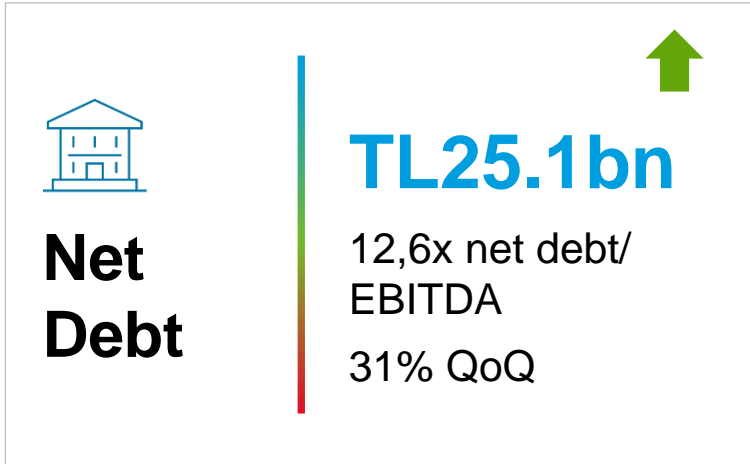
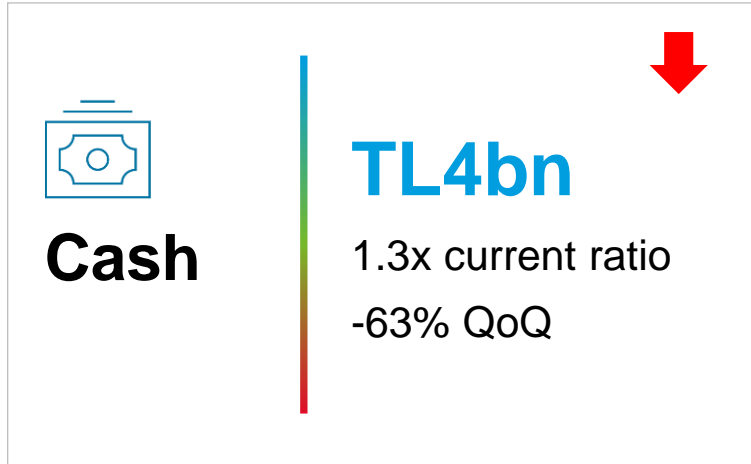
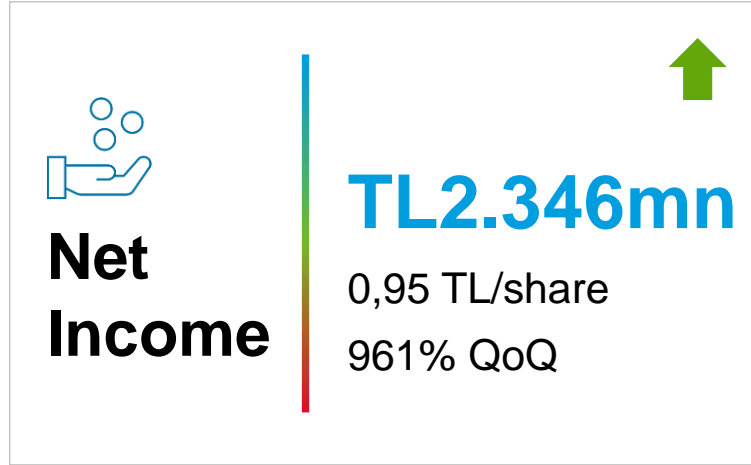
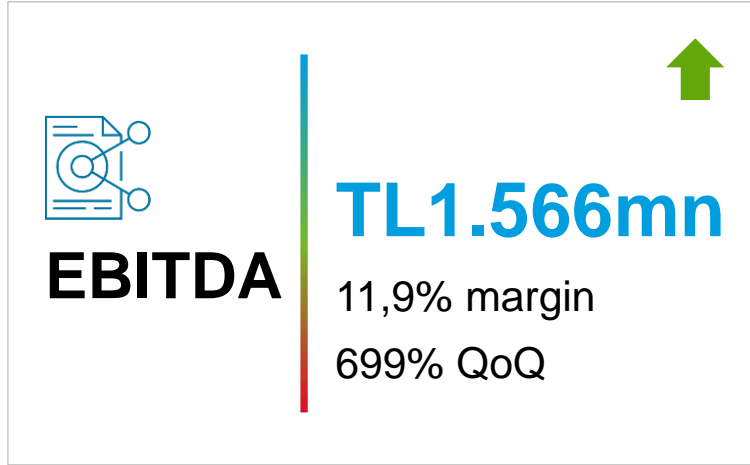
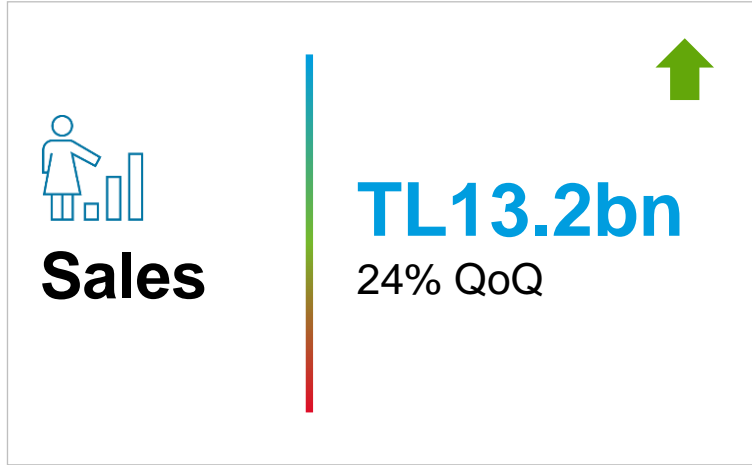



3Q23 Results Investor Presentation





3Q23 financial highlights





Improved profitability through management initiatives

 Petkim was able to access to low-cost feedstock thanks to revised agreement with STAR Refinery
Petkim's average gross unit margins improved from USD56/ton in 2Q23 to USD168/ton in 3Q23

 Optimization-focused initiatives resulted in cost efficient operations and improved profitability
Petkim's production capacity level was around 65%

 Higher trade contribution in the total portfolio mainly due to lower trading cost and depreciation in TL
USD9.9mn trading gross profit has been recorded

 STAR Refinery welcomed Petkim as its new shareholder
Petkim completed its acquisition of 12% indirect share of STAR Refinery

 New award for Petkim from Institutional Investor 2023 Europe and Emerging EMEA Equity Awards
Petkim was awarded in the *Best Team in IR* category in basic materials sector

Industry Environment

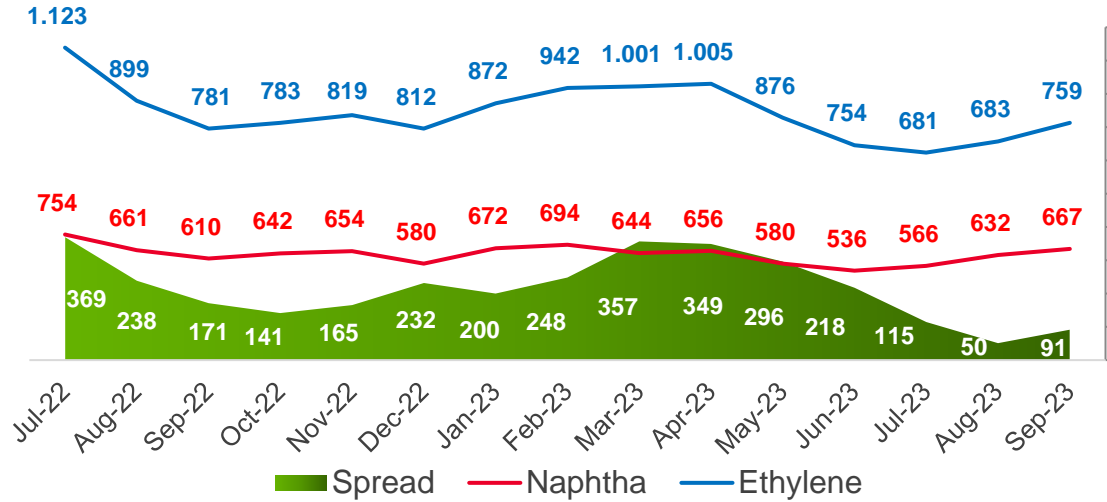
Global petrochemical market
Petrochemical market in Turkey



