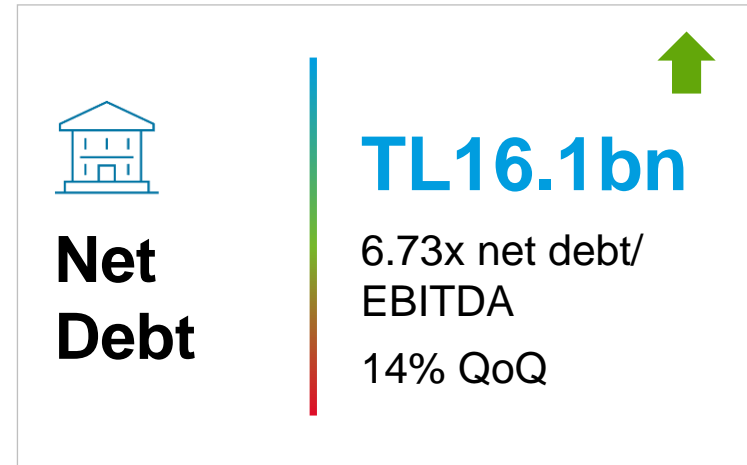
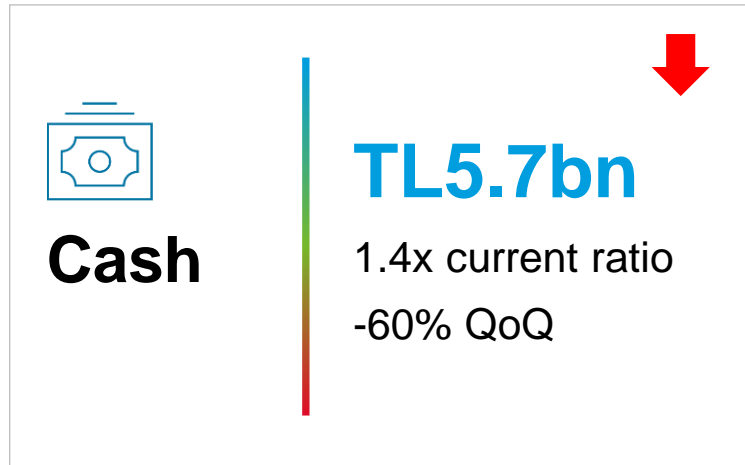
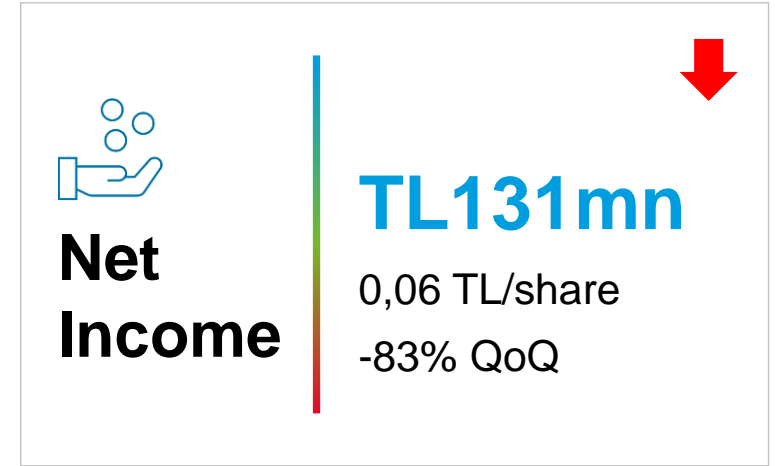
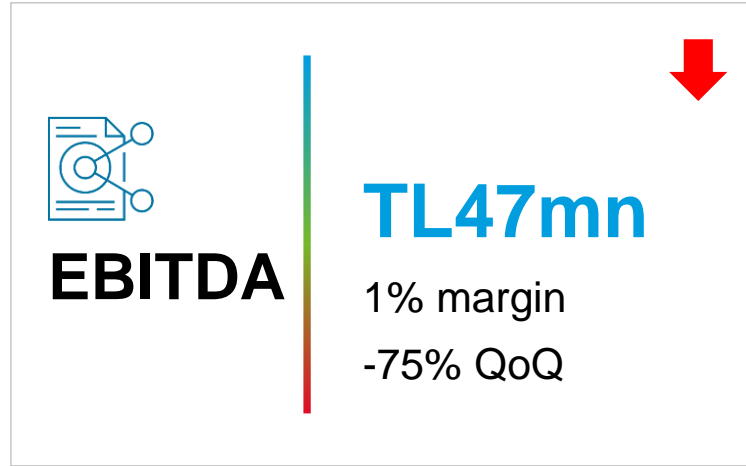
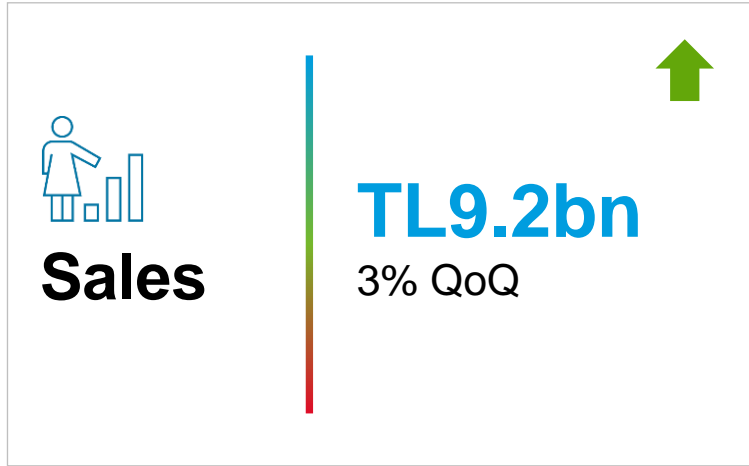


1Q23 Results Investor Presentation



1Q23 financial highlights



Managing the risks and opportunities during the downcycle

1Q23 highlights



The global petrochemical industry has experienced one of the most prolonged and severe downcycles

Profitability opened 2023 at lower end of historic range, facing consistent pressure from a harsh operating environment over previous year



Optimization-based strategies have been used for efficient operations and profitability

Petkim reduced its production capacity to 64% due to economic reasons and stagnation in the global petrochemicals



Petkim has redeemed USD500mn 2023 Eurobonds and coupon due in January 2023

Petkim was able to utilize USD300mn credit facility from JP Morgan



Cost optimization and integrated production with STAR Refinery

Approx. USD7mn inventory gain



Managing operating cash flow despite challenging market environment

Cash flow from operating activities decreased to negative USD40mn, mainly driven by declining EBITDA but cushioned by stringent working capital management

Industry Environment

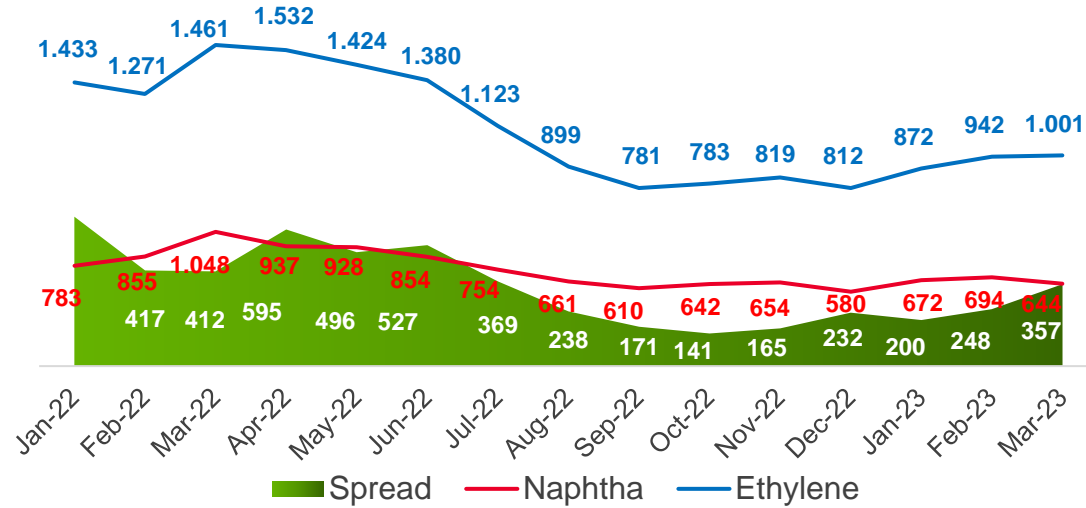
Global petrochemical market
Petrochemical market in Turkey



