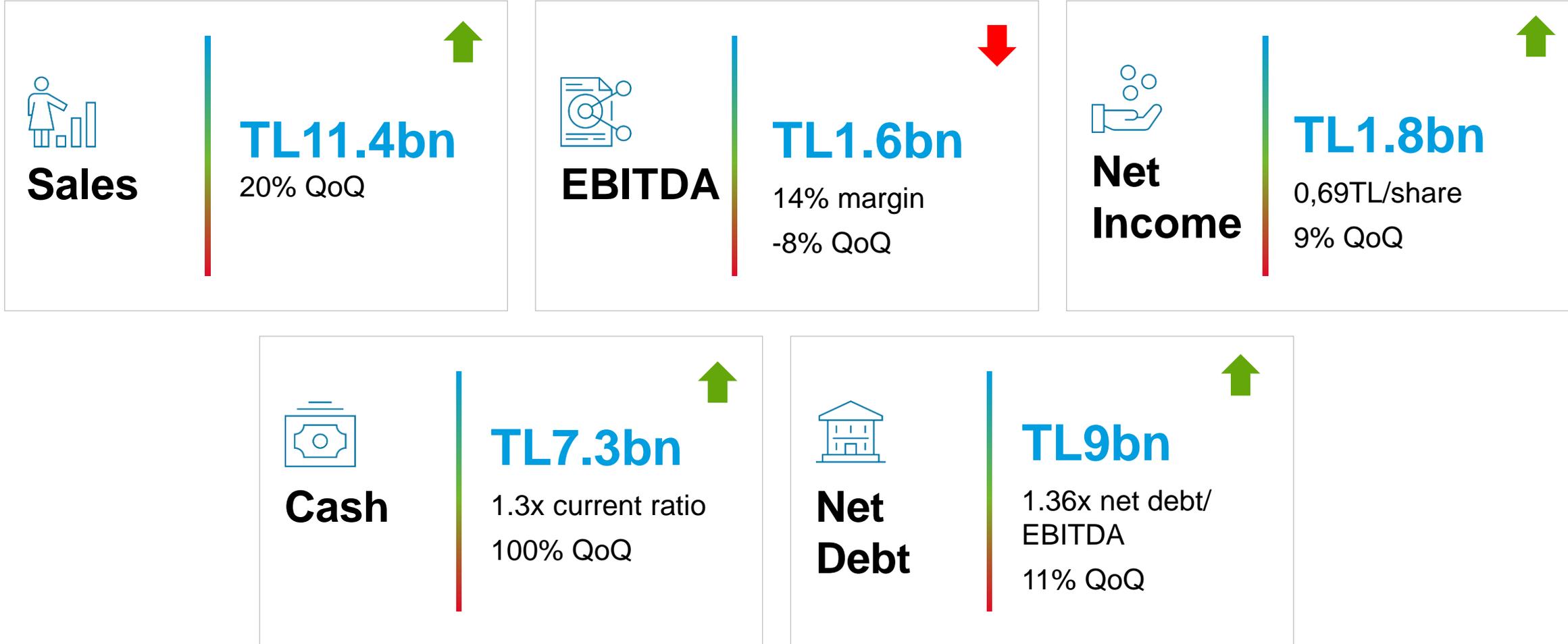


1Q22 Results Investor Presentation



A strong set of results reflecting the strength of Petkim's positioning



Margins came under pressure from high feedstock costs

Q122 highlights



Integrated petrochemical margins squeezed between rapidly rising feedstock costs

Petkim unit margins on average decreased to USD257/ton in Q122 from USD363/ton in 4Q21



Petkim announced its sustainability strategy and decarbonization roadmap in order to meet the Net Zero emission targets by 2050

Ranking 8th among 206 players in the commodity chemicals



Petkim ratings reflects its strong financial position

S&P Global Ratings assigned its preliminary 'B+' rating; Outlook Stable*



Higher trading support in the total portfolio

USD19mn trading gross profit in Q122



Cost optimization and integrated production significantly supported earnings

USD45.8mn inventory gain in Q122



Strong progress on deleveraging and EBITDA generation allowed us to reduce our leverage

1.36x net debt/EBITDA

*Petkim's 'Stable' outlook is higher than Turkey's 'Negative' outlook.