Industry environment

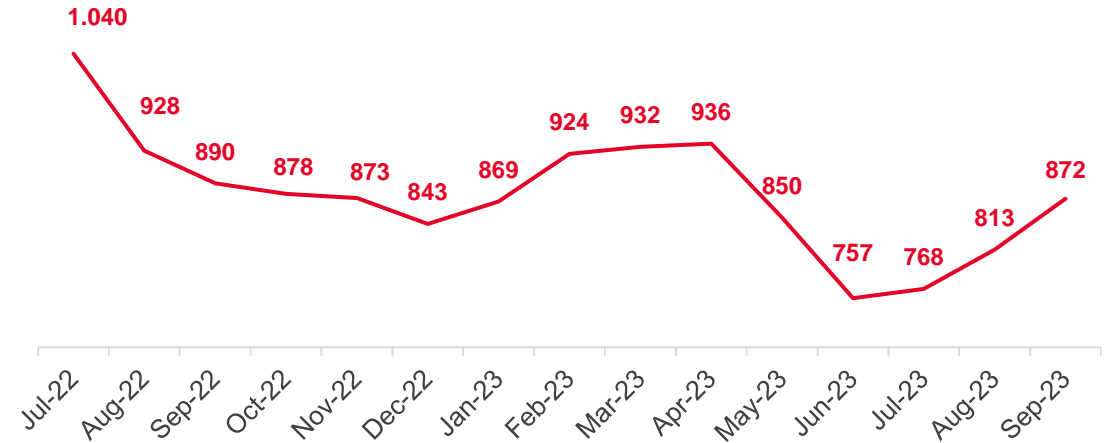
Monthly naphtha - ethylene spread (CIF MED spot prices)

USD/tonne



Monthly average Platts index*

USD/tonne



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



Ethylene prices decreased by **19%**, while the cost of naphtha raised by **5%** in 3Q23 compared with the 2Q23



Ethylene-naphtha spread considerably narrowed by about **70%** from **USD287/ton** in 2Q23 to **USD85/ton** in 3Q23



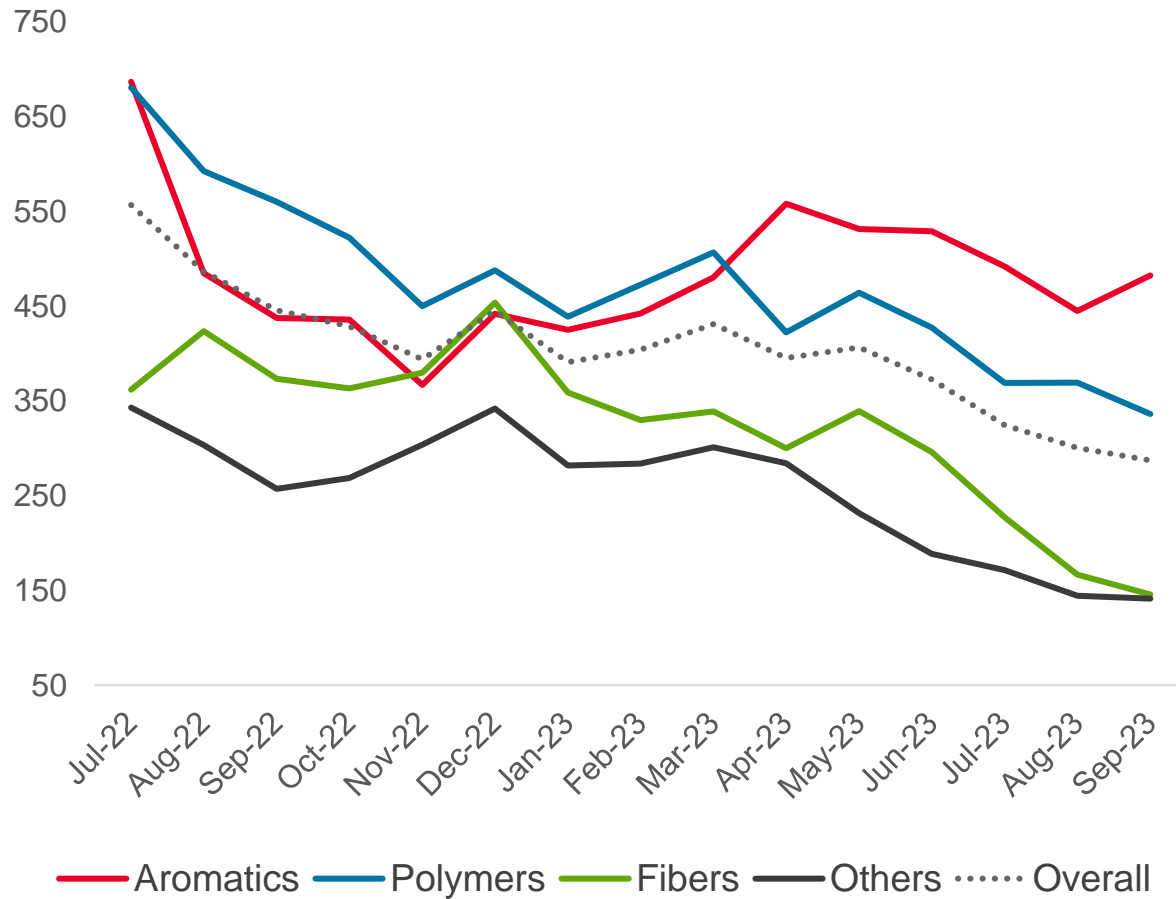
Petrochemical prices rebounded in August on the back of rising feedstock costs, however gains were not enough to lift margins



3Q23 PLATTS index decreased by approximately **4%** in comparison with the previous quarter

Industry environment

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



Source: S&P Global Commodity Insights

Key trends in the industry



Demand weakness and over-supply persists



Escalated feedstock and energy costs

Standard naphtha cracker margins tumbled by August as a contrasting view of petrochemical and oil markets led revenue to diverge from upstream costs



Naphtha based producers were pushed to increase polymer prices in August as integrated margins approached breakeven



Polyester value chain profitability remains weak due to oversupply and weak demand, with MEG persistently below breakeven

