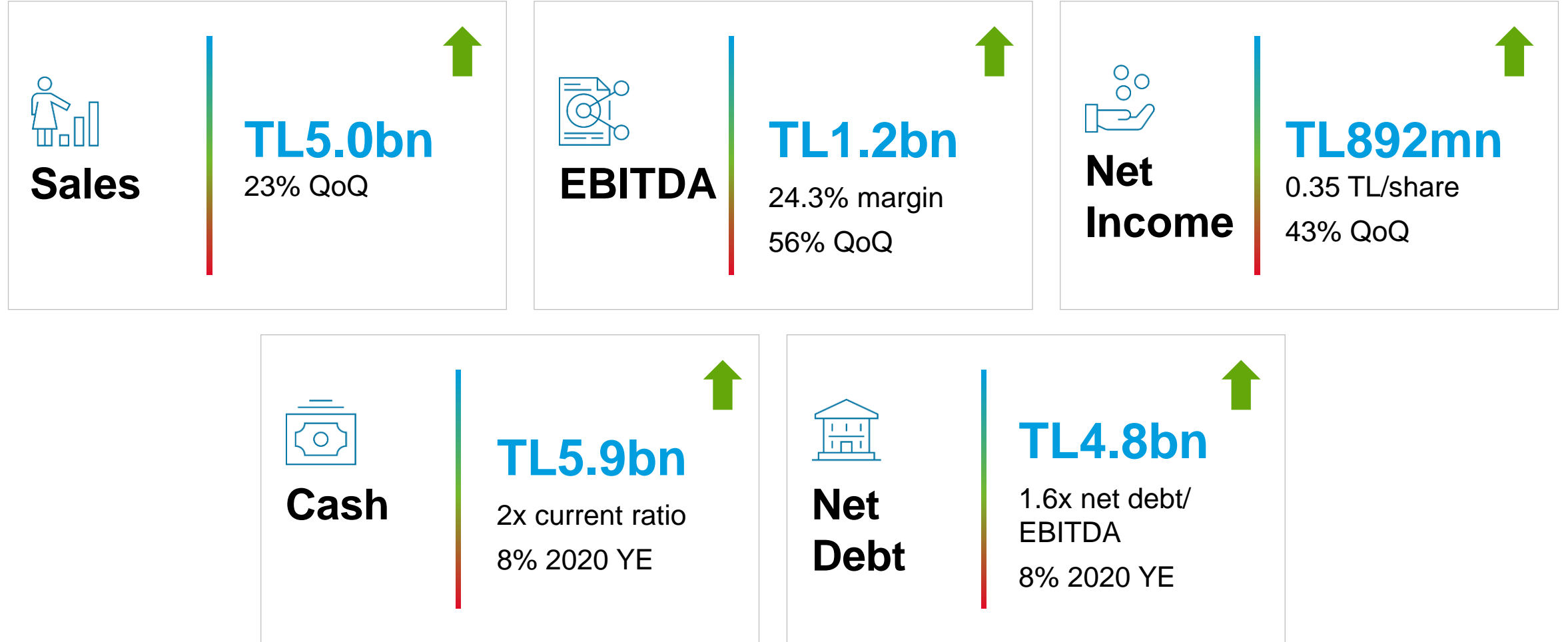


1Q21 Results Investor Presentation



Substantial jump in profitability in 1Q21



Downstream profitability pulling the sector margin to record levels

Q121 highlights



Record high prices due to continuing supply tightness and healthy demand

38% QoQ increase in petchem prices



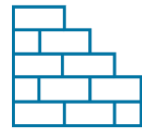
High trading margins supported earnings

7.6% gross margin



Cost savings and effective working capital management significantly supported earnings

USD13.3mn inventory gain



Challenging financial conditions successfully managed

1.6X net debt/EBITDA



Industry Environment

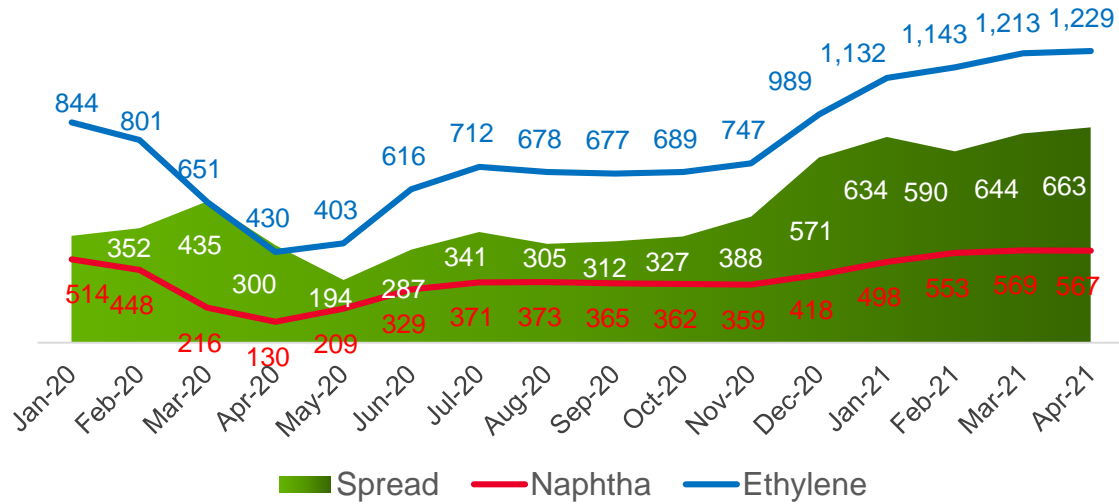
Global petrochemical market
Petrochemical market in Turkey



Industry environment

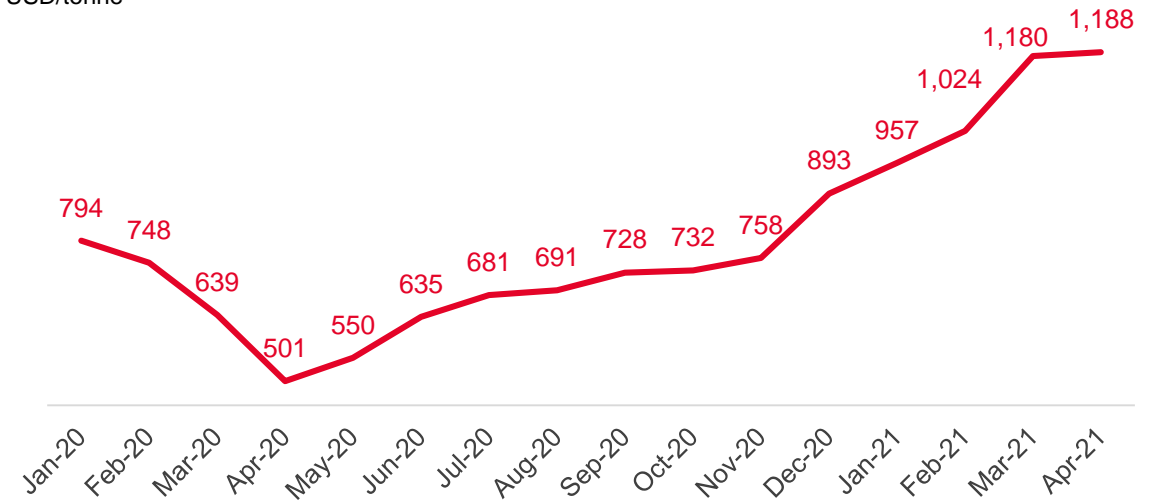
Monthly naphtha - ethylene spread (CIF MED spot prices)

