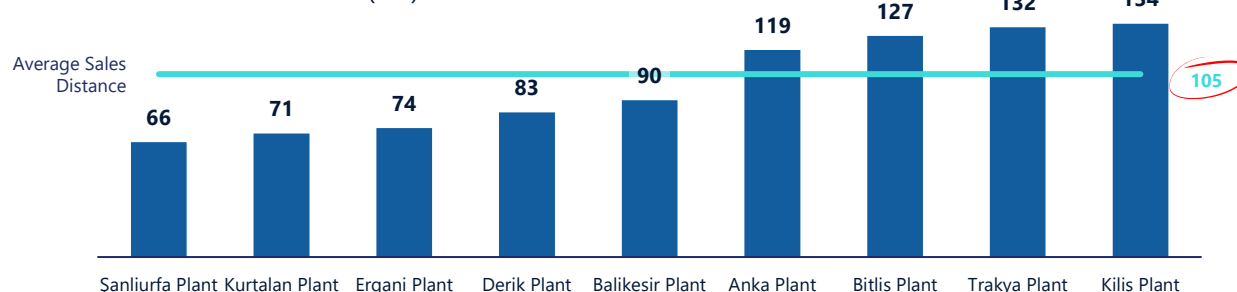
1. Company information, Türkiye capacity only

- ✓ Türkiye cement market composed of **two major players**, exhibiting a large gap to other players
- ✓ **Limak Cement holds a Top-2 leadership position in a market** with strong barriers to entry
- ✓ **Privileged position to capture growth opportunities** given far-reaching local network and proven history and leadership in the market