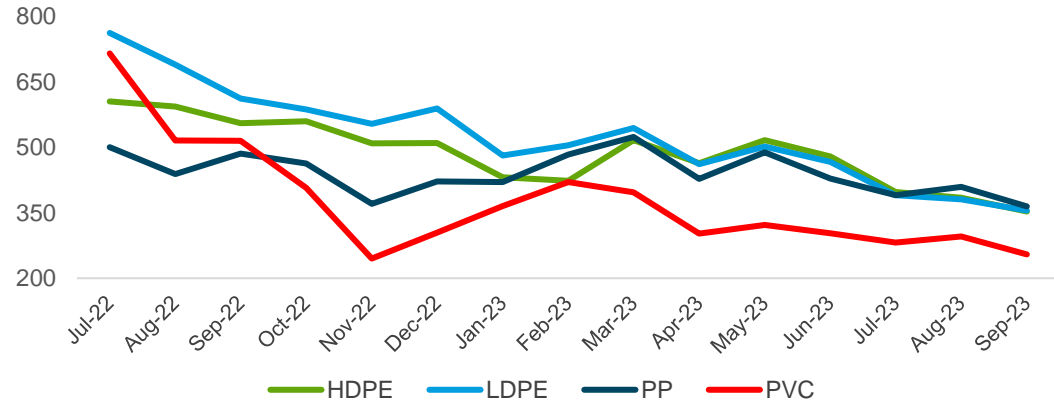


Improving gasoline market continued to influence heavily on the aromatics chain

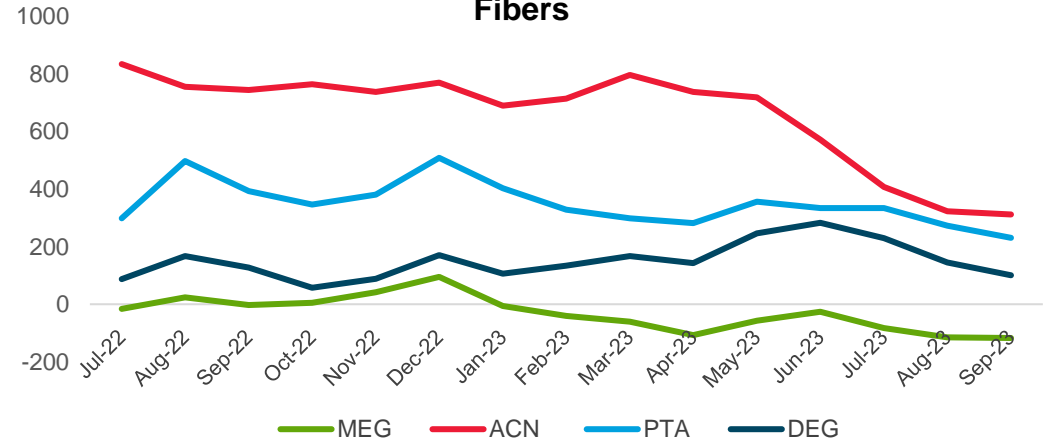
Industry environment

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

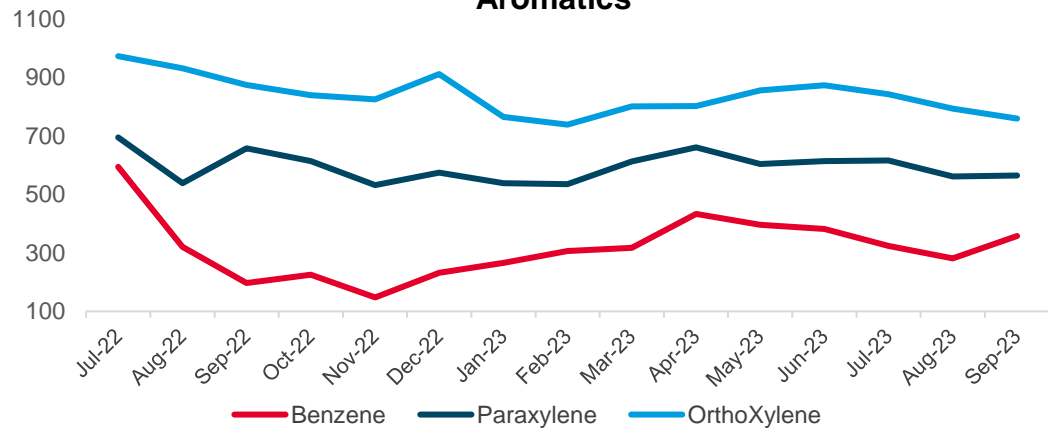
Polymers



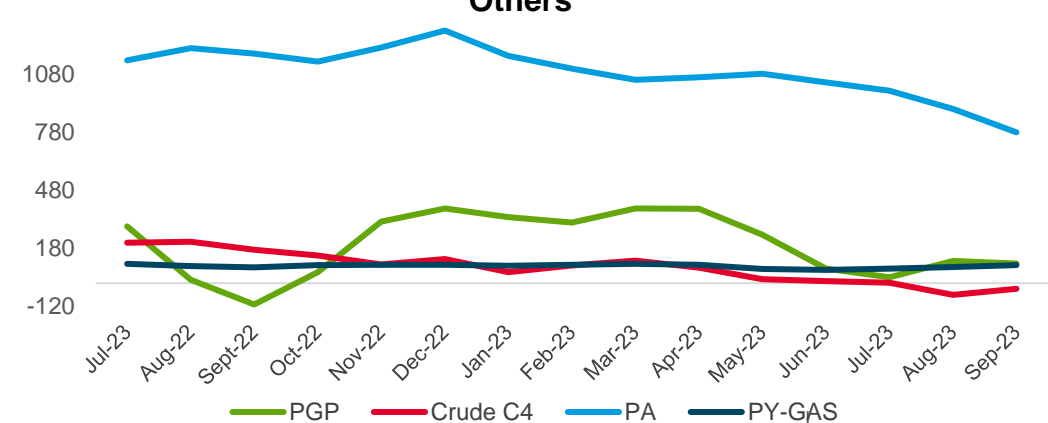
Fibers



Aromatics



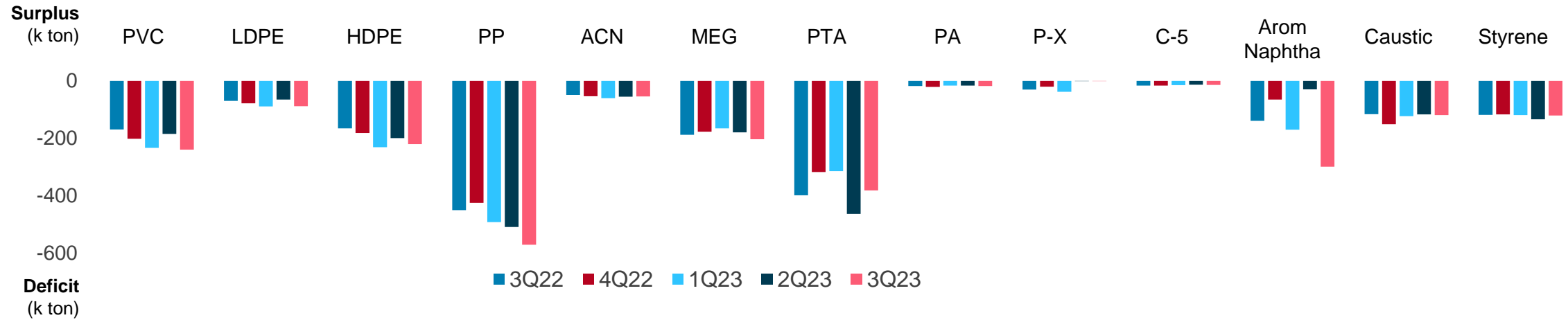
Others



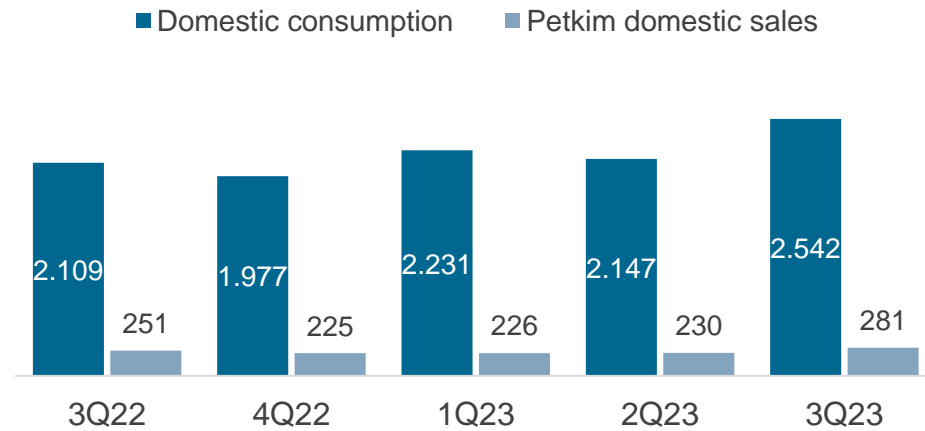
Source: S&P Global Commodity Insights

Türkiye's petrochemical sector overview

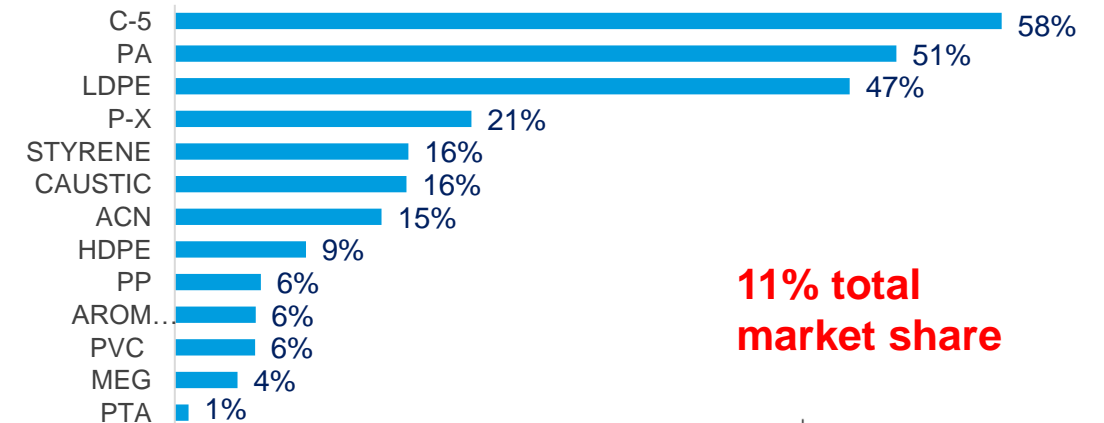
Türkiye domestic demand is primarily met by imports



Petrochemical consumption in Türkiye (k ton)



Products market share (cumulative)