USD/tonne



Monthly average Platts index

USD/tonne



Ethylene-naphtha spread increased by **52%** from USD408/ton in 4Q20 to USD623/ton in 1Q21



Acceleration of vaccine roll out and supply cuts lifted oil prices **24%** from Q420 restoring price point prior to COVID-19 disruption a year ago



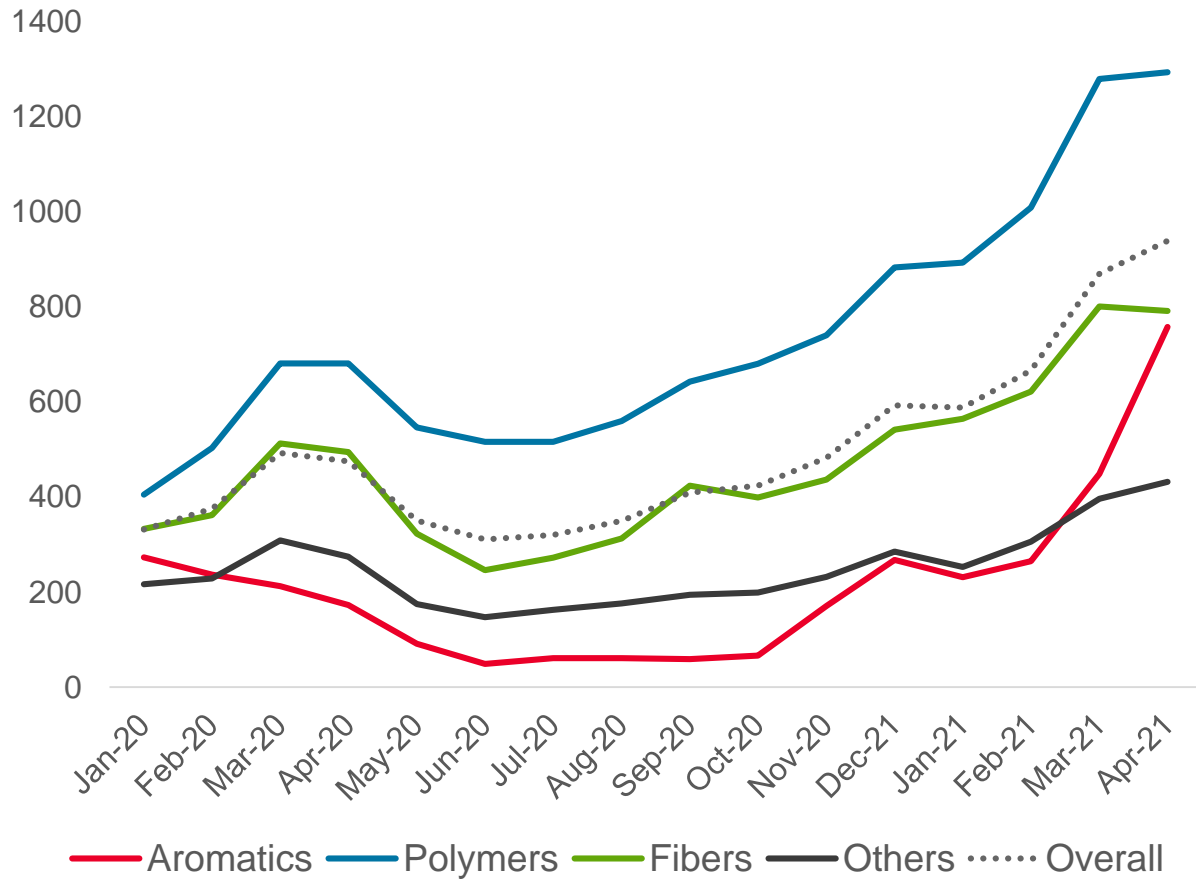
Naphtha outpaced latest upturn in crude oil prices leaping **37%** in Q121



Critically short supply lifted ethylene prices and led a substantial improvement in steam cracker margins

Industry environment

Product groups spread (over naphtha CIF MED), USD/MT



Petrochemical margins have surged in early 2021, with demand resilient and supply tightened by,



Series of extensive supply outages



Disruption in trade

The price gap between Europe and China has been wide. Sustained tightness in downstream market has pushed European sector margins to their highest level since 2015



Highest Turkish PP prices ever recorded



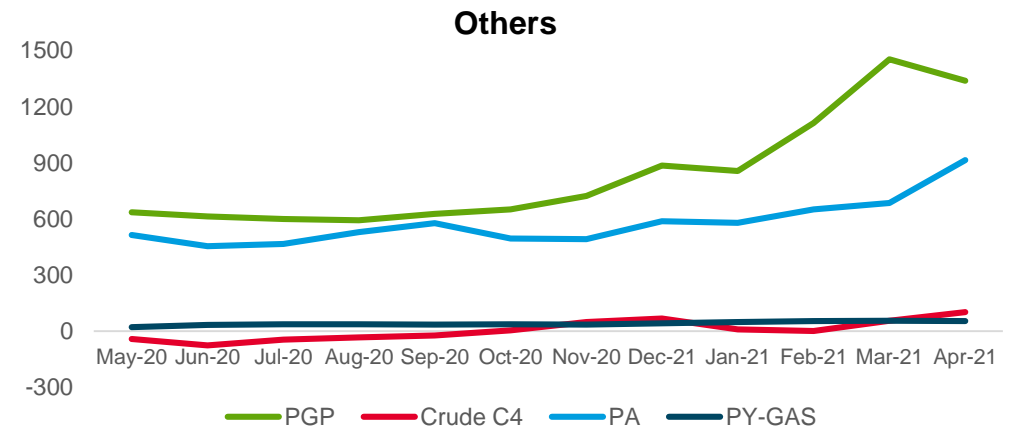
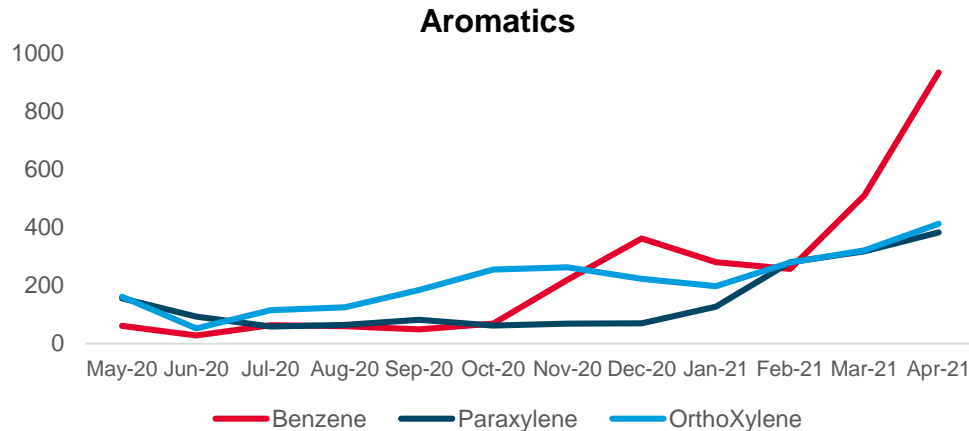
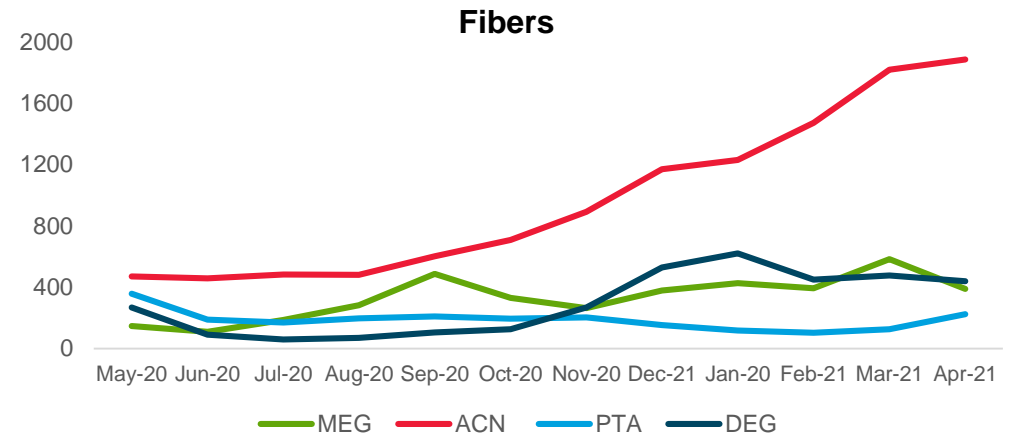
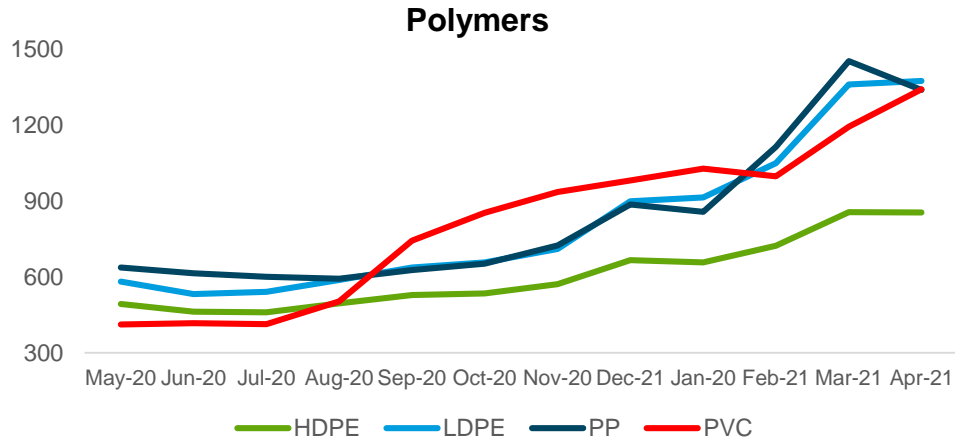
PVC prices continue to firm up on high demand construction, wiring and other applications