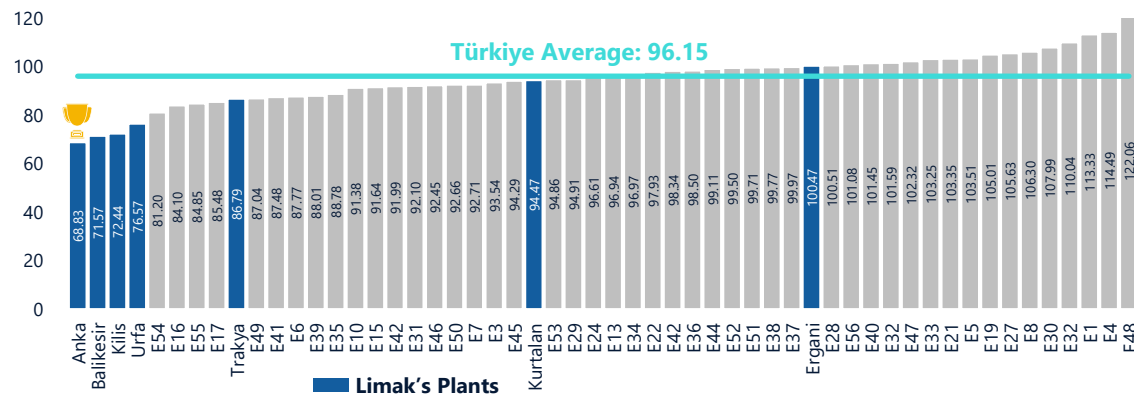
Limak Cement

Now, must say new things

Strategically Located to Optimally Serve the Customer...⁽¹⁾



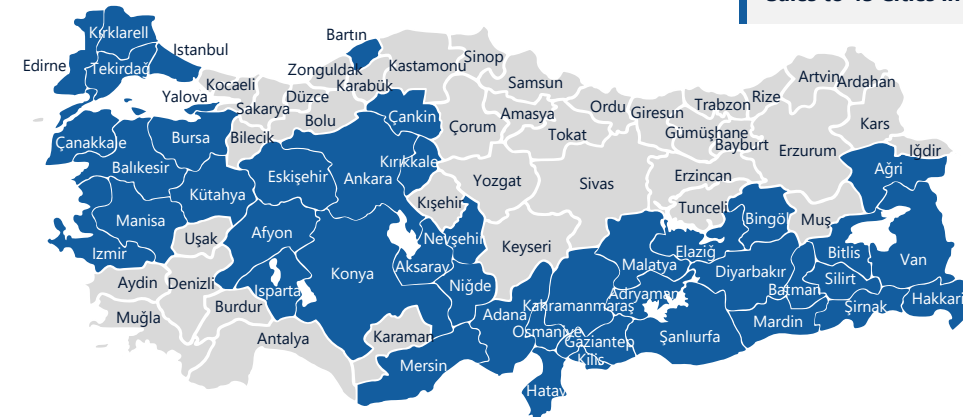
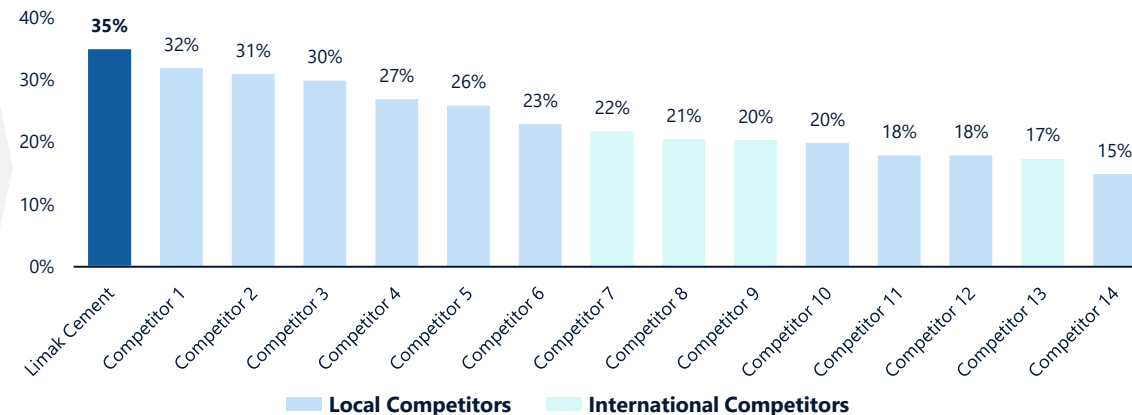
Specific Power Consumption (kWh/t)



Notes:

2. Represents Sep-23 LTM figures for local competitors as per PwC report *Cement Sector in the World and Türkiye; 2023 FY* for Limak and international competitors