Industry Environment

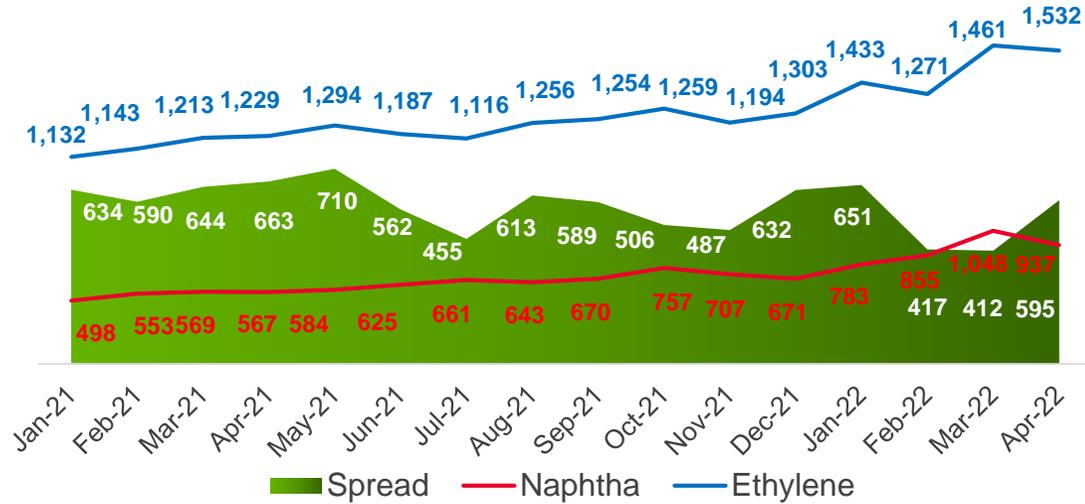
Global petrochemical market
Petrochemical market in Turkey



Industry environment

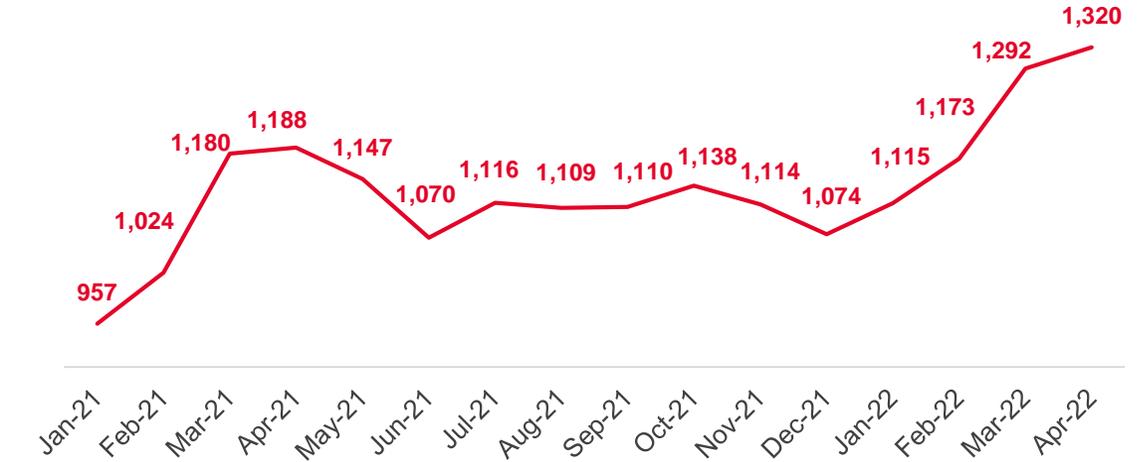
Monthly naphtha - ethylene spread (CIF MED spot prices)

USD/tonne



Monthly average Platts index*

USD/tonne



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



Naphtha prices closely tracked escalating crude oil prices, increased by **25%** in Q122 compared to the last quarter of the previous year



Ethylene-naphtha spread decreased by **6%** from **USD527/ton** in 4Q21 to **USD493/ton** in 1Q22