Benzene spot prices climbed above the USD1,000/tonne in March, a more than three-year high, with support from solid downstream demand (styrene), supply limitations and a jump in crude oil prices

Industry environment

Product groups spread (over naphtha CIF MED), USD/MT

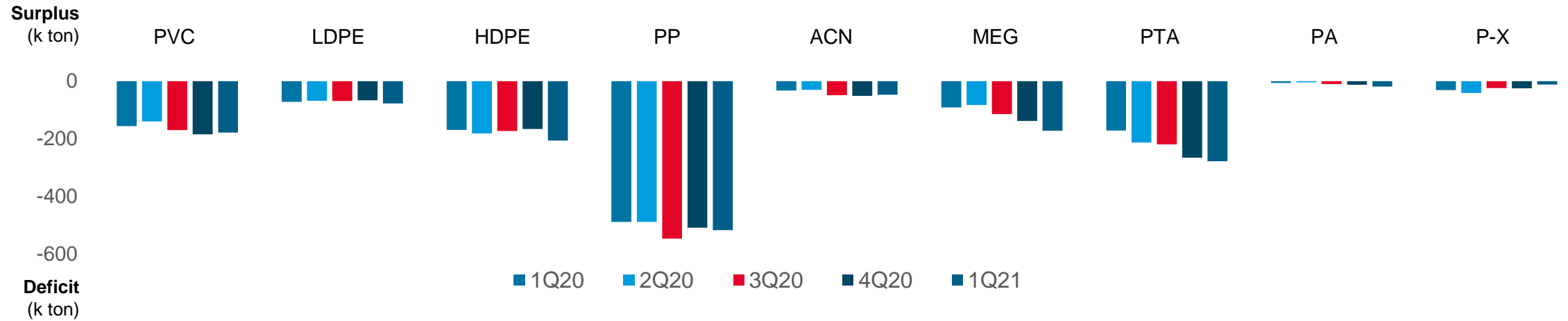


Source: Platts, Company
Hizmete Özel (Diş Tarafı)

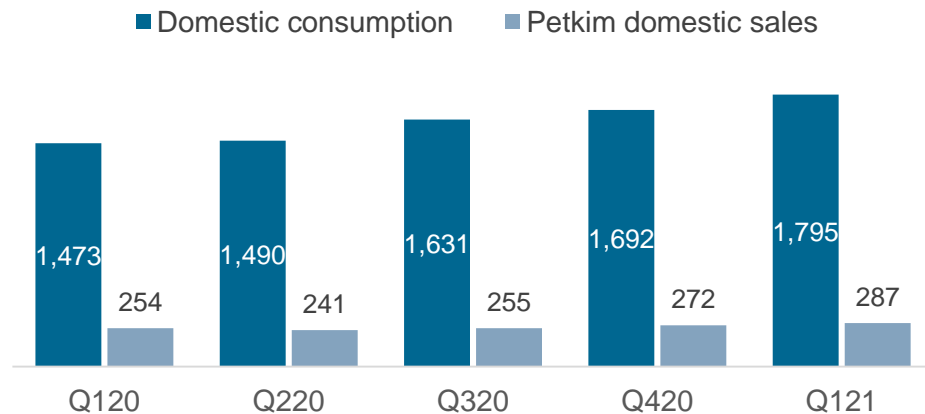


Turkey's petrochemical sector overview

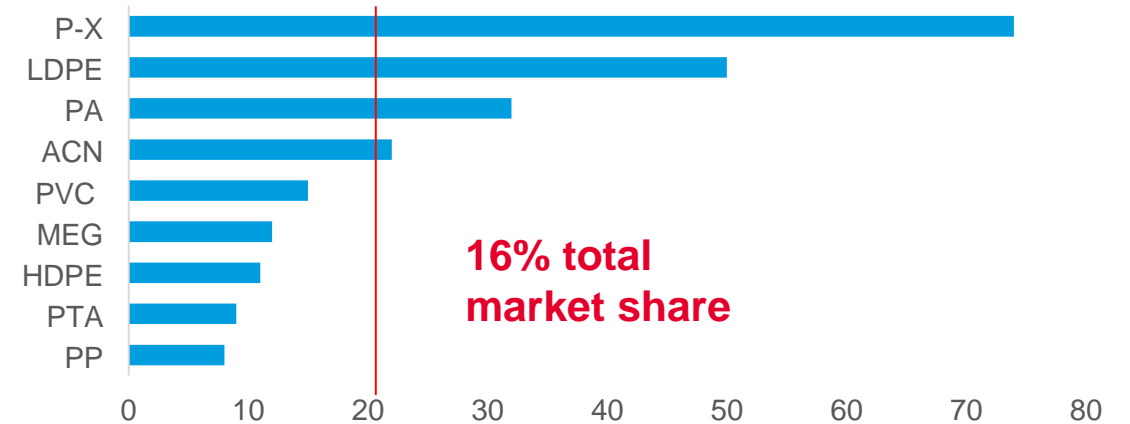
Turkey domestic demand is primarily met by imports