Industry environment

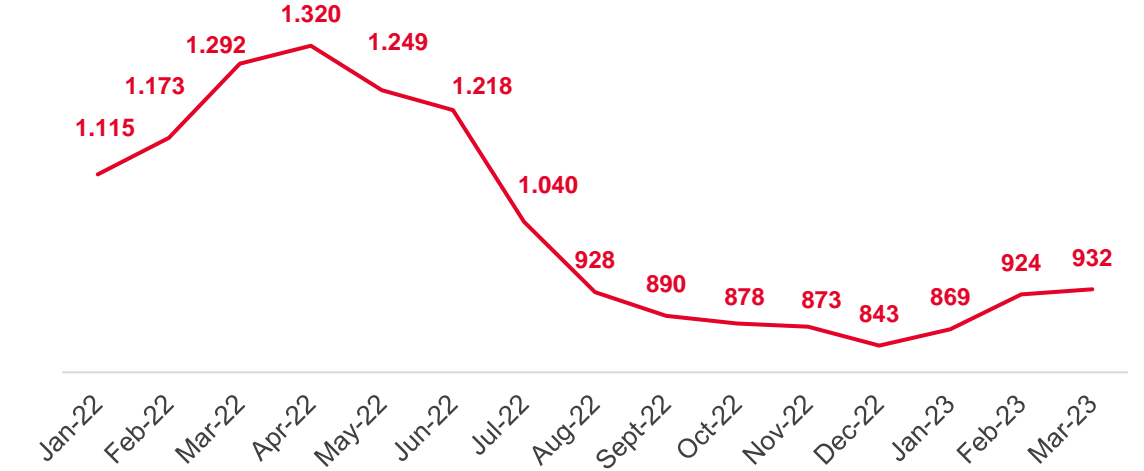
Monthly naphtha - ethylene spread (CIF MED spot prices)

USD/tonne



Monthly average Platts index*

USD/tonne



(*) compilation of ethylene, propylene, benzene, toluene, PX, LDPE and PP.



Ethylene prices increased by **17%**, while the cost of naphtha raised by **7%** in 1Q23 compared with the 4Q22



Ethylene-naphtha spread increased by **50%** from **USD184/ton** in 4Q22 to **USD275/ton** in 1Q23



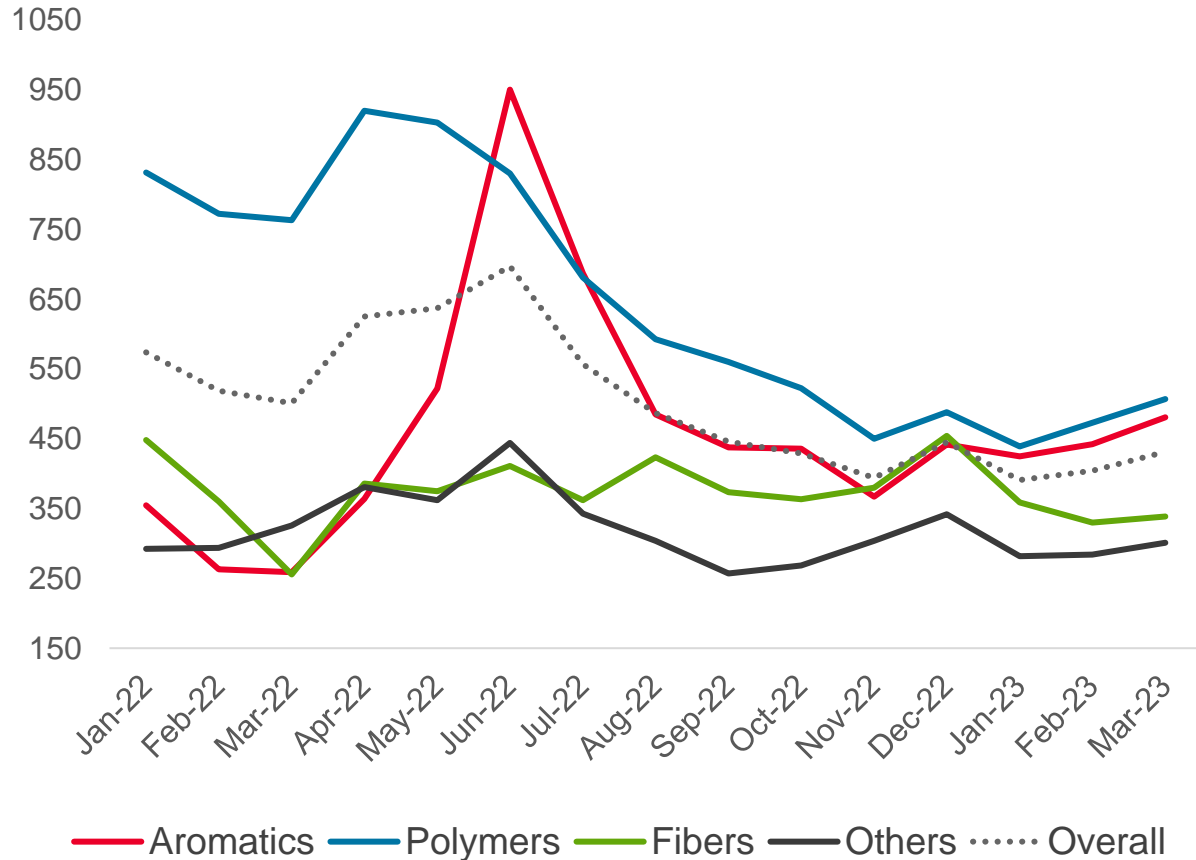
Margins were exposed to full cost burden, as ethylene and propylene prices were stagnated against firming naphtha costs



1Q23 PLATTs index increased by **5%** from the previous quarter, remain burdened with fragile demand

Industry environment


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




Source: S&P Global Commodity Insights


Key trends in the industry


 Lengthening domestic supply and weak demand

 Increasing feedstock prices

Margins remain at the bottom of the cycle due to combination of oversupply, weak demand and high feedstock prices

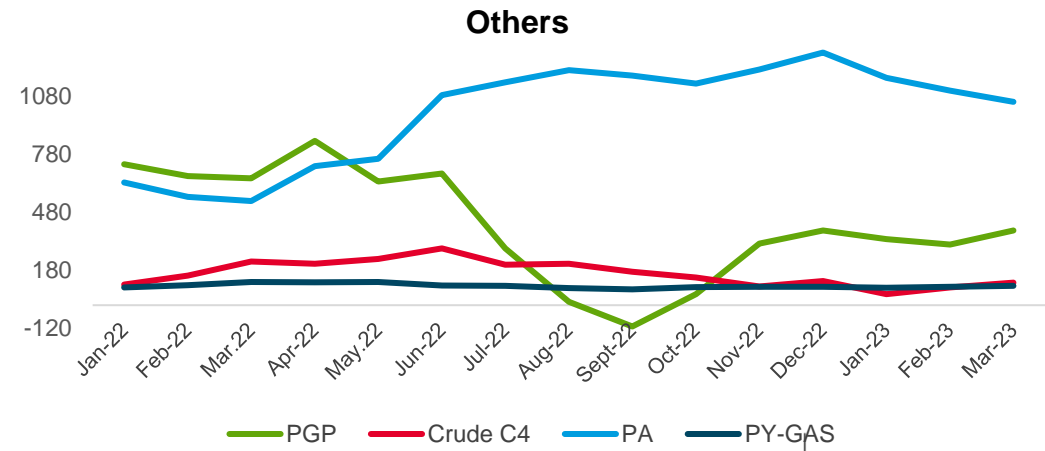
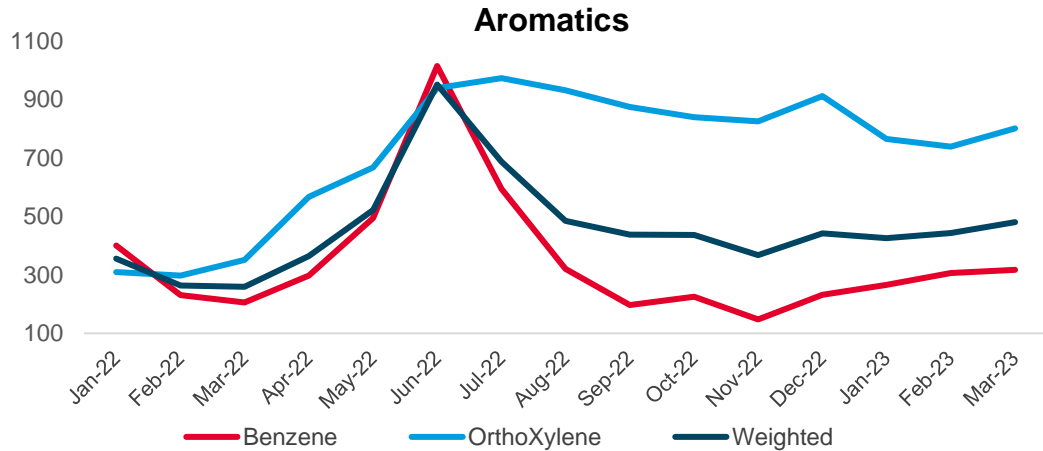
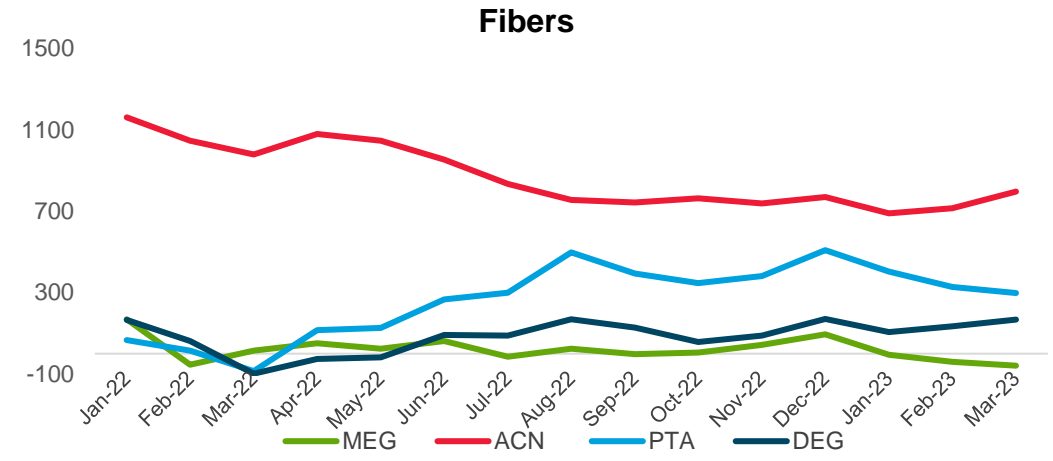
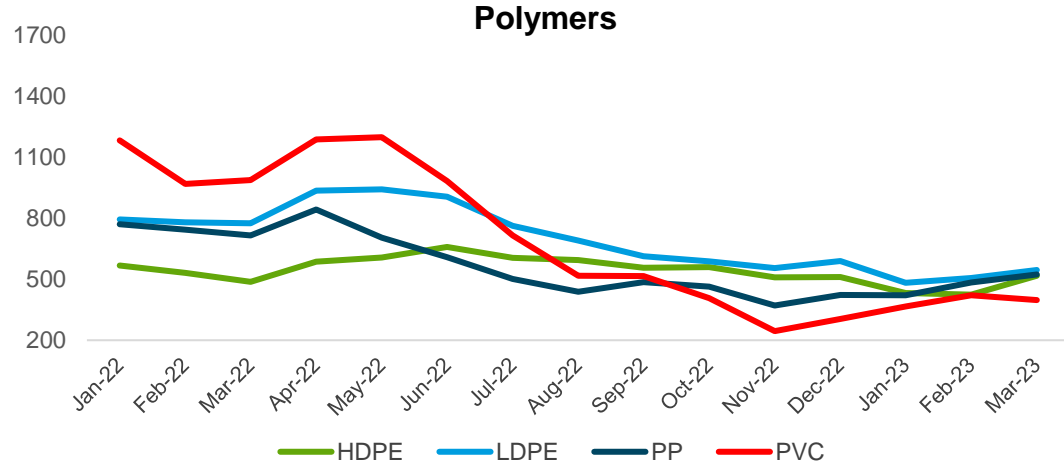
 Firming feedstock costs hindered opportunities to revive in polymer margins as markets strengthened modestly