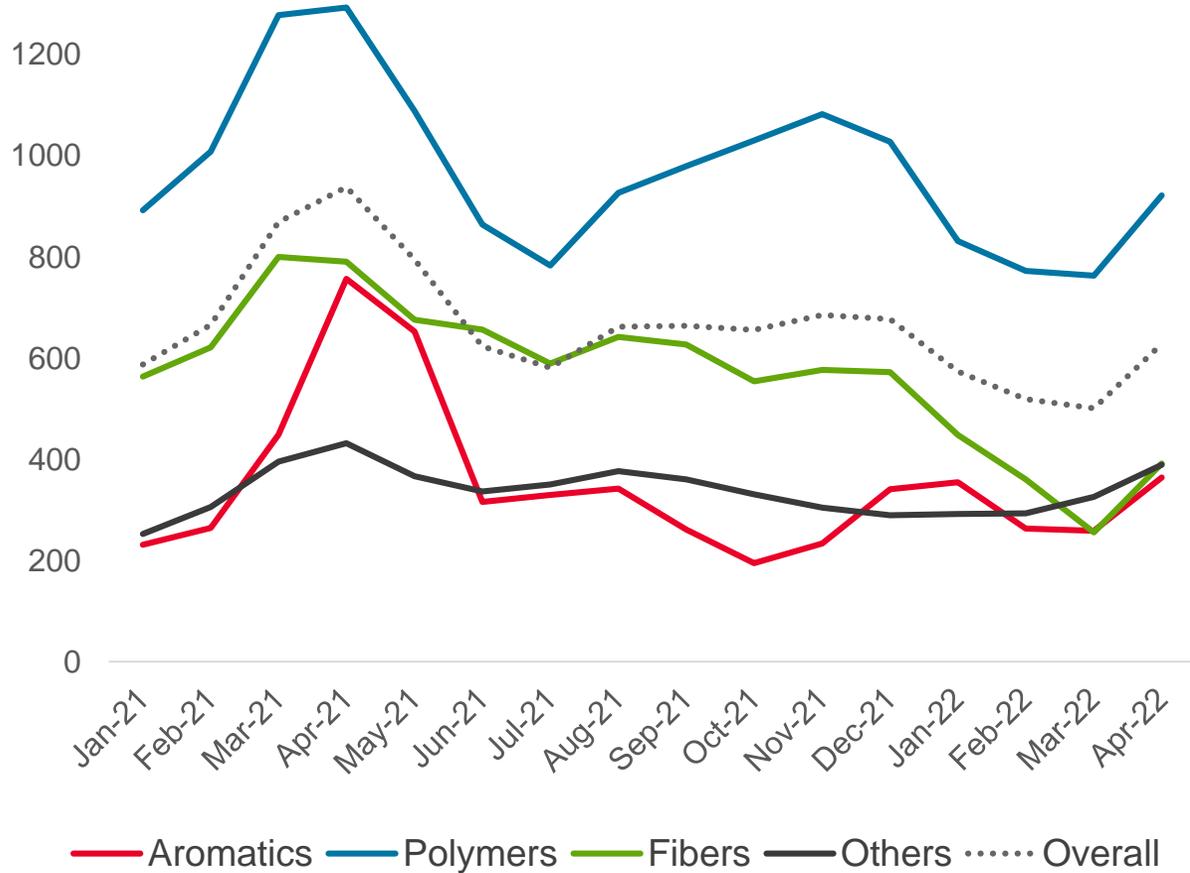
European PE market is grappling with cost pressures and volatility upstream, alongside growing concerns about demand



In 1Q22 PLATTs index was **9%** high above 2021 average, resulted from gradually increasing prices mainly in aromatics and propylene