Petrochemical consumption in Turkey (k ton)



Products market share (%)

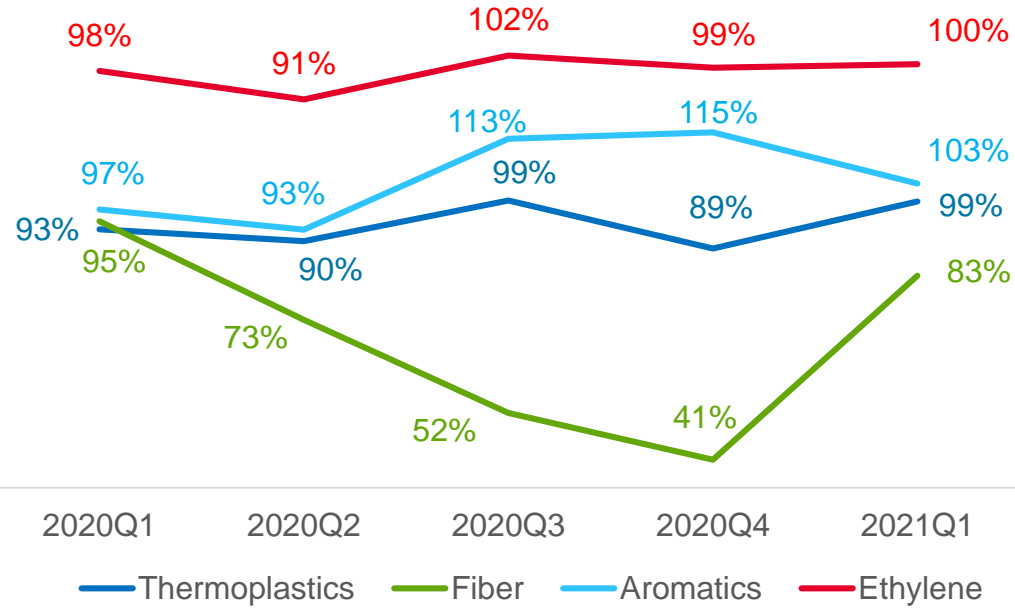


Operating and Financial Results

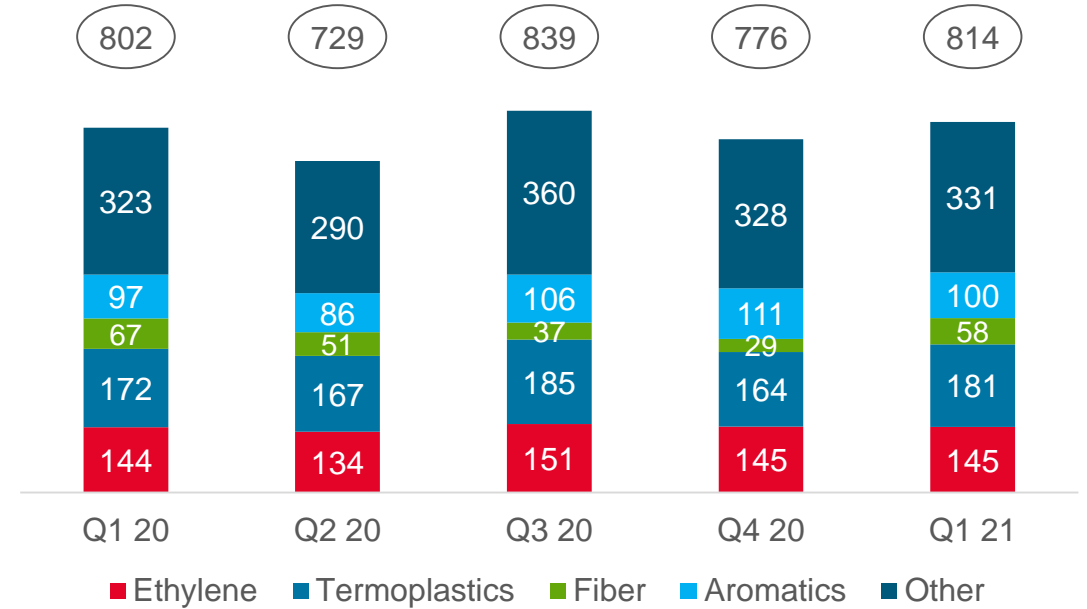


Capacity utilization and gross production

Capacity utilization rates (%)



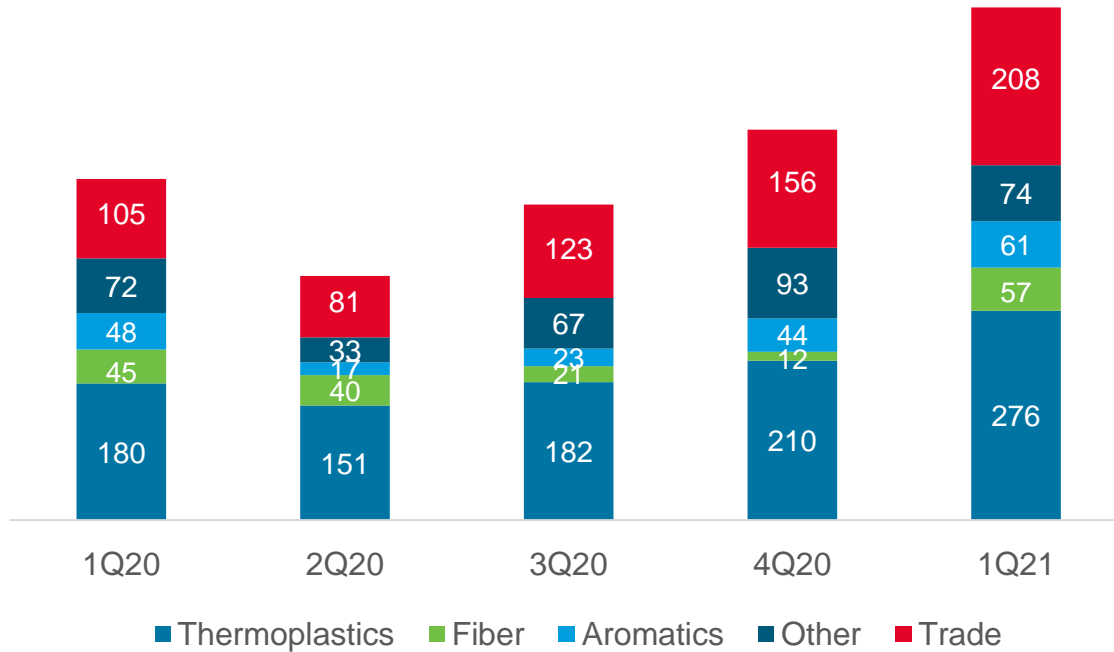
Gross production (k ton)



Thanks to the uninterrupted high quality feedstock procurement from STAR Refinery, Petkim generated **814kton** gross production and ethylene capacity utilization rate was **100%** in Q121