 Demand for MEG was extremely weak opening 2023 as many PET plants closed facing renewed intense pressure from imports of lower cost Asian resin

 Aromatics supply shortened against fragile demand as low profitability forced production Benzene prices diverged from easing energy values as naphtha prices increased to resume a more typical value relative to crude oil

Industry environment

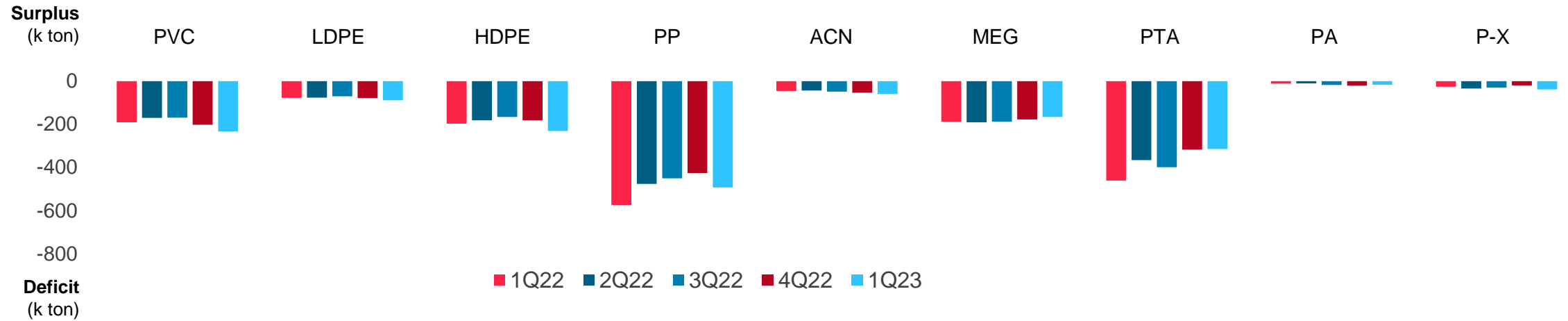
Product groups spread (over naphtha CIF MED), USD/MT



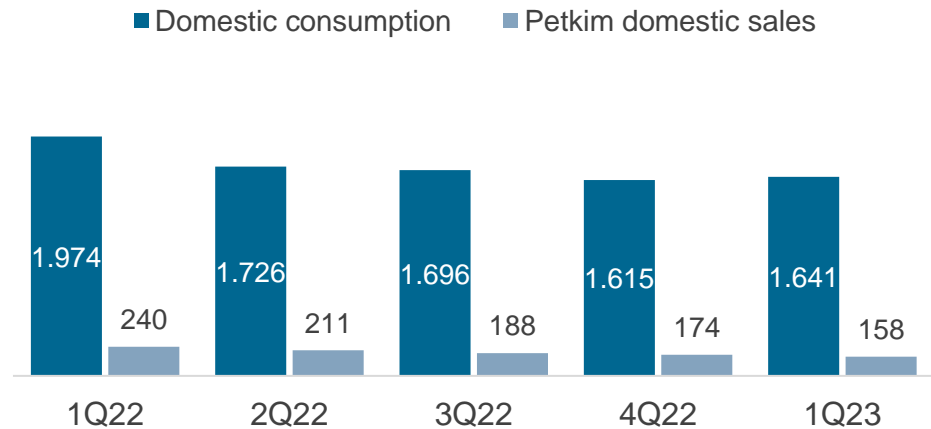
Source: S&P Global Commodity Insights

Turkey's petrochemical sector overview

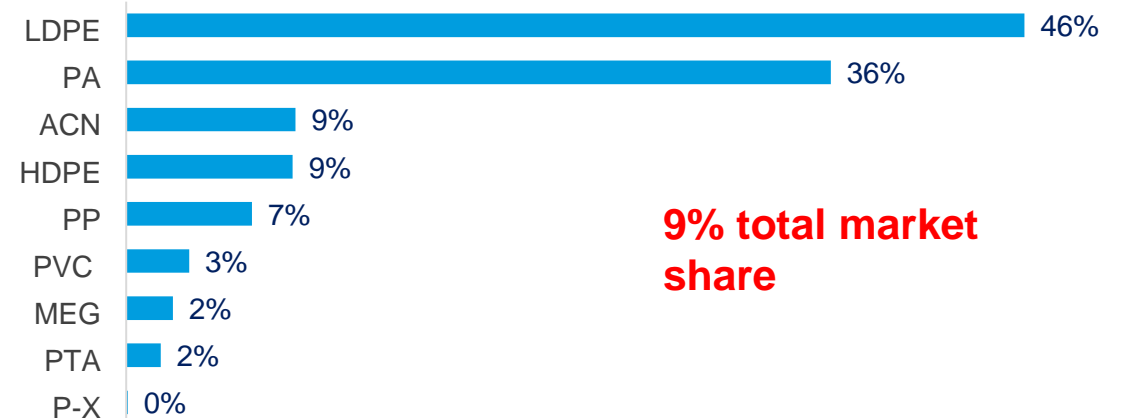
Turkey domestic demand is primarily met by imports



Petrochemical consumption in Turkey (k ton)



Products market share (cumulative)