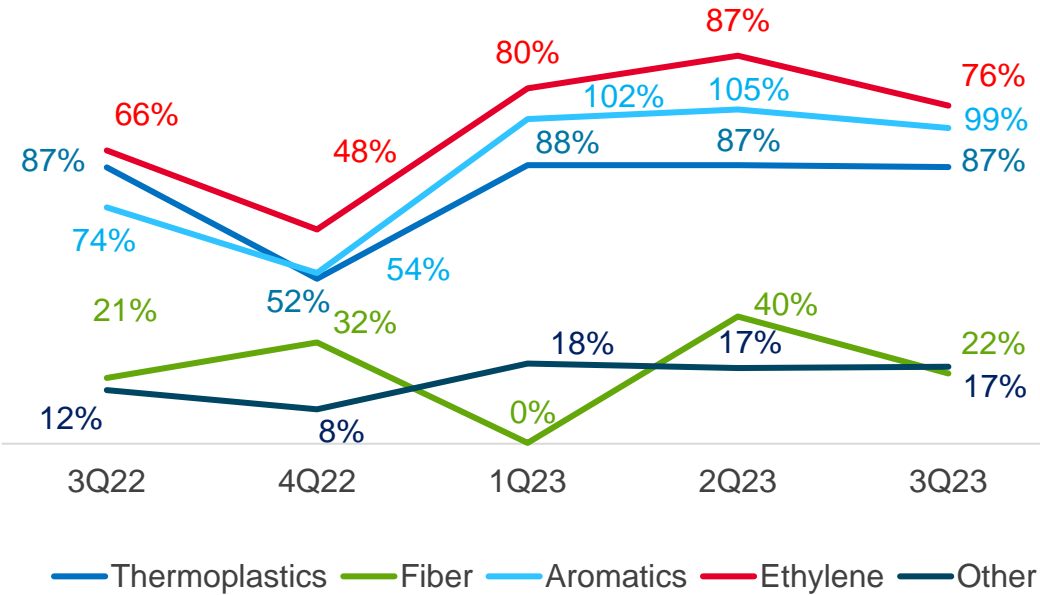
11% total market share

Operating and Financial Results

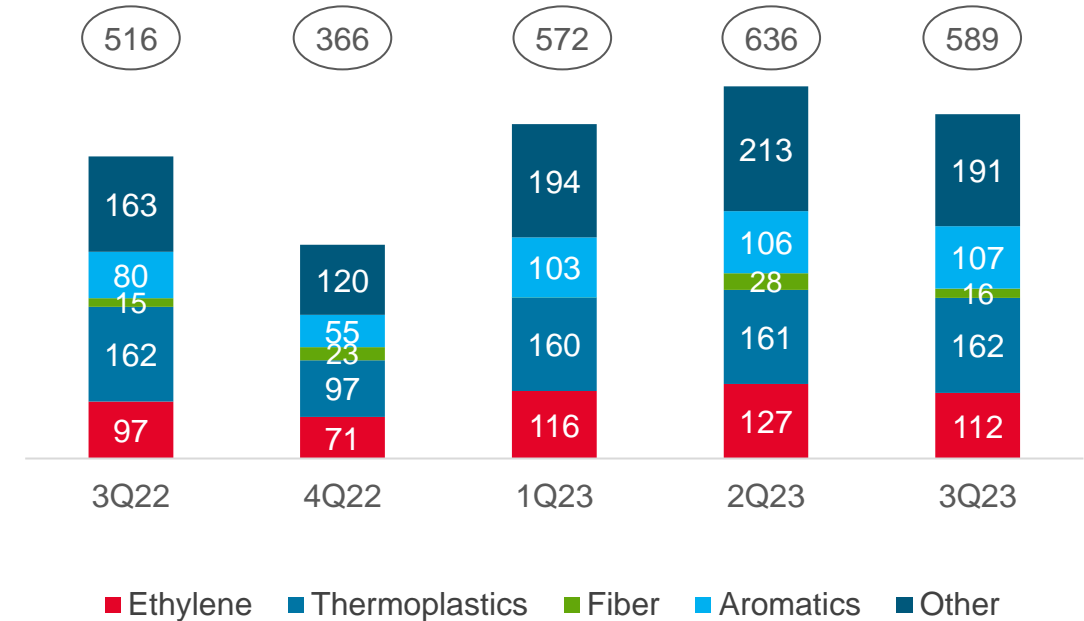


Capacity utilization and gross production

Capacity utilization rates (%)



Gross production (k ton)

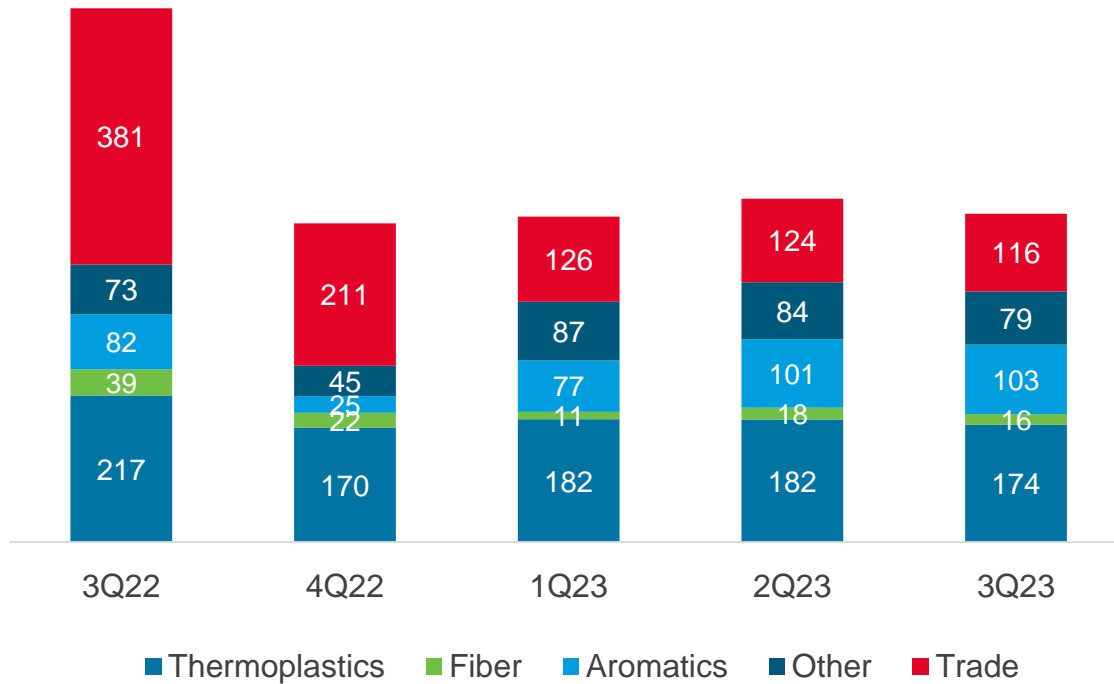


In line with its cost optimization strategy, Petkim reduced capacity through suspending uneconomical plants such as MEG, PTA

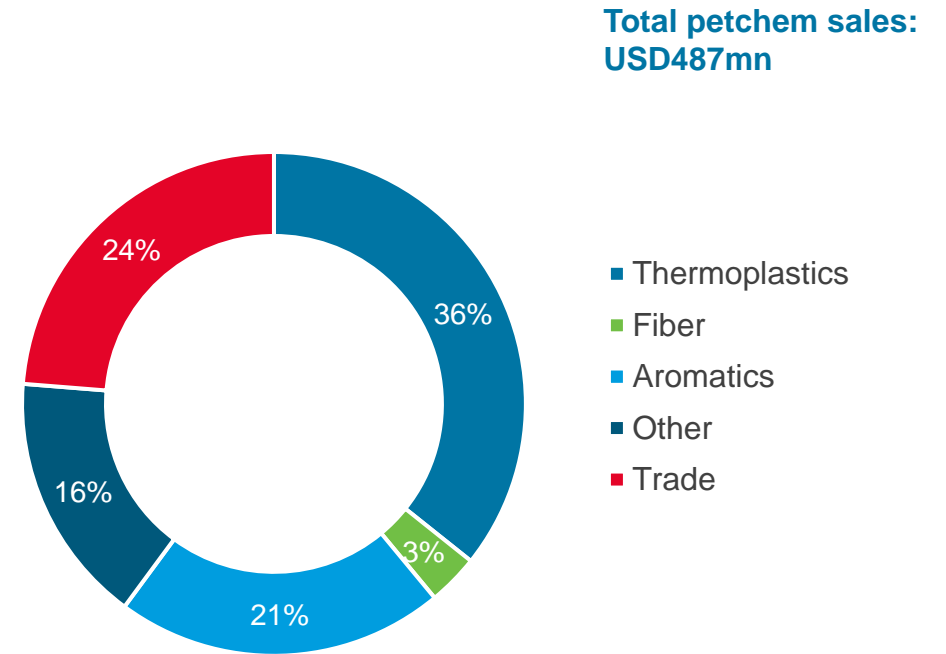
Petkim generated **589kton** gross production and capacity utilization rate was **65%** in 3Q23

Petrochemical product sales

Breakdown of petchem sales (mn USD)