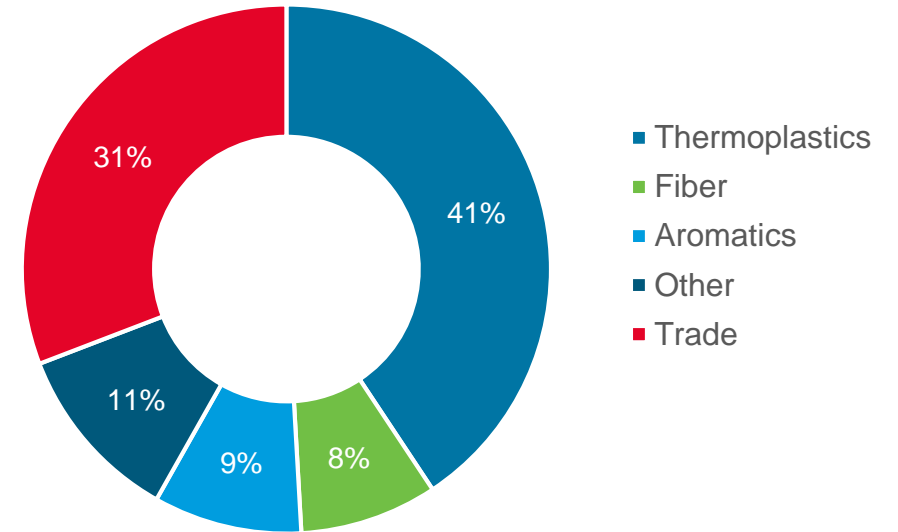
Breakdown of petchem sales in 1Q21

Breakdown of petchem sales (mn USD)



Breakdown of petchem sales

Total petchem sales:
USD676mn

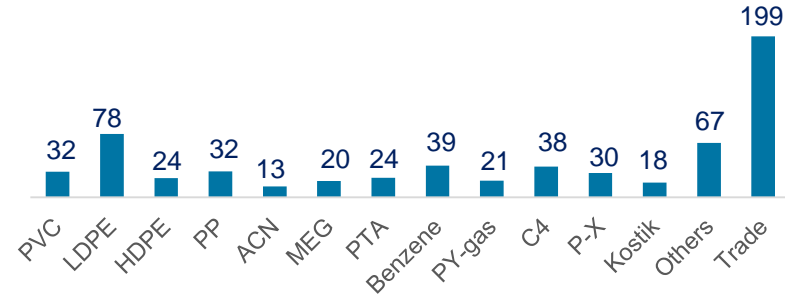




In 1Q21, Petkim achieved TL4,996mn sales via 637k ton sales volume

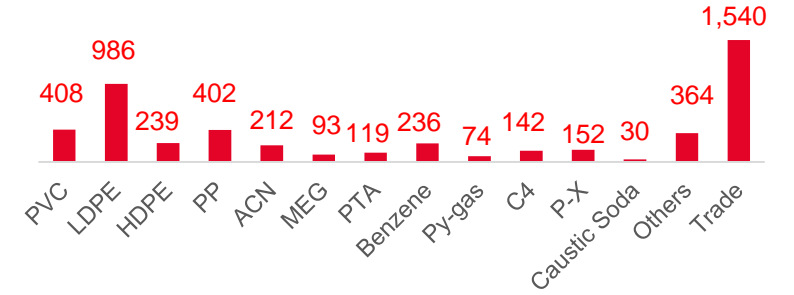
Sales volume (ton k)

Total volume: 637k ton



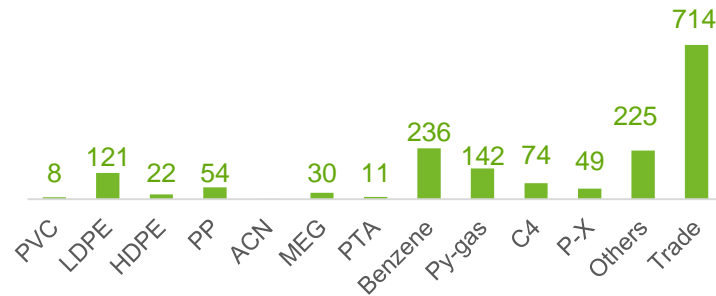
Revenue (TL mn)

Total revenue: TL4,996mn

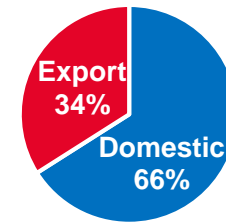


Export Revenue (TL mn)