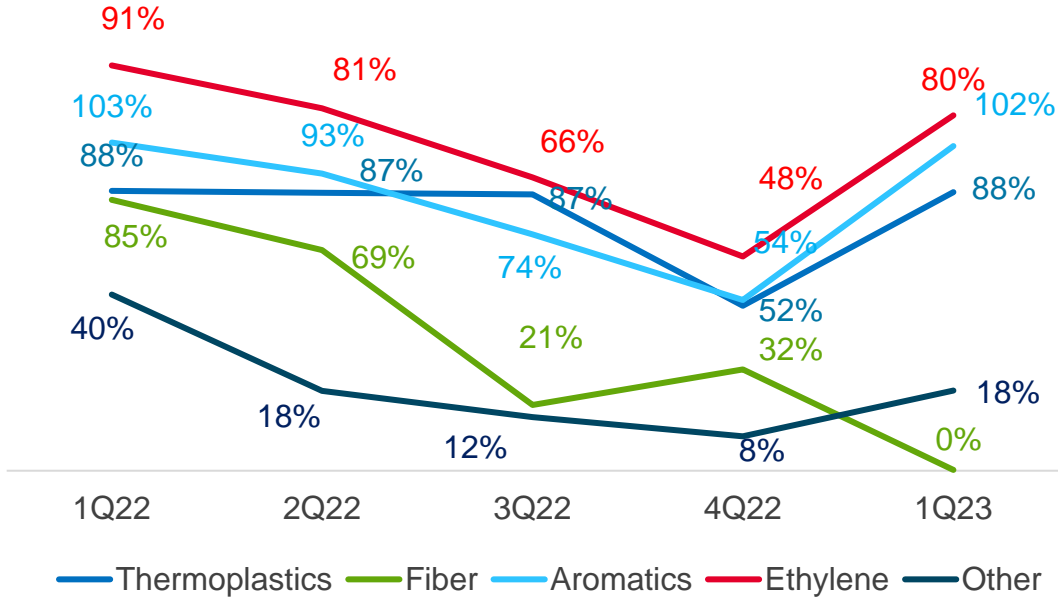


Operating and Financial Results

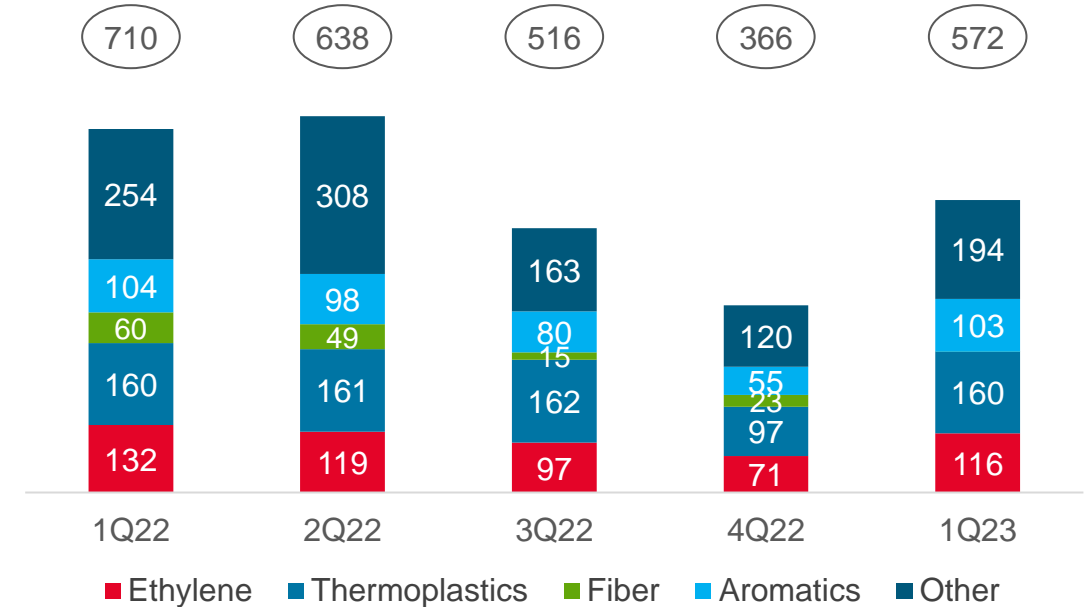


Capacity utilization and gross production

Capacity utilization rates (%)



Gross production (k ton)

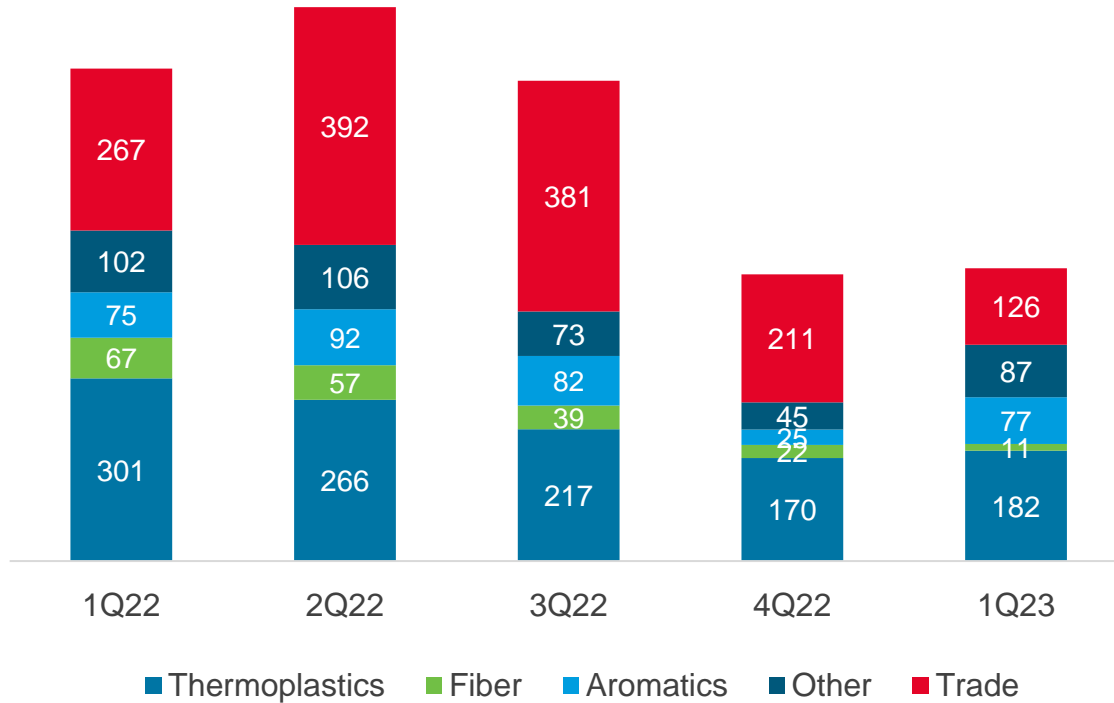


After major maintenance in the previous quarter, intentional ongoing closures in fiber plants for economic reasons kept capacity utilization rate below the expected levels

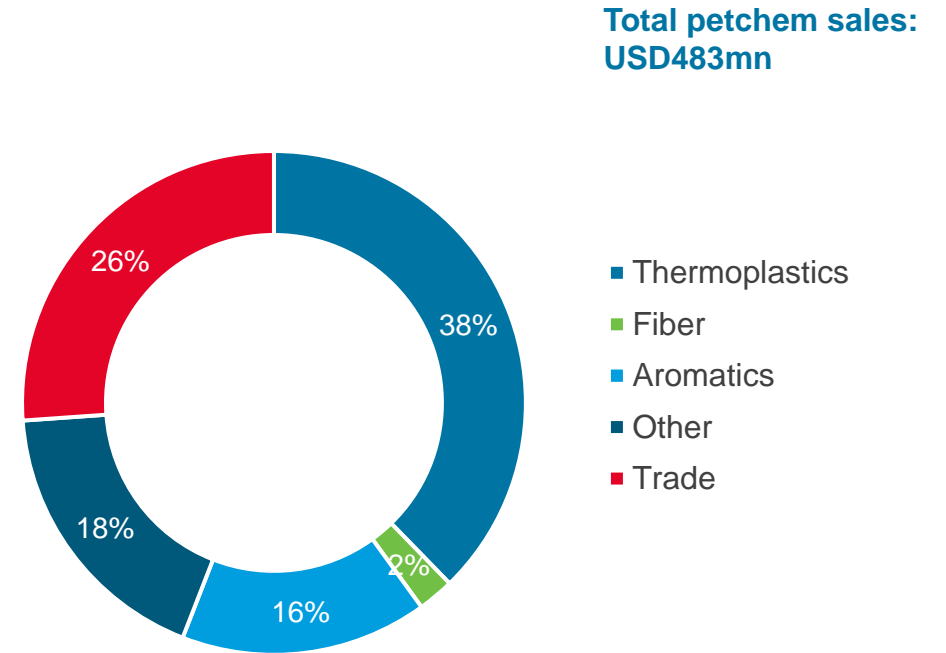
Petkim generated **572kton** gross production and capacity utilization rate was **64%** in 1Q23

Petrochemical product sales

Breakdown of petchem sales (mn USD)