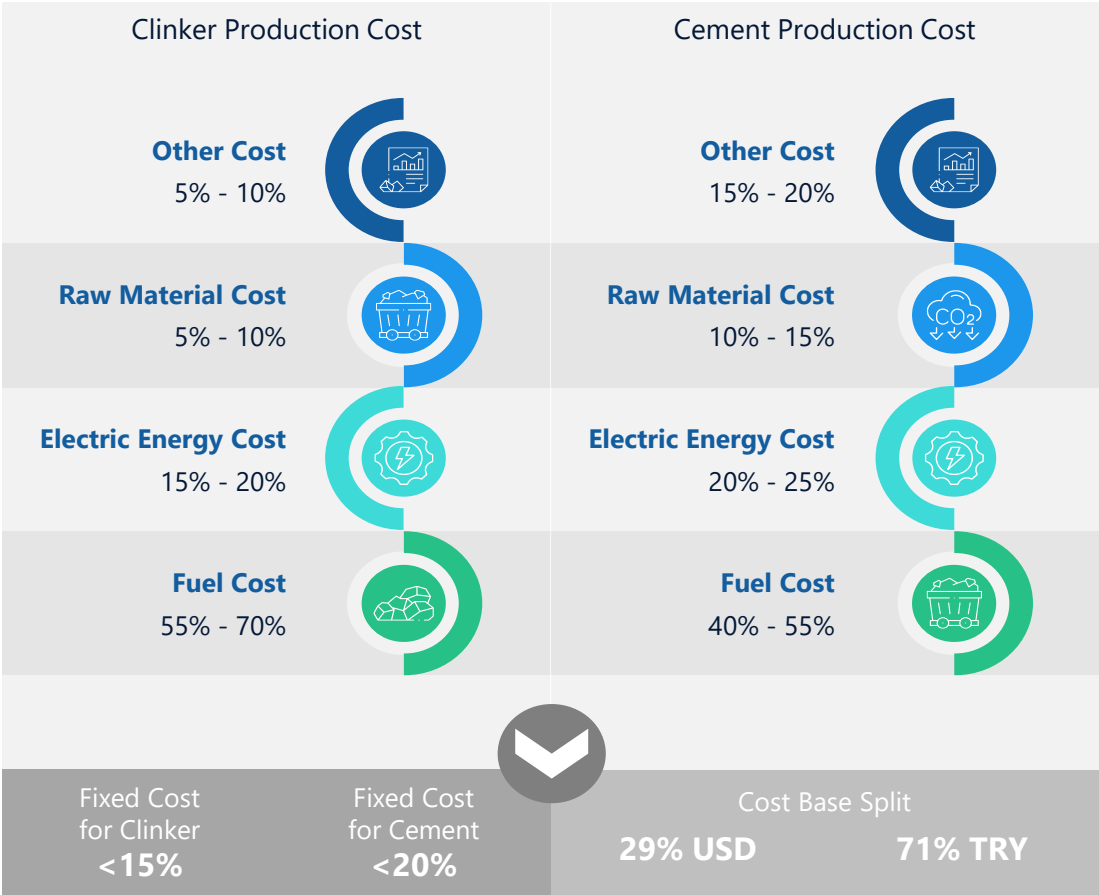
Sales to 43 Cities in 2023

EBITDA Margin 2023⁽¹⁾ (%)

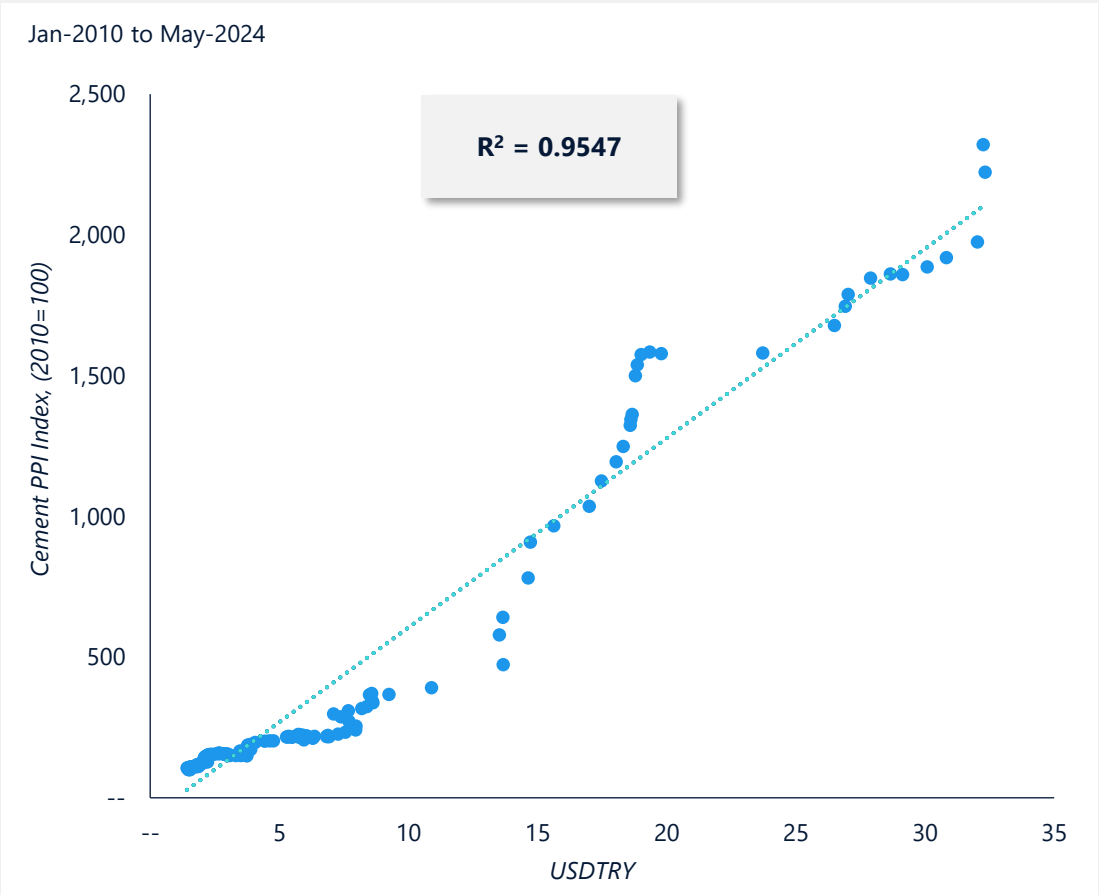
Strong Inflation Pass-Through Capabilities Through Pricing