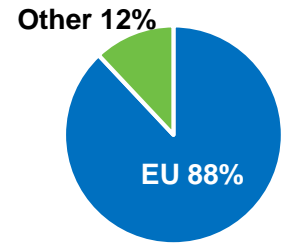
Total export: TL1,688mn



Revenue breakdown

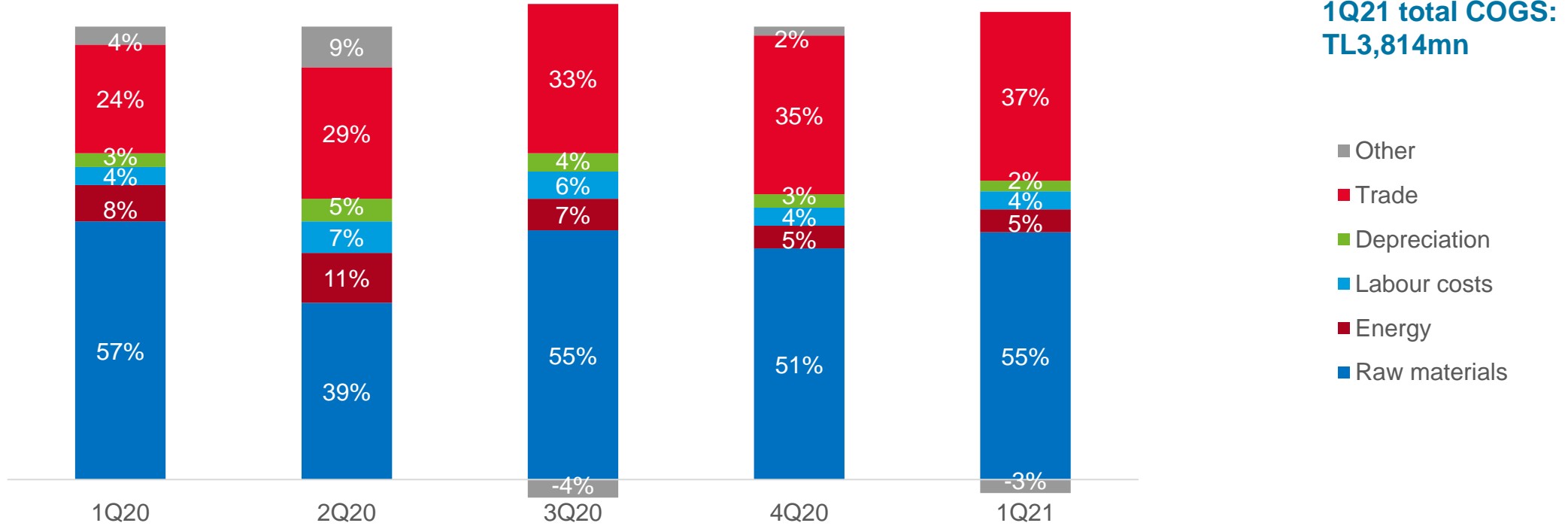


Exports breakdown as per region



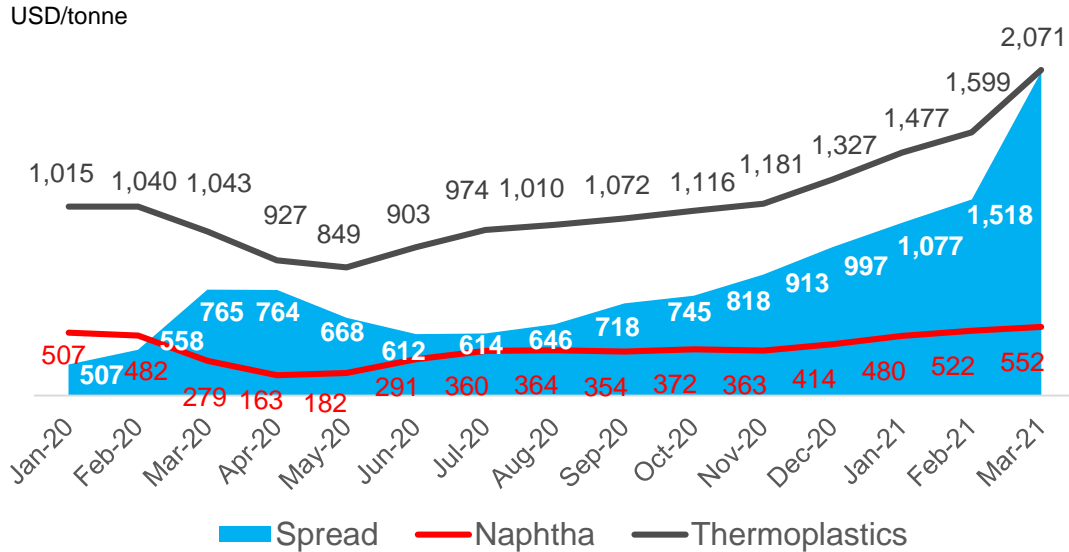
Breakdown of total COGS in Q121

COGS breakdown (%)

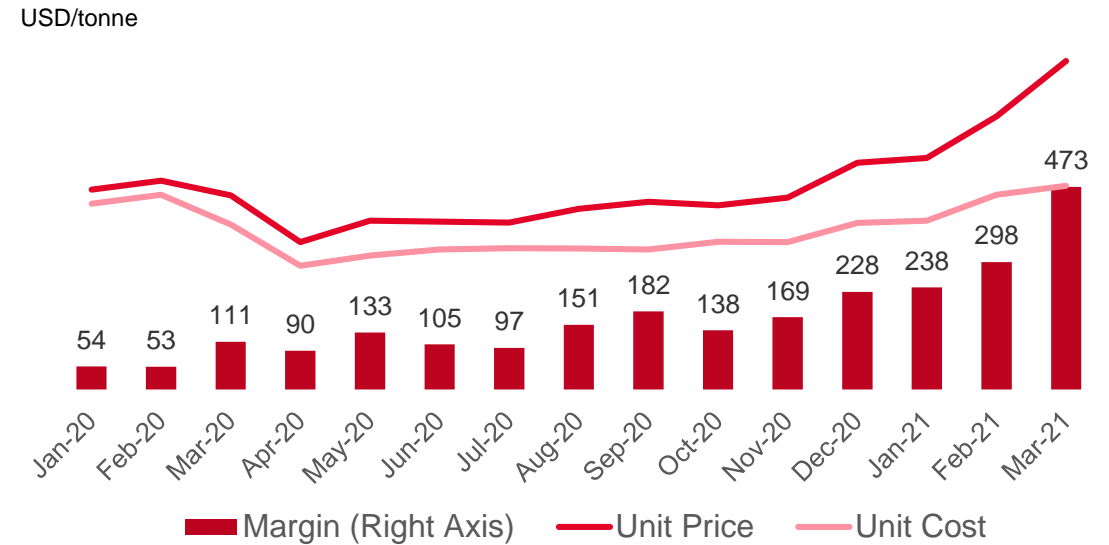


Feedstock vs. product prices of Petkim

Thermoplastics and naphtha spread



Petchem unit margins*



(*) Excluding trade.



Downstream profitability has continued to rise, reached a very high level in March due to supply disruptions along with strong underlying demand



Rapid price escalations was reflected in margins with surging to upper end of historic range. Petkim thermoplastic margins peaked to **USD1,518/ton** in March



Petchem overall unit margins of Petkim rebounded to **USD473 per ton** in March

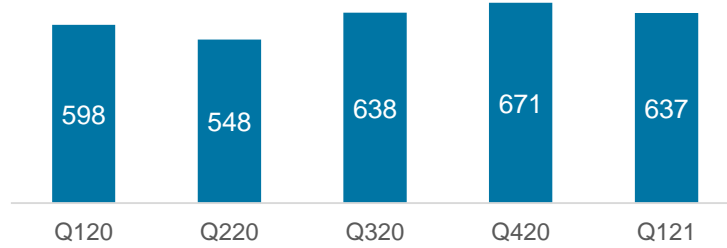
PETKIM 1Q21 income statement

TL mn	FY			1Q		
	Q1'20	Q1'21	YoY Δ (%)	Q4'20	Q1'21	QoQ Δ (%)
Sales	2,766	5,034	82%	4,088	5,034	23%
Cost of sales	(2,561)	(3,814)	49%	(3,312)	(3,814)	15%
Gross profit	205	1,220	495%	776	1,220	57%
Gross profit %	7.4%	24.2%		19.0%	24.2%	
Marketing and sales expenses	(28)	(33)	16%	(37)	(33)	(10%)
General administrative expenses	(101)	(93)	7%	(90)	(93)	3%
R&D expenses	(7)	(9)	34%	(8)	(9)	23%
Operating profit	69	1,084	1,470%	642	1,084	69%
Other income/ (expenses)	73	106	44%	98	106	8%
Financial income	751	1,478	97%	126	1,478	1,072%
Financial expenses	(883)	(1,527)	73%	(167)	(1,527)	817%
Profit before tax	11	1,142	10,579%	699	1,142	63%
Income tax	-	(208)	-	(25)	(208)	723%
Deferred tax	(20)	(42)	107%	(49)	(42)	(14%)
Net profit / (loss)	(10)	892	-	625	892	43%
Net profit%	(0.4)%	17.7%		15.3%	17.7%	
Other	50	32	(37%)	20	32	55%
Depreciation	86	109	28%	122	109	(10%)
EBITDA	205	1,225	498%	784	1,225	56%
EBITDA %	7.4%	24.3%		19.2 %	24.3%	