Breakdown by percentage in 1Q23

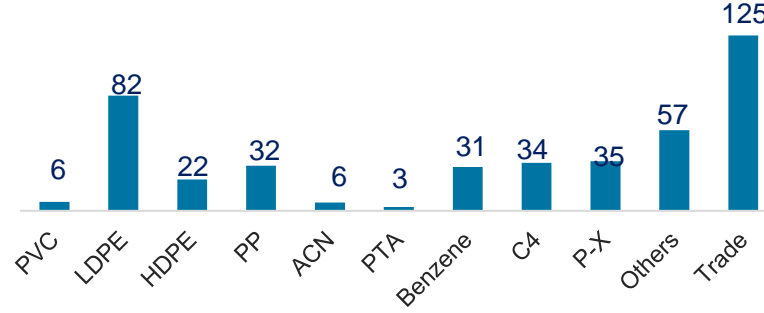




In 1Q23, Petkim achieved TL 9,096mn sales via 434k ton sales volume

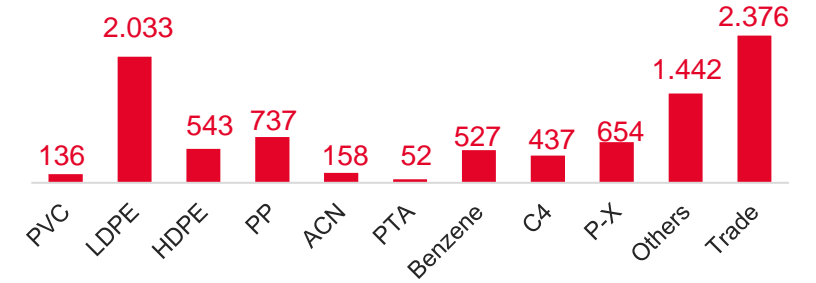
Sales volume (ton k)

Total volume: 434k ton



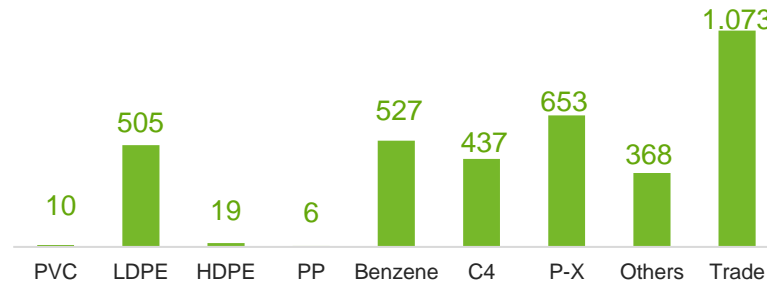
Revenue (TL mn)

Total revenue: TL9,096mn

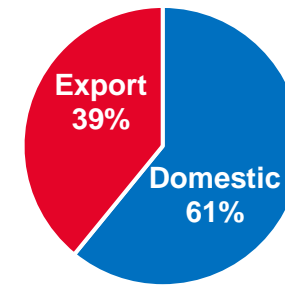


Export Revenue (TL mn)

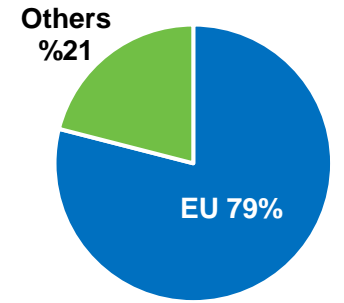
Total export: TL3,597mn



Revenue breakdown (%)



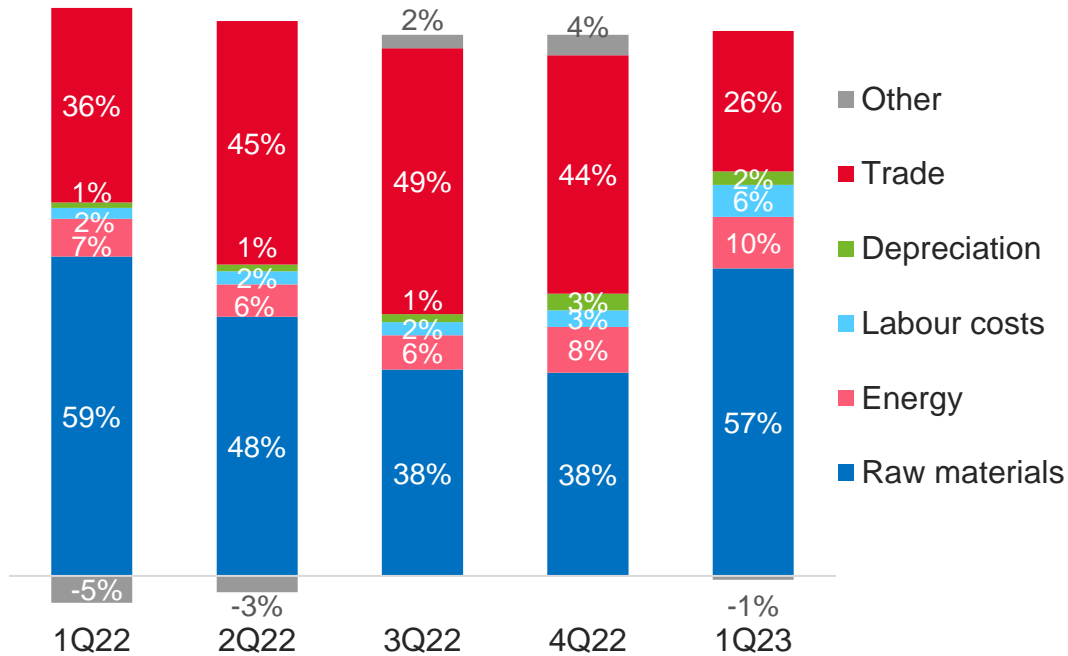
Exports breakdown as per region (%)



Breakdown of total COGS

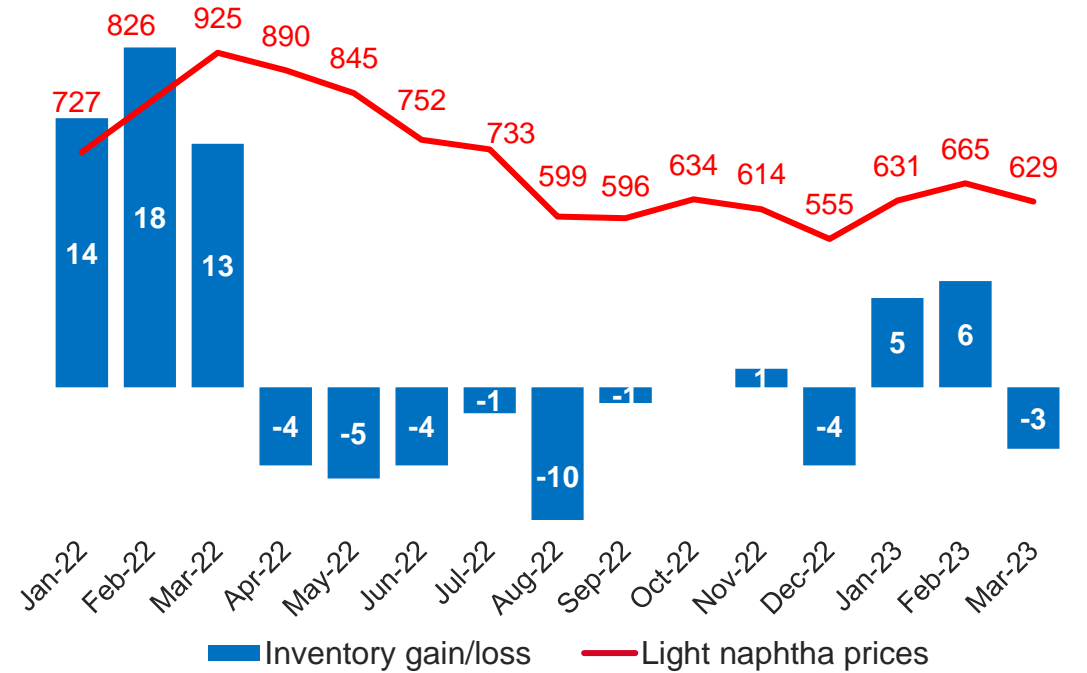
COGS breakdown (%)

1Q23 total COGS: TL9,217mn



Inventory gain/loss (mn USD)