Cement prices linked to USD help mitigate TRY-based revenues

Zoom-in on Cost Structure⁽¹⁾



Strong Correlation with US Dollar⁽²⁾



Source: Company information, Turkstat, Capital IQ

Notes:

1. Table from management accounts
2. Cement, Lime and Plaster Producer Price Index is used to reflect the changes in the producers' cost. Data derived from Turkstat Producer Price

Financial Policy

Financial Leverage Policy

1

- Maintenance of a Gross Debt / EBITDA ratio below 3.5x

Liquidity Policy

2

- Intent to hold 3% of annual revenue either as cash or keep an equivalent amount of working capital limit from its financial institutions in case of urgent requirements
- Depending on final conditions set forth in the bond documentation, an even higher amount of cash liquidity may be available for the partial redemption of the bond

Dividend Policy

3

- Target to adopt a dividend distribution policy that is compatible with business plan and conditions defined in the Bond Documents
- Subject to the requirements of Turkish law regarding availability of distributable profits and Articles of Association

Hedging Policy

4

- Although there is an indirect hedge between Company's costs vs. cement prices, Company intends to periodically hedge its FX exposure arising from semi-annual interest payments (due to TL denominated revenues vs. hard currency denominated bond) by using derivative products (i.e. forwards or swaps)
- In addition to this, excess monthly cash in TL is to be converted into USD
- Company may also enter in the commodity hedging for the procurement of materials if the market environment is positive

M&A Strategy

5

- Company will make acquisitions as long as the Leverage Policy is maintained after such kind of an acquisition and target company fits to the strategic values of the Company (i.e. ESG principles)
- Given the current market environment and the positioning of the Company, Limak Cement is not currently planning to grow via acquisition in the next 5 years
- New acquisitions will also be subject to bond documentation

Corporate Governance

Before the end of 2024, we are envisaging to create a similar governance structure at Limak Cement to the one that has already been formed in our listed subsidiary *Limak Doğu Anadolu Çimento*

BoD Structure

2 new independent Board Members to be appointed to lead Corporate Governance and Audit Committees

Corporate Governance Committee

In order to take actions to improve corporate governance practices and oversee the works of investor relations department a Corporate Governance Committee will be formed. Independent Board Member(s) will be a member of this committee. This committee is also expected to oversee the sustainability works and advise on reformatory actions

Early Detection of Risk Committee

This committee will assist the Board in the supervision of risk and risk management throughout the Company. It will identify and manage the risks that may affect the existence, development and continuity of the Company and it is expected that the independent board member will chair the committee

Audit Committee

The purpose of Audit Committee will be to oversee functionality and efficiency of the Company's internal control and internal audit system

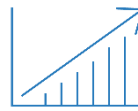
Our Strategic Priorities



Protect our leadership position in Türkiye, benefitting from market tailwinds



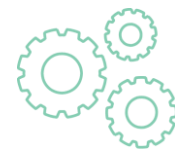
Enhance competitiveness in core markets with physical presence by expanding presence in the RMC market through new investments



Maintain market leading margins whilst driving continuous improvement in operating efficiencies



Lead decarbonization in Türkiye through environmentally friendly investments



Stay at the forefront of innovation, utilizing our top-tier R&D facilities across Türkiye