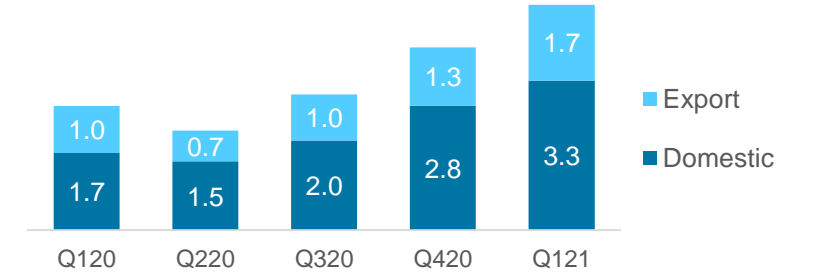


Financial highlights

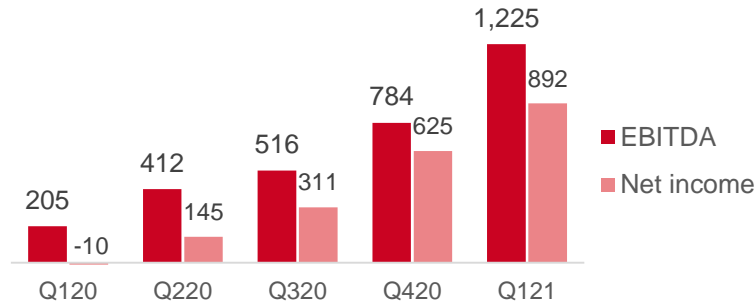
Sales tonnes (k ton)



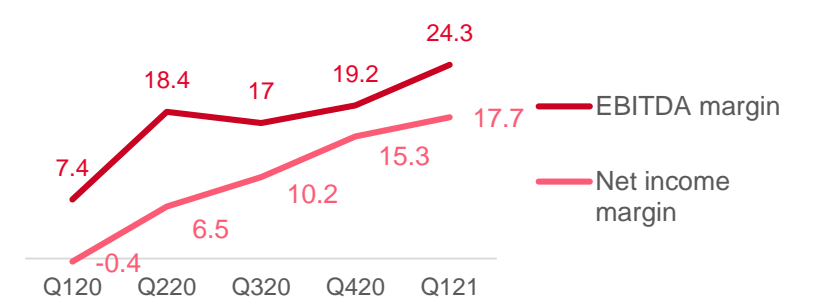
Revenue (bn TL)



EBITDA and net income (mn TL)



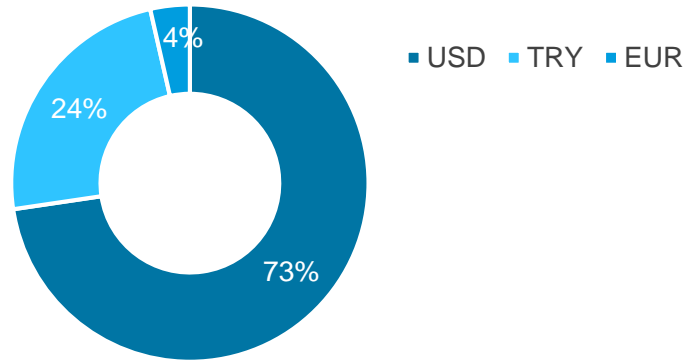
Margins (%)



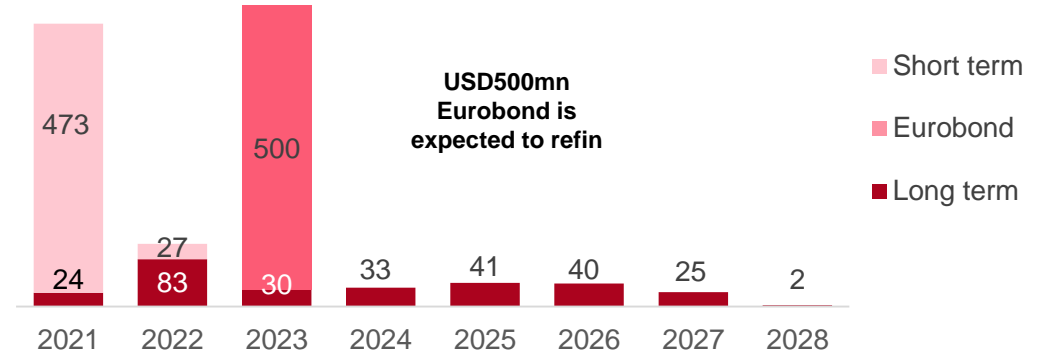
Liquidity highlights

Deposits - by currency

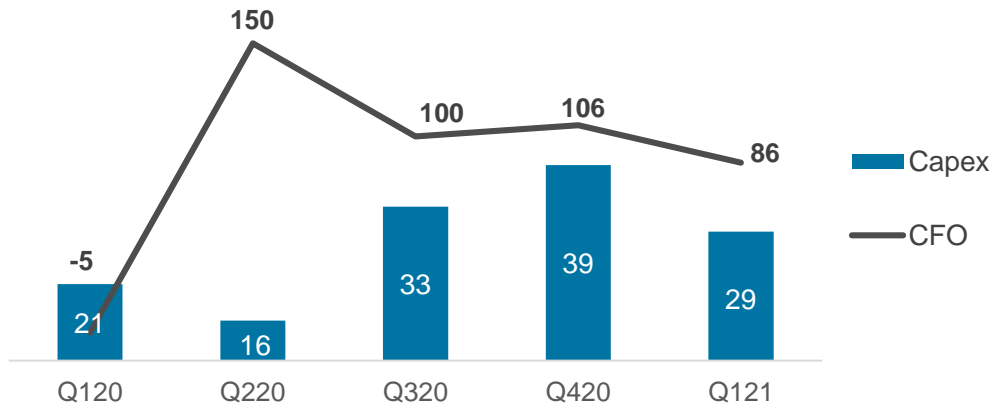
USD712mn



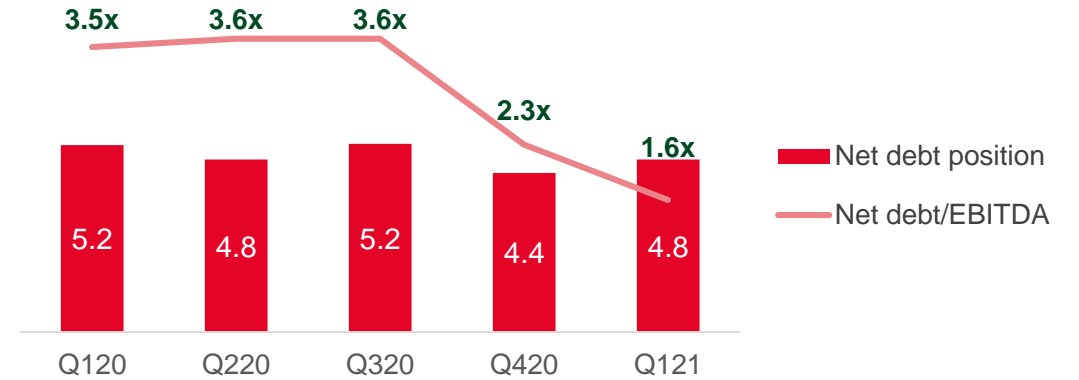
Maturity profile (mn USD)



Cash flow from operations and CAPEX (mn USD)



Net debt position (bn TL)



Supporting Slides



PETKIM 1Q21 balance sheet

TL mn	12M'20	3M'21	Financial highlights	12M'20	3M'21
Cash and cash equivalents	5,502	5,942	Net debt position	(4,394)	(4,766)
Trade receivable	1,717	2,605	Working capital	(528)	(177)
Inventory	958	1.222	Days sales outstanding	45	52
Other receivables	4	7	Days payable outstanding	101	96
Other current assets	3,678	4,254	Days sales of inventory	34	34
Current assets	11,860	14,029			
Non current assets	8,124	8,478			
Total assets	19,983	22,507			
Short term borrowings	4,431	4,589			
Trade payables	1,187	1,750			
Other payables	316	522			
Current liabilities	5,934	6,861			
Long term borrowings	5,719	6,418			
Other non-current liabilities	771	814			
Shareholders' equity	7,559	8,414			
Total liabilities	19,983	22,507			

Diversified business profile through ancillary infrastructure and energy investments



Description

- Turkey's first privately constructed Refinery
- Target processing capacity of 10m tons p.a.
- Owned 60% by SOCAR Turkey, and 40% by Azerbaijan Ministry of Economy and Industry
- Total investment amounts to USD6.3bn.