Breakdown by percentage in 3Q23

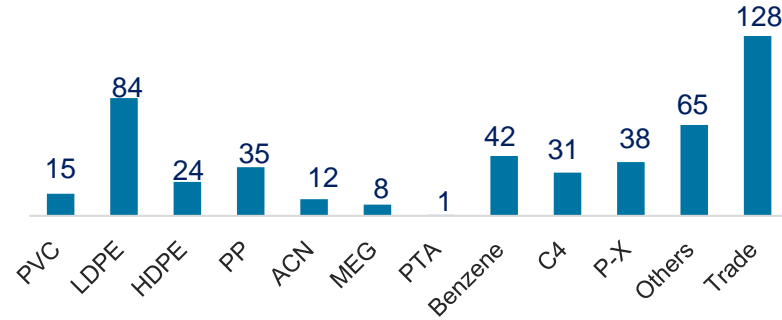




In 3Q23, Petkim achieved TL 13,045mn sales via 483k ton sales volume

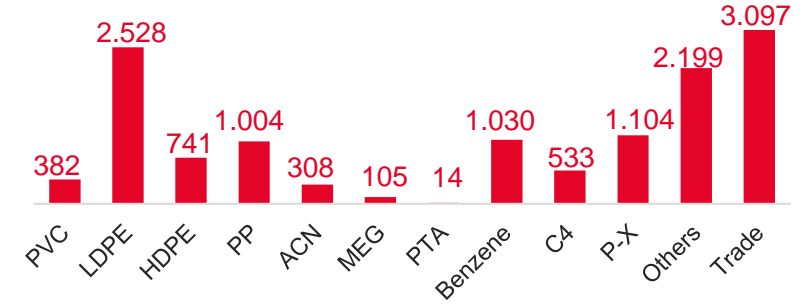
Sales volume (ton k)

Total volume: 483k ton



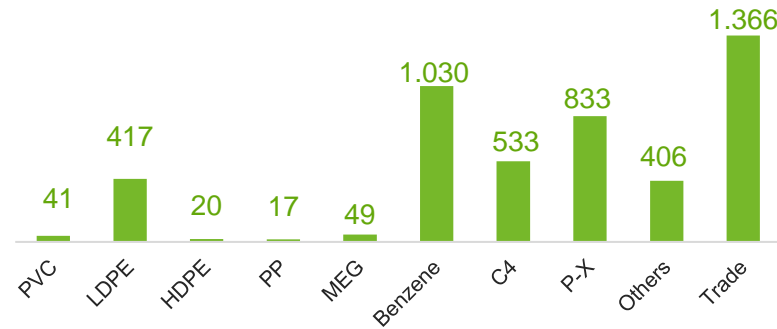
Revenue (TL mn)

Total revenue: TL13,045mn

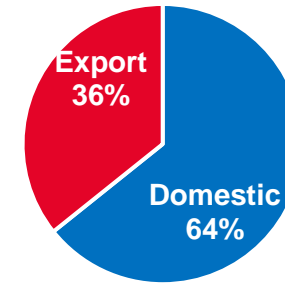


Export Revenue (TL mn)

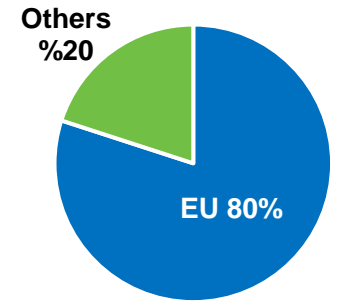
Total export: TL4,715mn



Revenue breakdown (%)



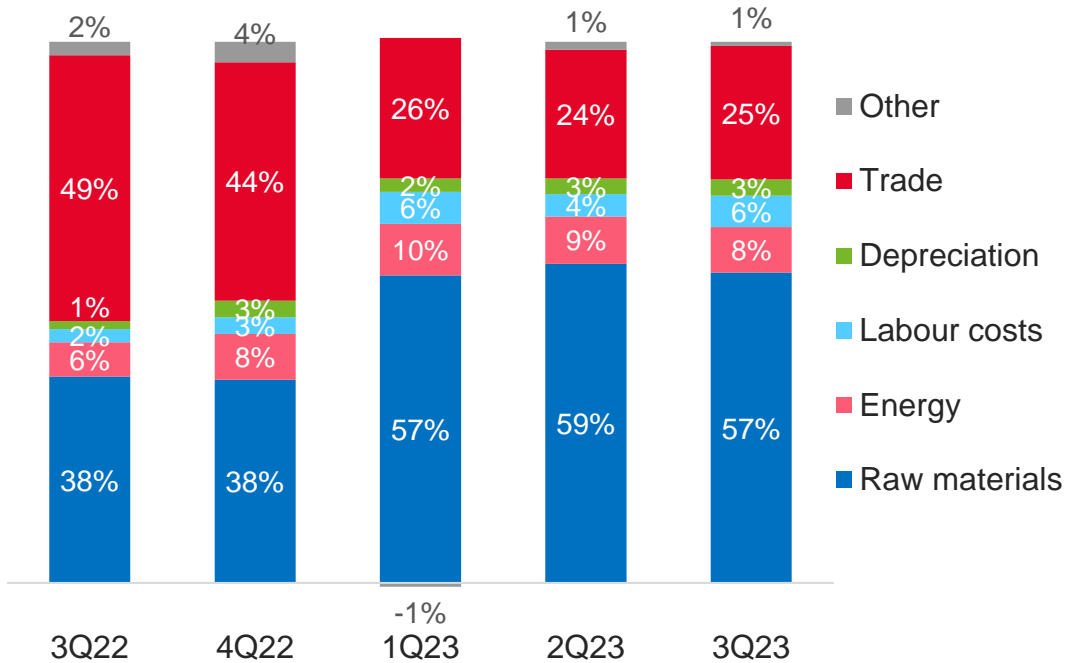
Exports breakdown as per region (%)



Breakdown of total COGS

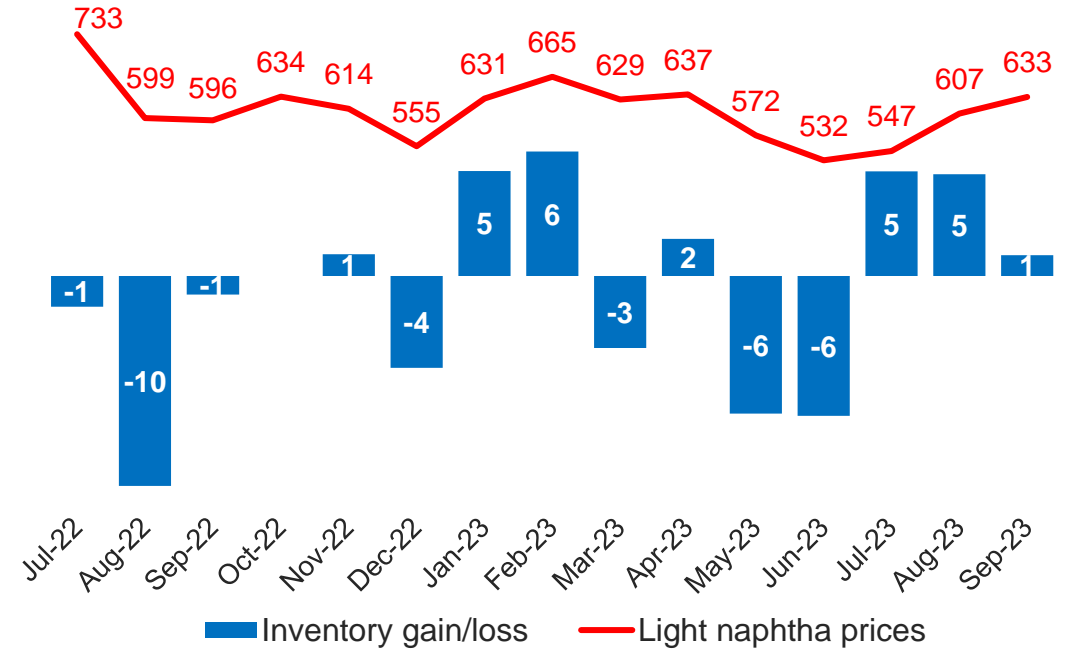
COGS breakdown (%)

3Q23 total COGS: TL11,462mn



Inventory gain/loss (mn USD)