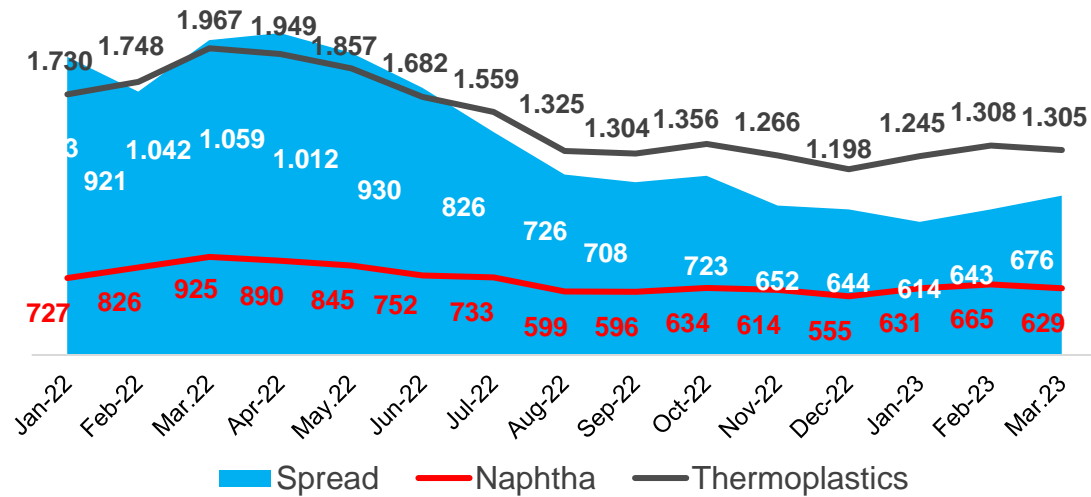
1Q23 inventory gain: USD7.2mn



Feedstock vs. product prices of Petkim

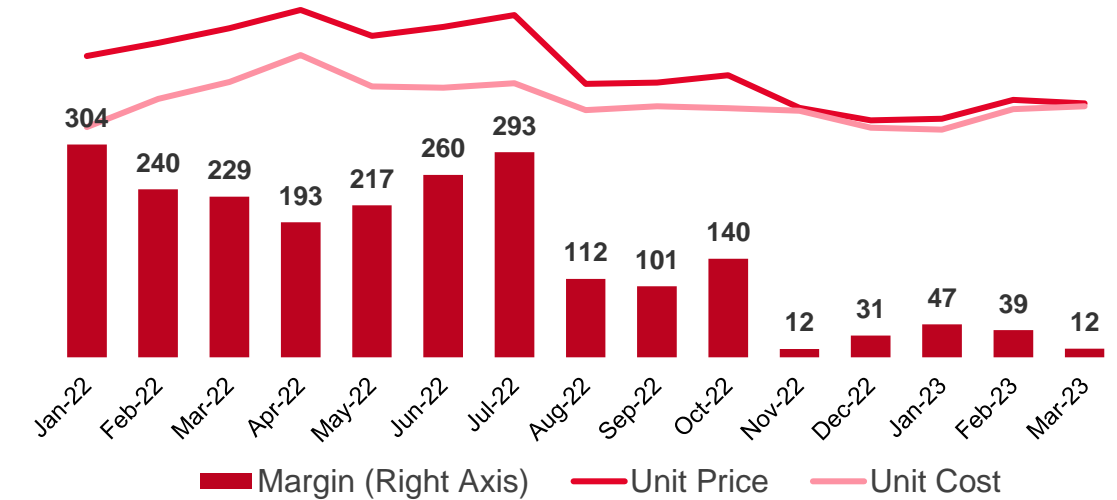
Thermoplastics and naphtha spread

USD/tonne



Petchem unit margins*

USD/tonne



(*) Excluding trade



Thermoplastics margins were swiftly recovered in March as an abrupt rebound in light naphtha costs restored



A downturn in profitability at the MEG and PTA crackers offered no relief for integrated producers as margins retreated towards cash cost breakeven



Although production unit prices were quite stable, unit costs increased mainly due to upward volatility in naphtha prices during the quarter and inventory loss in March

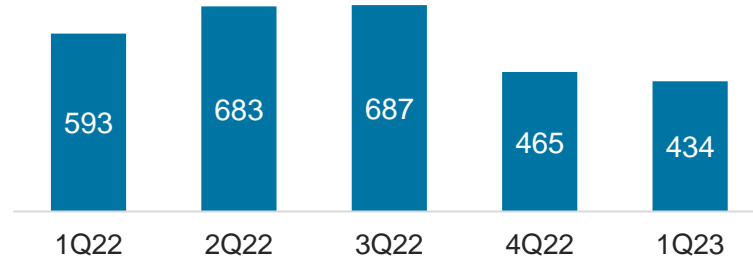
PETKİM 1Q23 income statement

TL mn	FY			Q1		
	Q1'22	Q1'23	YoY Δ (%)	Q4'22	Q1'23	QoQ Δ (%)
Sales	11,421	9,198	(19%)	8,908	9,198	3%
Cost of sales	(9,746)	(9,217)	(5%)	(8,846)	(9,217)	4%
Gross profit	1,675	(19)	(101%)	62	(19)	(131%)
Gross profit %	15%	0%		1%	(0%)	
Marketing and sales expenses	(83)	(171)	105%	(166)	(171)	3%
General administrative expenses	(222)	(375)	69%	(371)	(375)	1%
Operating profit	1,369	(566)	(141%)	(475)	(566)	19%
Other income/ (expenses)	1,065	1,210	14%	829	1,210	46%
Financial income	1,500	539	(64%)	384	539	40%
Financial expenses	(1,848)	(1,124)	(39%)	(963)	(1,124)	17%
Profit before tax	2,086	59	(97%)	(226)	59	(126%)
Income tax	(221)	(16)	(93%)	-	(16)	-
Deferred tax	(113)	87	(177%)	990	87	(91%)
Net profit / (loss)	1,753	131	(93%)	765	131	(83%)
Net profit %	15%	1%		9%	1%	
Other	51	290	474%	338	290	(14%)
Depreciation	183	323	76%	326	323	(1%)
EBITDA	1,603	47	(97%)	189	47	(75%)
EBITDA %	14%	1%		2%	1%	

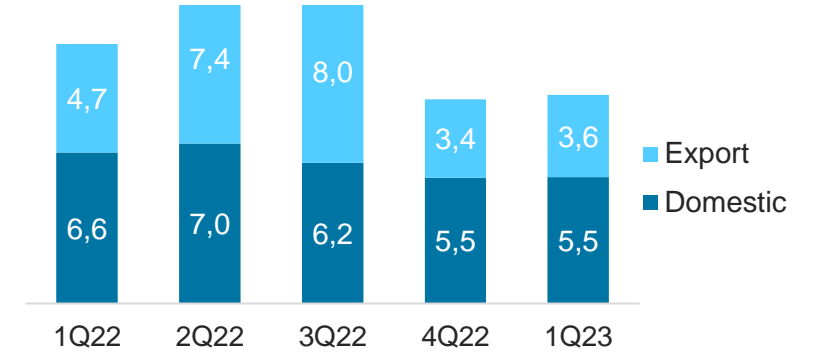


Financial highlights

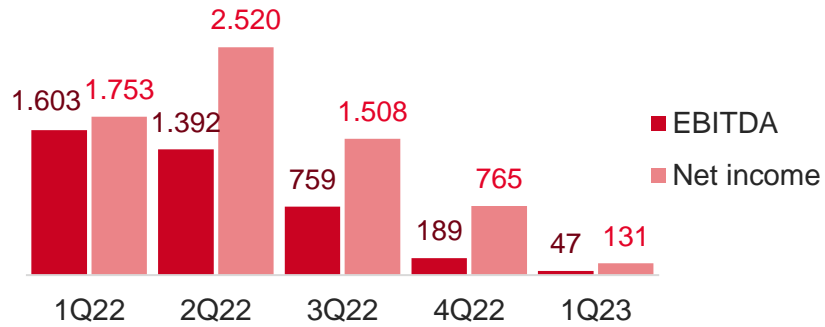
Sales tonnes (k ton)



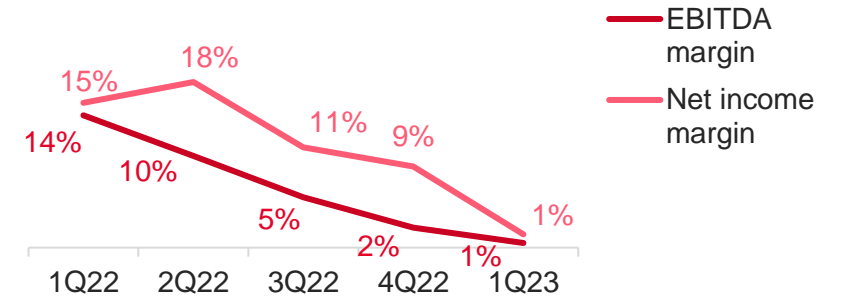
Revenue (bn TL)



EBITDA and net income (k TL)



Margins (%)