Benefits to Petkim

- Lower naphtha procurement costs
- Replacement of some of the heavy naphtha feedstock with reformat / mixed-xylene.
- Increased stability and quality of feedstock, supply security, and reduced inventory costs
- Upside from sharing services such as maintenance, safety, security, waste disposal and tug boat services
- STAR expected to become a stable dividend payer over the medium-term



- Largest container sea port in Western Turkey with a 1.5m TEU container handling capacity
- Total construction costs amount to c. USD400m
- Petlim has signed a 28-year (+4) concession agreement with Port Operator
- Owned 70% by Petkim and 30% by Goldman Sachs

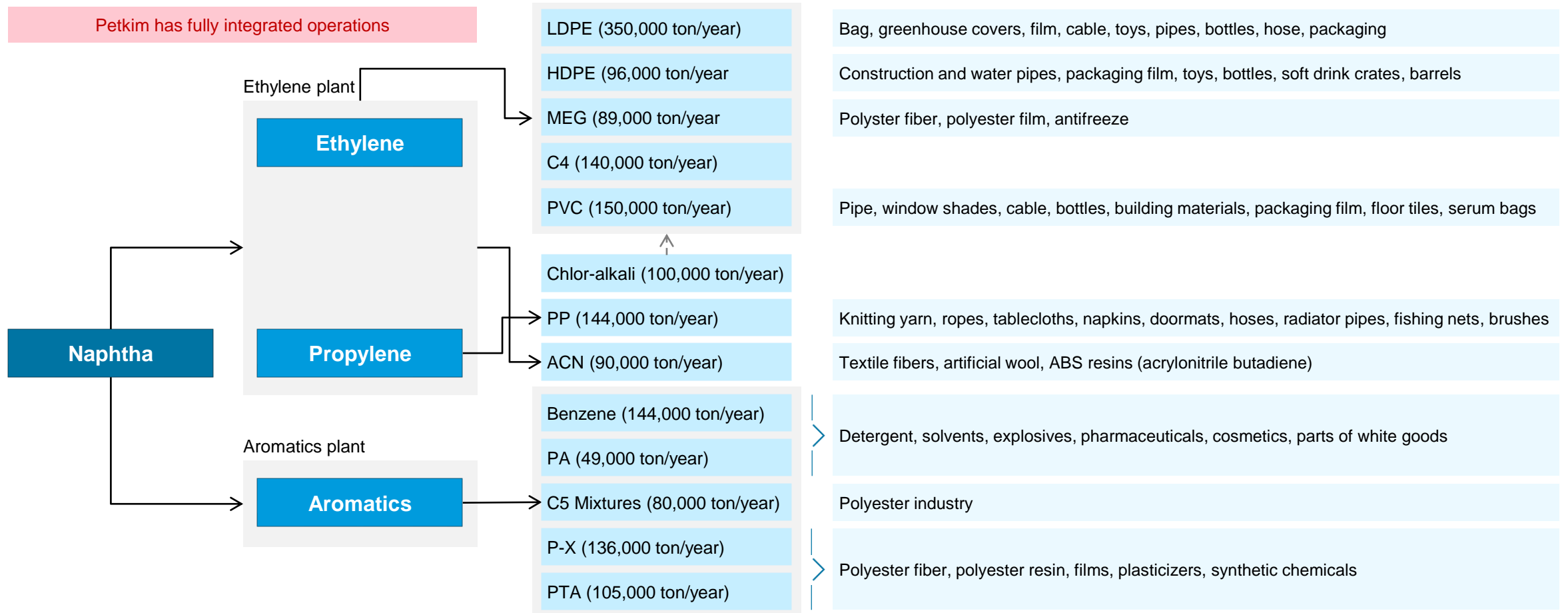
- Stable stream of income that is not correlated to Petkim's core business
- Savings on shipments for expansion projects



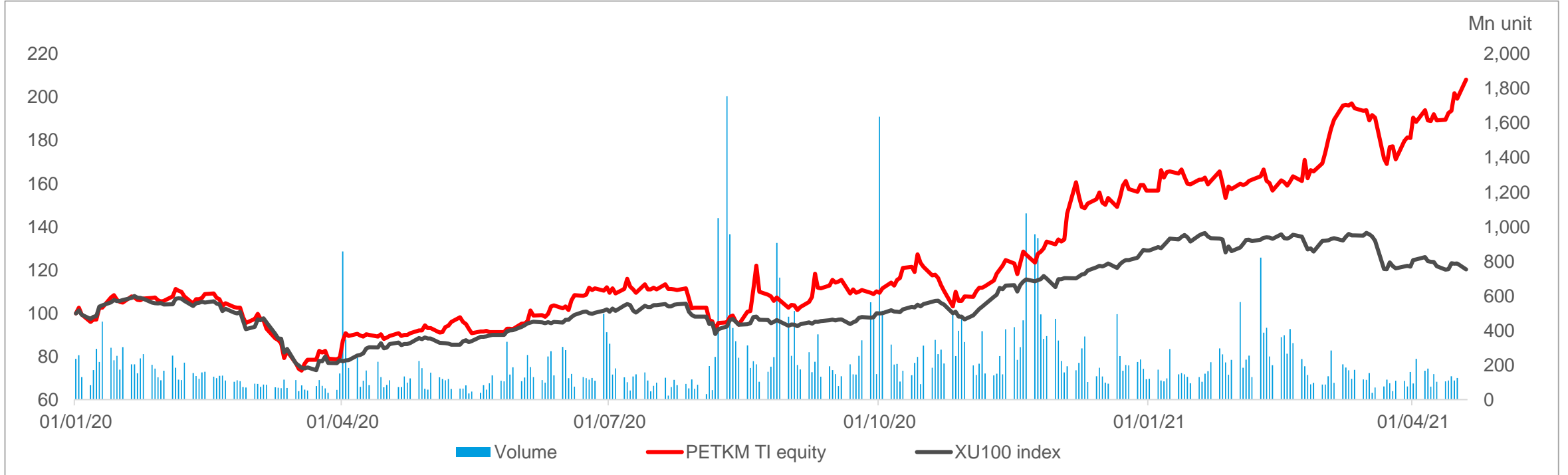
- Wind farm located in the Aliaga Peninsula licensed to generate 38 MW of electricity
 - Petkim has applied for a new license allowing generation at full capacity of 51 MW
- The construction of 17 new turbines, each able to generate 3 MW of electricity, was completed in Sep-2017
- Total investment in the windfarm amounts to EUR55m

- Contributes to revenue diversification
- Plan is to sell the electricity generated to Turkey's national grid, with a guaranteed tariff
- The windfarm provides a 22% increase in Petkim's electricity generating capacity
- Expected to reduce carbon emissions by 120kt per year

Petrochemical complex flow chart



PETKIM stock performance



Closing price as of 31 Mar 2021
(TL/share)
5,75TL

Market capitalization
(TL mn)
TL 15,573

Free float
(%)
49.0%

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