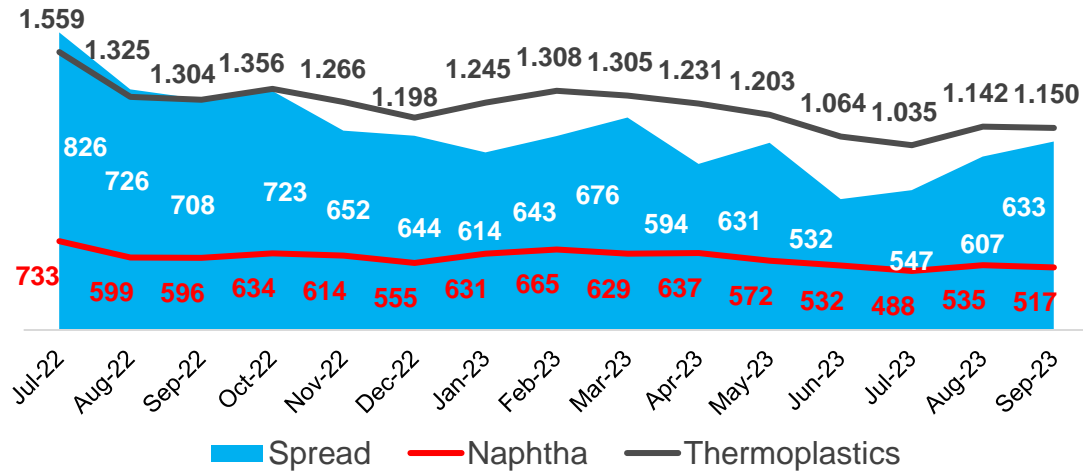
3Q23 inventory gain: USD10mn



Feedstock vs. product prices of Petkim

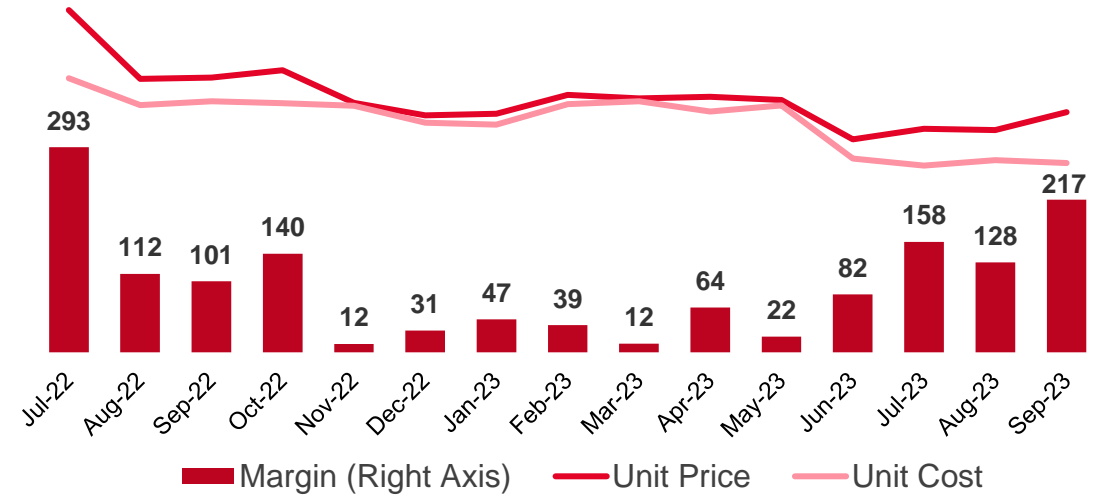
Thermoplastics and naphtha spread

USD/tonne



Petchem unit margins*

USD/tonne



(*) Excluding trade



Management has taken several initiatives during Q323 to mitigate ongoing negative market environment



Petkim has gained significant flexibility in terms of feedstock procurement and was able to switch to low-cost naphtha sources thanks to revised agreement with STAR Refinery



Resilient aromatics revenue partially covered declines in other product prices caused by weak market conditions

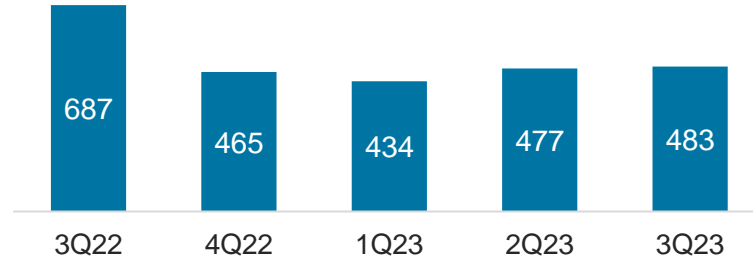
PETKIM 3Q23 income statement

TL mn	FY			Q3		
	Q3'22	Q3'23	YoY Δ (%)	Q2'23	Q3'23	QoQ Δ (%)
Sales	14,201	13,189	(7%)	10,612	13,189	24%
Cost of sales	(13,277)	(11,462)	(14%)	(10,233)	(11,462)	12%
Gross profit	924	1,727	87%	379	1,727	356%
Gross profit %	7%	13%		4%	13%	
Marketing and sales expenses	(139)	(245)	76%	(203)	(245)	20%
General administrative expenses	(304)	(602)	98%	(513)	(602)	17%
Operating profit	481	880	83%	(338)	880	(360%)
Other income/ (expenses)	1,267	2,324	83%	2,591	2,324	(10%)
Financial income	1,705	1,589	(7%)	5,933	1,589	(73%)
Financial expenses	(2,256)	(2,721)	21%	(7,827)	(2,721)	(65%)
Profit before tax	1,196	2,072	73%	359	2,072	477%
Income tax	116	-	(100%)	2	-	(100%)
Deferred tax	196	273	39%	(140)	273	(295%)
Net profit / (loss)	1,508	2,346	56%	221	2,346	961%
Net profit %	11%	18%		2%	18%	
Other	73	333	358%	177	333	88%
Depreciation	206	353	71%	357	353	(1%)
EBITDA	759	1,566	106%	196	1,566	699%
EBITDA %	5%	12%		2%	12%	

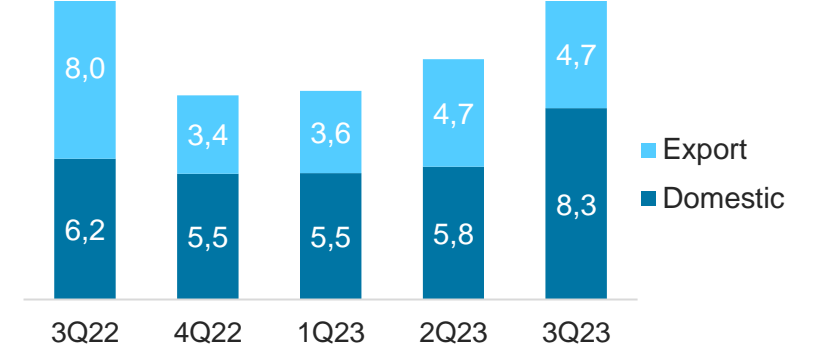


Financial highlights

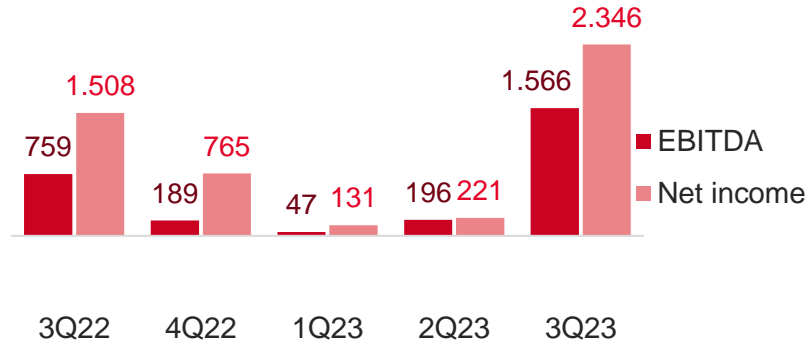
Sales tonnes (k ton)



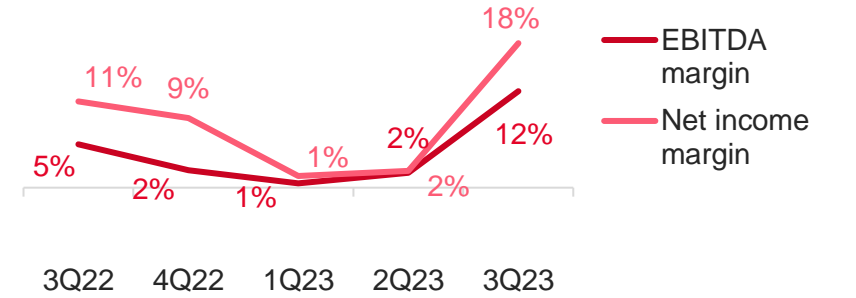
Revenue (bn TL)



EBITDA and net income (k TL)