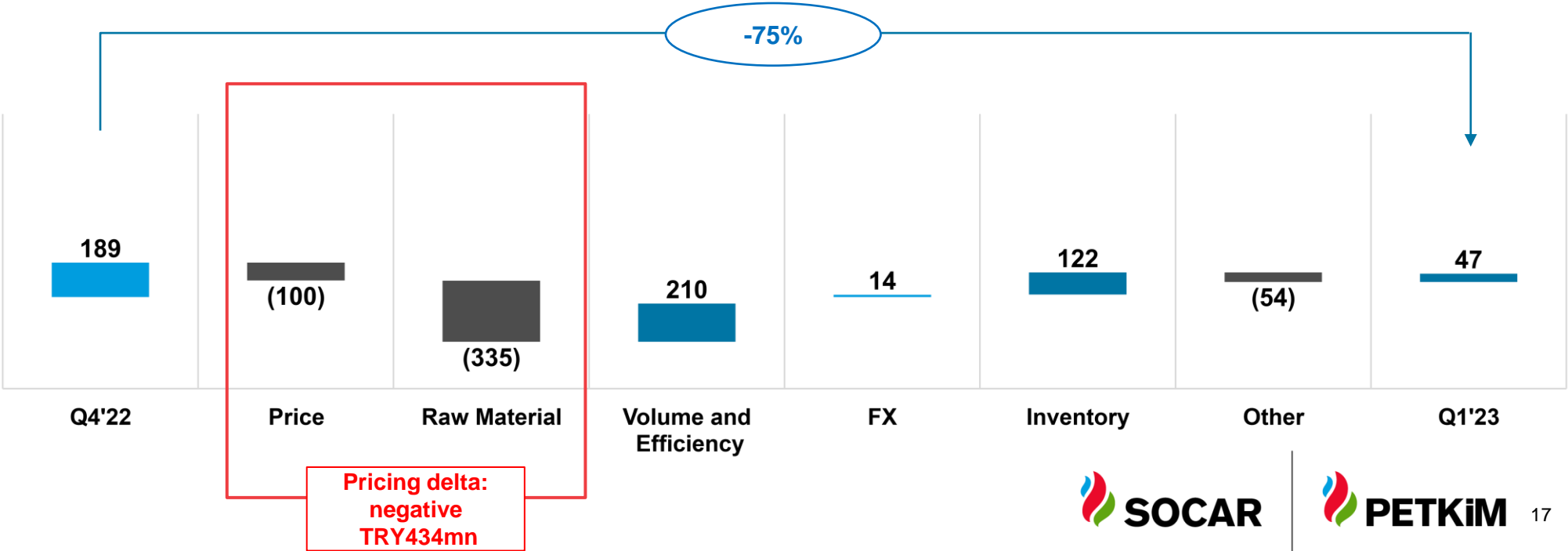


Earnings driven by negative pricing delta boosted by raw material prices

1Q23 segments' results (mn TRY)



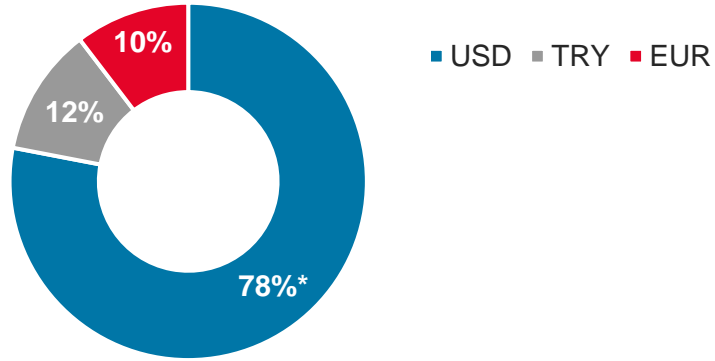
Quarterly change in EBITDA (mn TRY)



Liquidity highlights

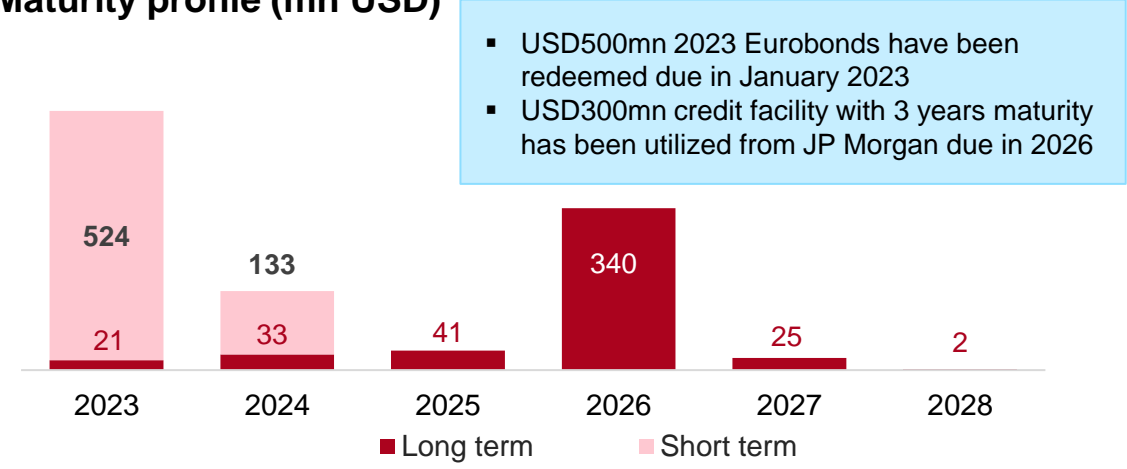
Deposits* (%)

USD300mn

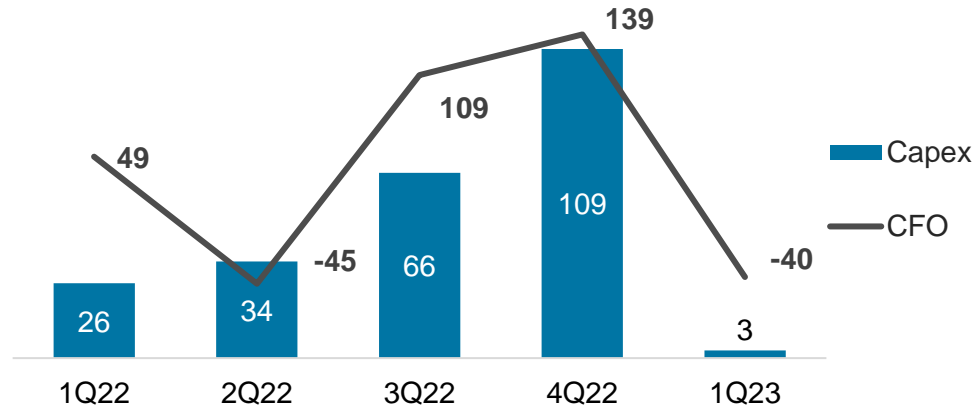


(*) FX-protected deposits account for 13% of USD deposits

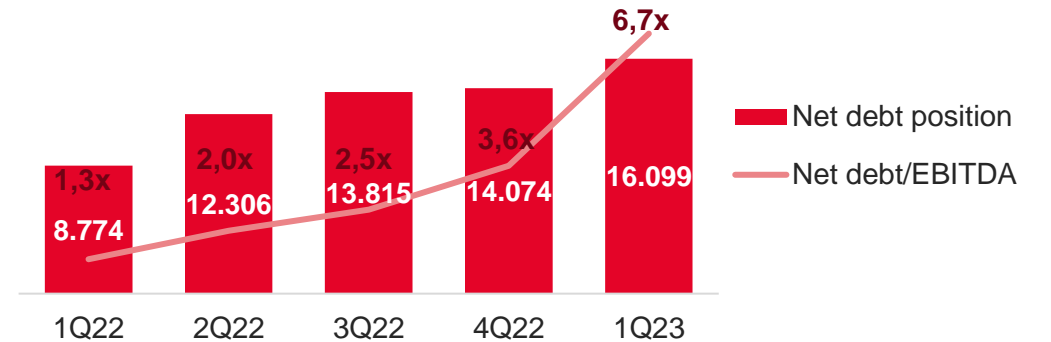
Maturity profile (mn USD)



Cash flow from operations and CAPEX (mn USD)



Net debt position (mn TL)



Sustainability and ESG



Our sustainability strategy will be built on two pillars

Climate/CO2 Targets



Decarbonization

1

Short-term²

2021-2025

Implement energy efficiency, electrification, resource management and flare management initiatives to decrease CO2 emission by 1% per annum in R&P BU

Improve capabilities and know-how for potential alternative energies (e.g., bio-naphtha, SAF, etc.)