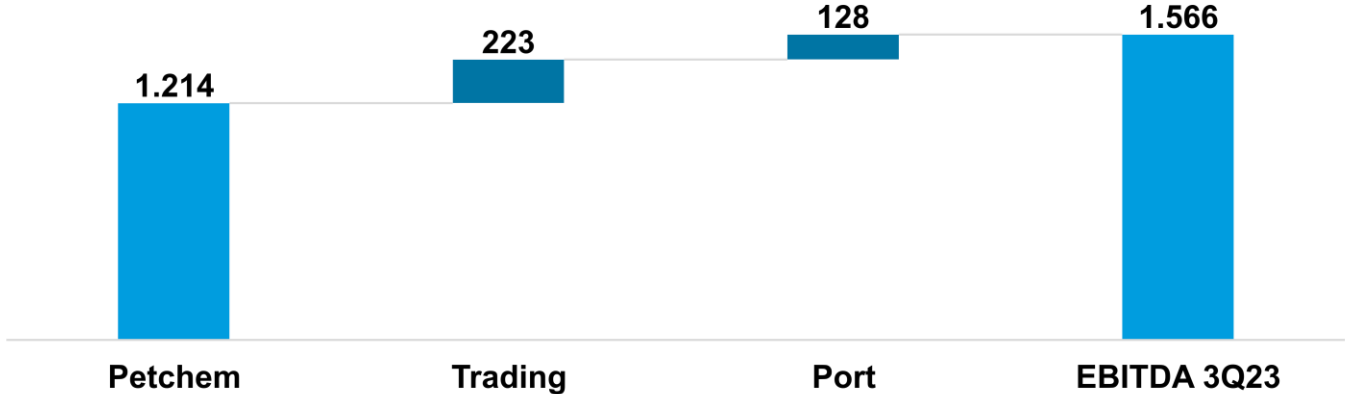


Margins (%)

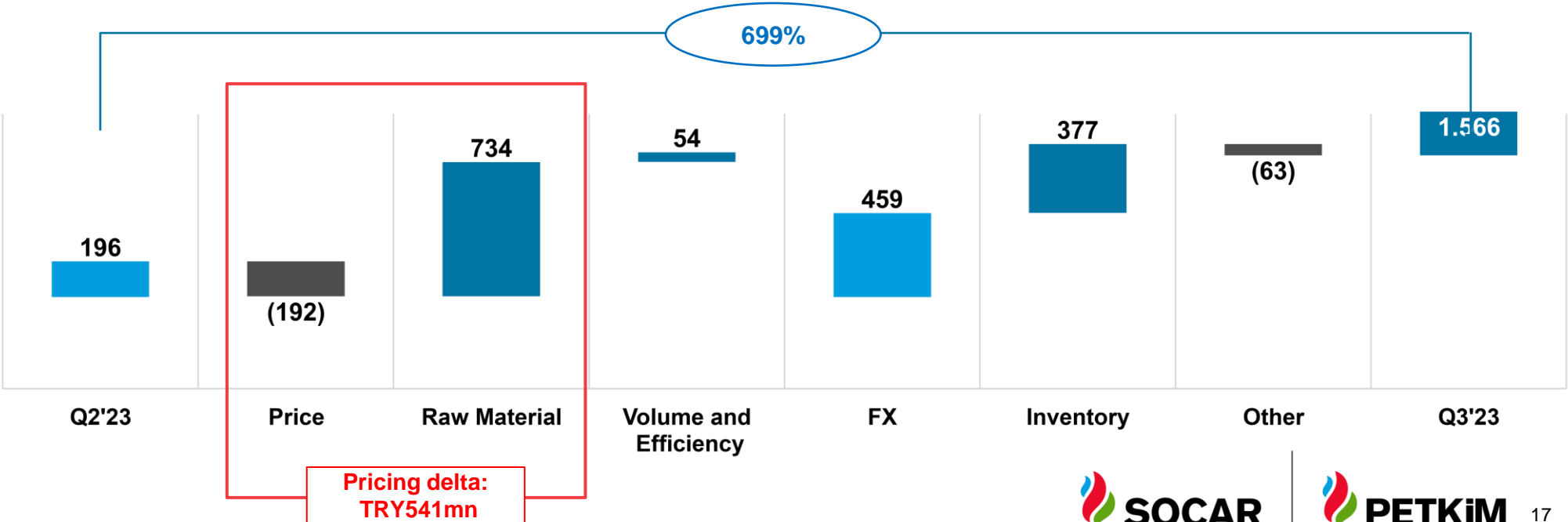


EBITDA improved mainly due to positive pricing delta, FX and inventory

3Q23 segments' results (mn TRY)



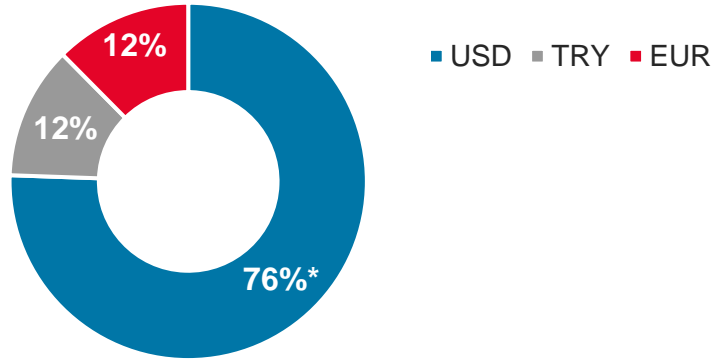
Quarterly change in EBITDA (mn TRY)



Liquidity highlights

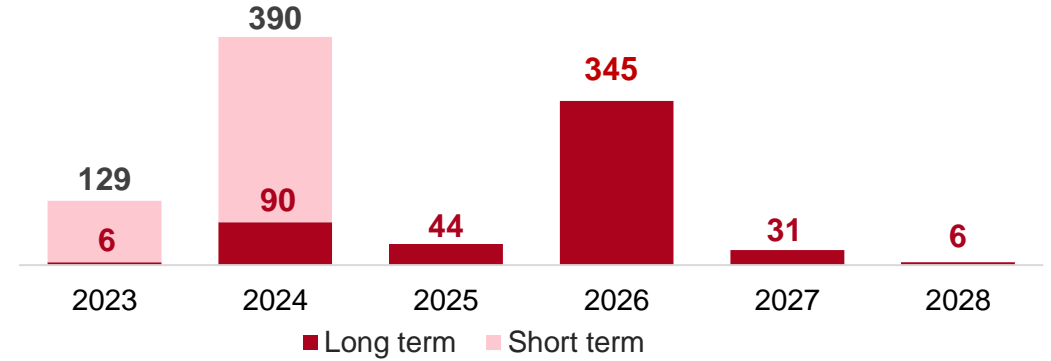
Deposits* (%)

USD147mn

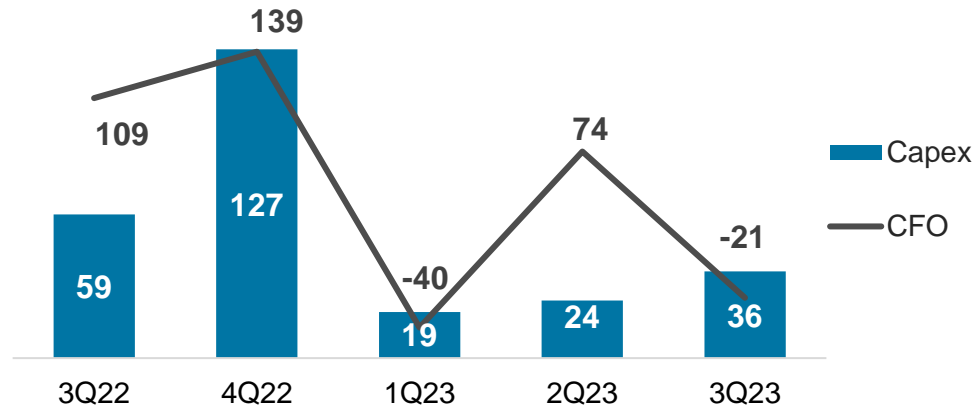


(*) FX-protected deposits account for 6% of USD deposits

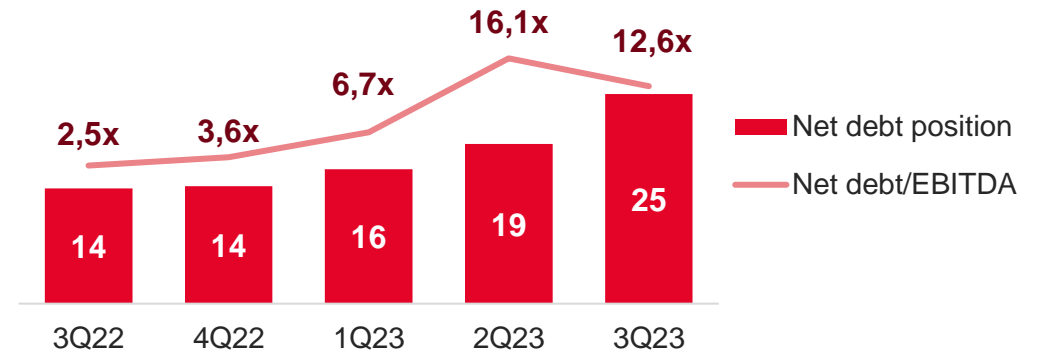
Maturity profile (mn USD)



Cash flow from operations and CAPEX (mn USD)



Net debt position (bn TL)