2

Mid-term

2025-2030

Develop internal carbon pricing approach for future investments to effectively integrate decarbonization aspiration and mitigate risks caused by potential regulations

Consider decarbonization initiatives under strategic investments

Invest in plastic recycling to be one of the leading companies in Turkey recycling industry capacity

3

Long-term³

2030 onwards

Achieve long term decarbonization targets for decreased emissions:

- **40%** reduction by 2035 for Scope 1 & 2¹
- **Net zero** by 2050 for Scope 1 & 2¹

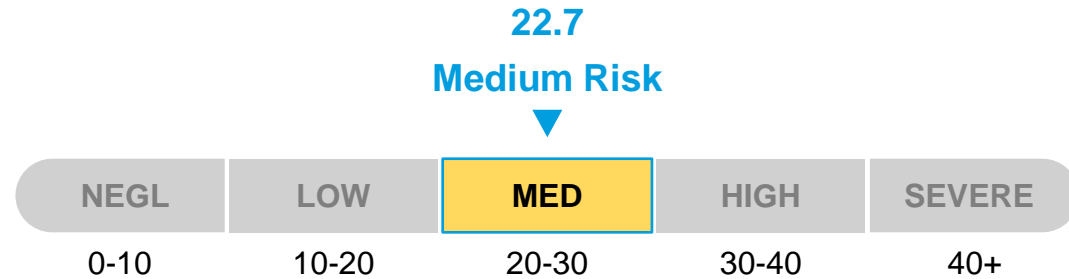
Collaborate with alternative energy start-ups through CVC with know-how gained in short and mid-term

Develop relations and potentially partnerships with recycling players to address projected business opportunity and capture sustainability impact

1. Scope 1: Direct emissions (e.g., production processes), Scope 2: Indirect emissions (e.g. electricity and heat),
2. No major capex needed in the short term
3. Base year is 2017

Petkim completed the assessment with a score of 22.7

ESG Risk Rating



Strength areas

- Emissions, Effluents and Waste**
 - Environmental Policy
 - Environmental Management System
 - EMS Certification
 - Emergency Response Programme
- Business Ethics**
 - Political Involvement Policy
 - Lobbying and Political Expenses
 - Animal Testing Programme and Policy
- Occupational Health and Safety**
 - Health and Safety Management System
 - Health & Safety Certifications
 - LTIR Trend
 - Employee Fatality Rate
 - Contractor Safety Programme

Ranking 8th among 206 players in the commodity chemicals

Sustainalytics ESG Risk Rating Ranking

	Rank (1st = lowest risk)	Percentile (1st = lowest risk)
Global Universe	4335/13667	32 nd
Chemicals	22/443	6 th
Commodity Chemicals	8/206	4 th

ESG Risk Management

Petkim's overall ESG-related disclosure is in accordance with GRI reporting standards, adhering to best practice. ESG-related issues are overseen by the Ethics and Corporate Social Responsibility Committee, chaired by the CEO, suggesting that these are integrated in core business strategy.

Supporting Slides



PETKIM 1Q23 balance sheet

TL mn	12M'22	3M'23	Financial highlights	12M'22	3M'23
Cash and cash equivalents	14,227	5,743	Net debt position	(14,074)	(16,099)
Trade receivable	4,735	4,182	Working capital	(7,613)	(4,135)
Inventory	4,383	4,361	Days sales outstanding	33	40
Other receivables	25	28	Days payable outstanding	89	100
Other current assets	11,035	11,728	Days sales of inventory	32	45
Current assets	34,405	26,041			
Non current assets	20,258	21,832			
Total assets	54,663	47,873			
Short term borrowings	25,727	13,650			
Trade payables	4,407	3,572			
Other payables	1,064	1,243			
Current liabilities	31,198	18,466			
Long term borrowings	2,997	8,729			
Other non-current liabilities	1,409	1,516			
Shareholders' equity	19,059	19,162			
Total liabilities	54,663	47,873			

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 STEAS

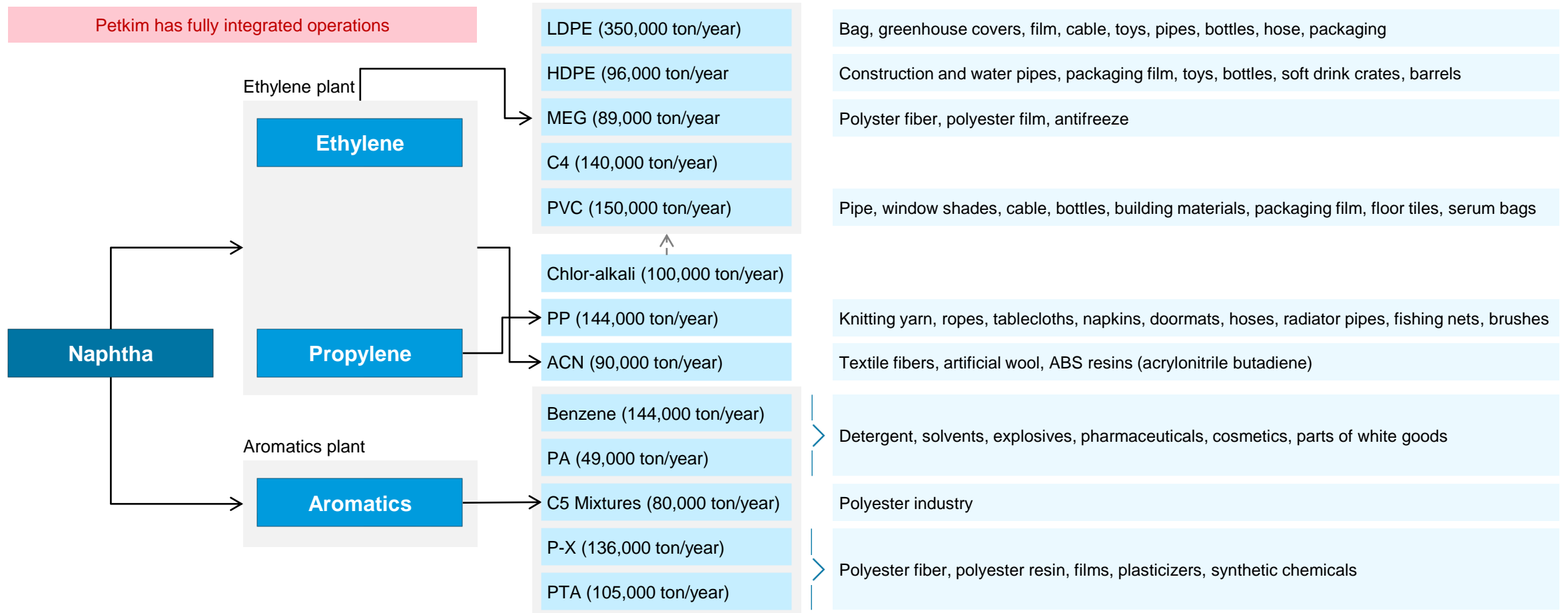
- Stable stream of income that is not correlated to Petkim's core business
- Savings on shipments for expansion projects



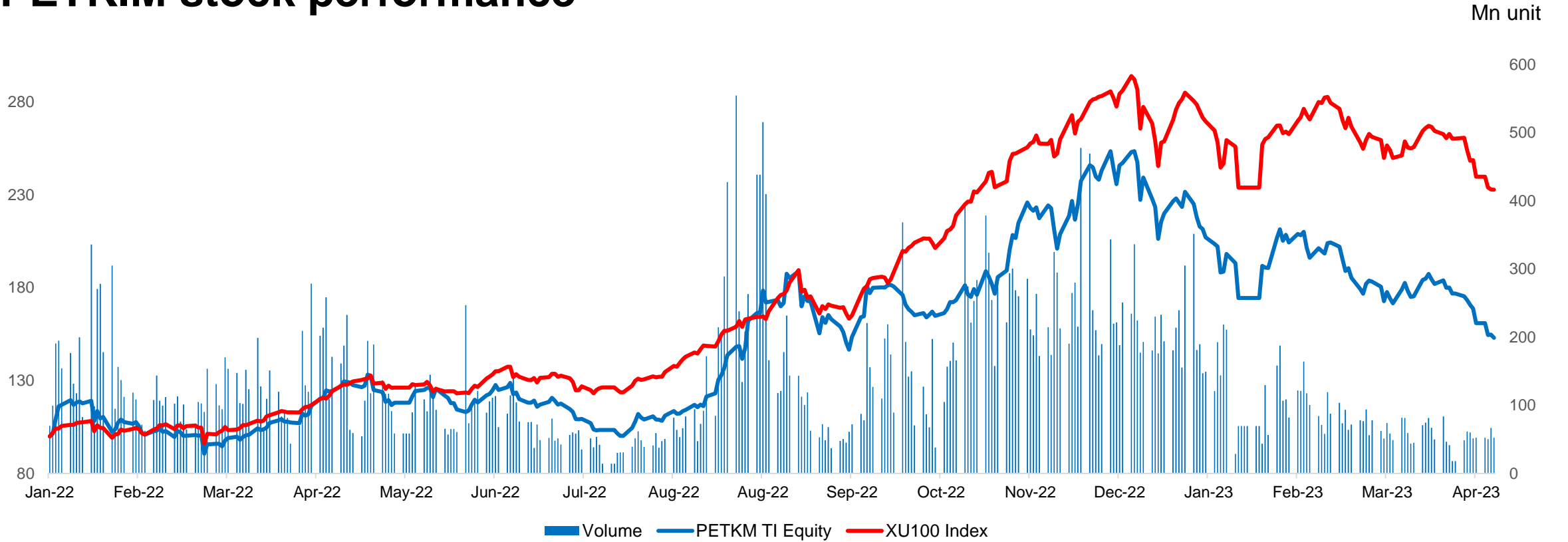
- Wind farm located in the Aliaga Peninsula licensed to generate 38 MW of electricity
 - Petkim has applied for a new license allowing generation at full capacity of 51 MW
- The construction of 17 new turbines, each able to generate 3 MW of electricity, was completed in Sep-2017
- Total investment in 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 (TL/share)
12,36TL

Market capitalization
(TL mn)
TL 31,325

Free float
(%)
49.0%

*As the date of 04 May 2023

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