Sustainability and ESG



SOCAR Türkiye 2022
Sustainability Report



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



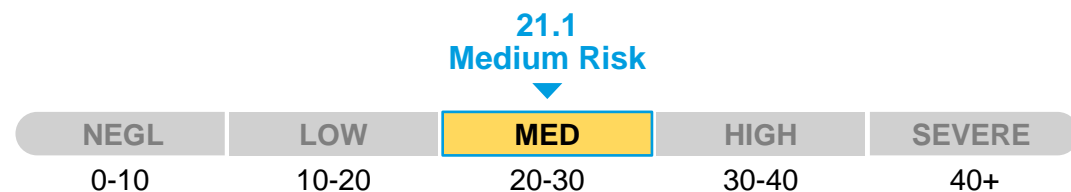
Circular economy

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 21.1

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

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

Petkim received Best Corporate Governance award by World Finance in 2023

Institutional Investor 2023 Europe and Emerging EMEA Equity Awards – Best IR Team in Basic Materials



You can access our article on **World Finance Magazine** on pages 138-139 through QR code below



Supporting Slides



PETKIM 3Q23 balance sheet

TL mn	6M'23	9M'23	Financial highlights	6M'23	9M'23
Cash and cash equivalents	10,900	4,021	Net debt position	(19,151)	(25,118)
Trade receivable	5,672	6,814	Working capital	(5,103)	(1,106)
Inventory	4,552	4,943	Days sales outstanding	46	52
Other receivables	80	20	Days payable outstanding	115	128
Other current assets	15,425	16,014	Days sales of inventory	46	49
Current assets	36,629	31,813			
Non current assets	25,720	29,035			
Total assets	62,348	60,848			
Short term borrowings	18,679	17,309			
Trade payables	6,311	5,246			
Other payables	4,058	1,887			
Current liabilities	29,048	24,442			
Long term borrowings	12,020	12,501			
Other non-current liabilities	2,013	2,316			
Shareholders' equity	19,267	21,590			
Total liabilities	62,348	60,848			

Diversified business profile through ancillary infrastructure and energy investments



Description

- Türkiye's first privately constructed Refinery
- Target processing capacity of 10m tons p.a.
- Owned 60% by SOCAR Türkiye, 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 Refinery expected to become a stable dividend payer over the medium-term



- Largest container sea port in Western Türkiye 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

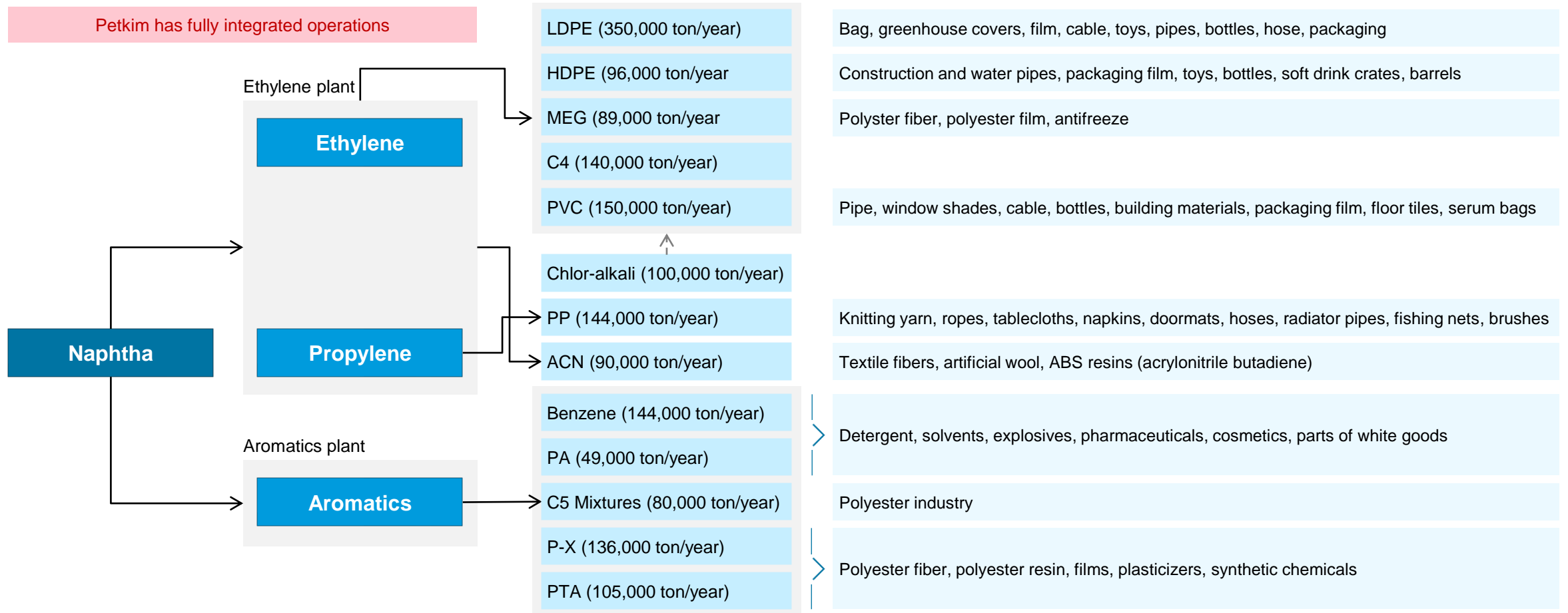
- Stable stream of income that is not correlated to Petkim's core business
- Savings on shipments for expansion projects



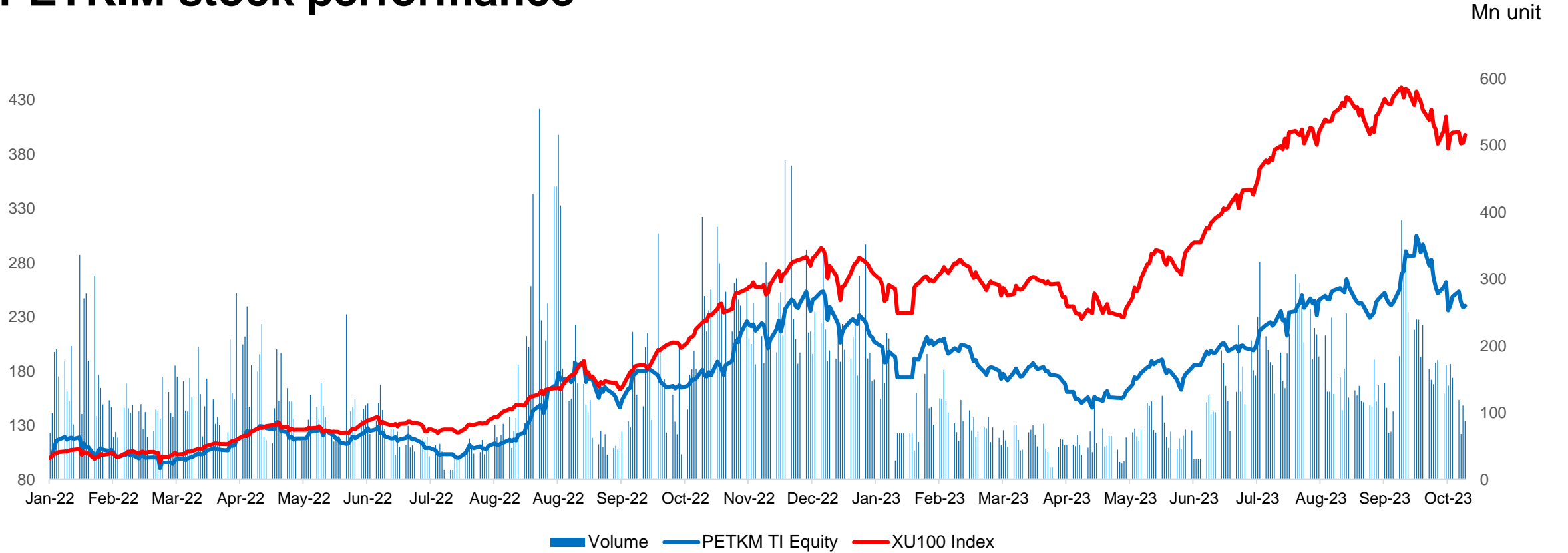
- Wind farm located in the Aliğa Peninsula licensed to generate 43,8MW of electricity
 - Petkim has applied for a new license allowing generation at full capacity of 51 MW
- The construction of 17 new turbines, each able to generate 3 MW of electricity, was completed in Sep-2017
- Total investment in the windfarm amounts to EUR55m

- Contributes to revenue diversification
- Plan is to sell the electricity generated to Türkiye'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)
19,41TL

Market capitalization
(TL mn)
TL 49,193

Free float
(%)
49.0%

*As the date of 02 Nov 2023

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