Industry environment

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



Source: S&P Global Commodity Insights

Key trends in the industry

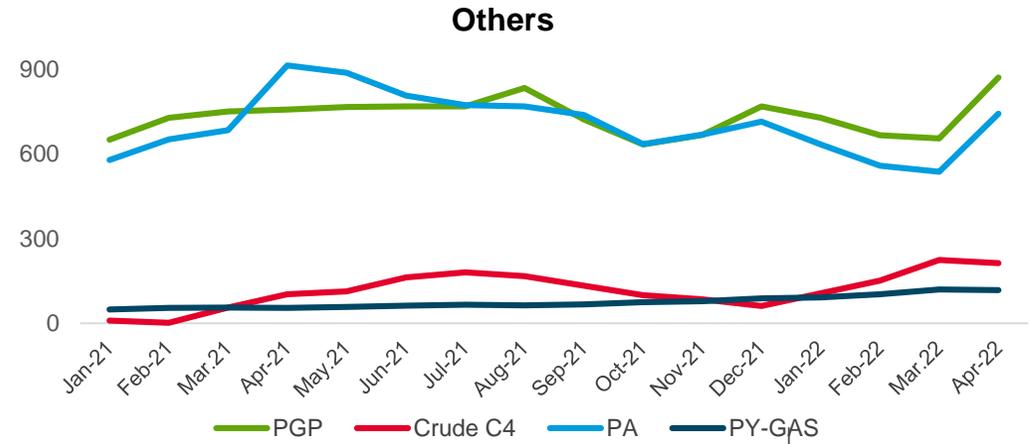
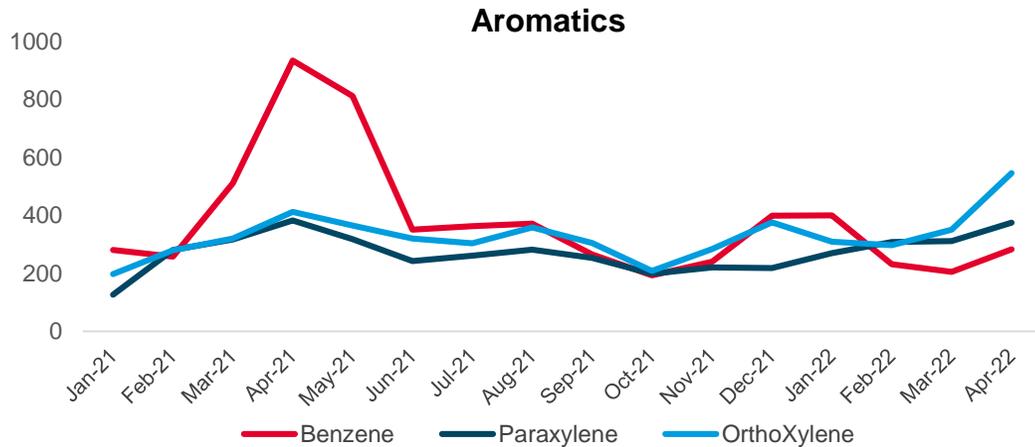
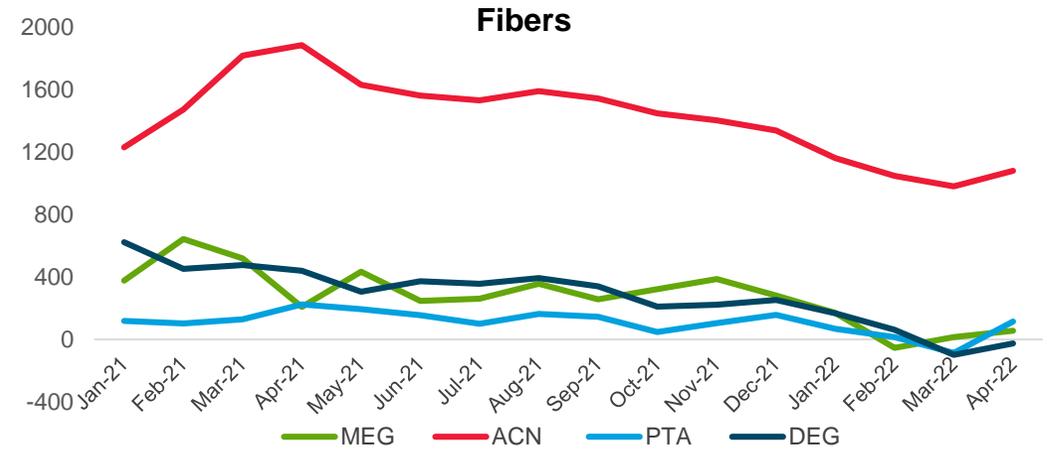
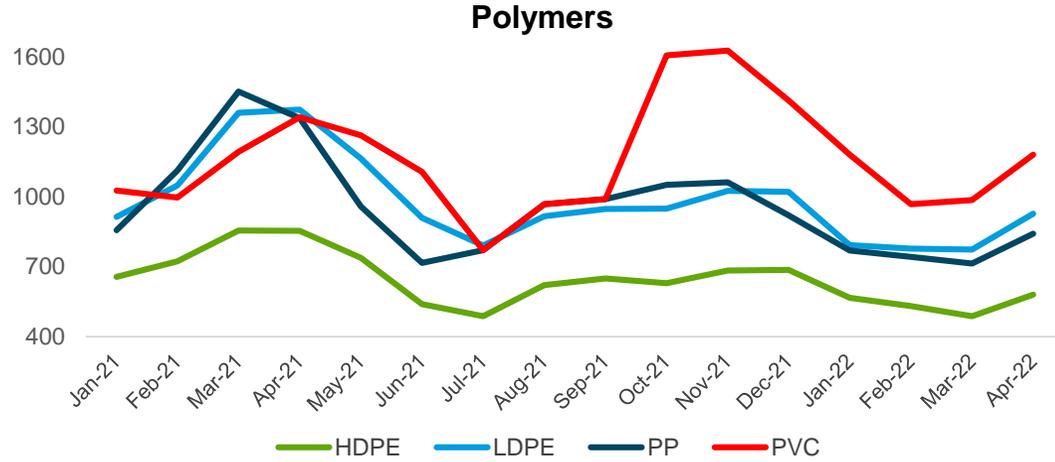
-  Global supply chain challenges
-  Higher feedstock and energy costs
-  Ongoing geopolitical tensions

Profitability of integrated producers was confined towards the lower end range with margins depressed towards cash cost breakeven

-  Thermoplastics margins eased by 25% from quarter four as feedstock cost firmed ahead of resin prices
-  Aromatics supply shortened and fears of disruption to oil and naphtha supplies from Eastern Europe further tightened aromatics market
-  Maintenance season, generally low inventories and logistics constraints in deep sea trade can be supportive of prices in Q2

Industry environment

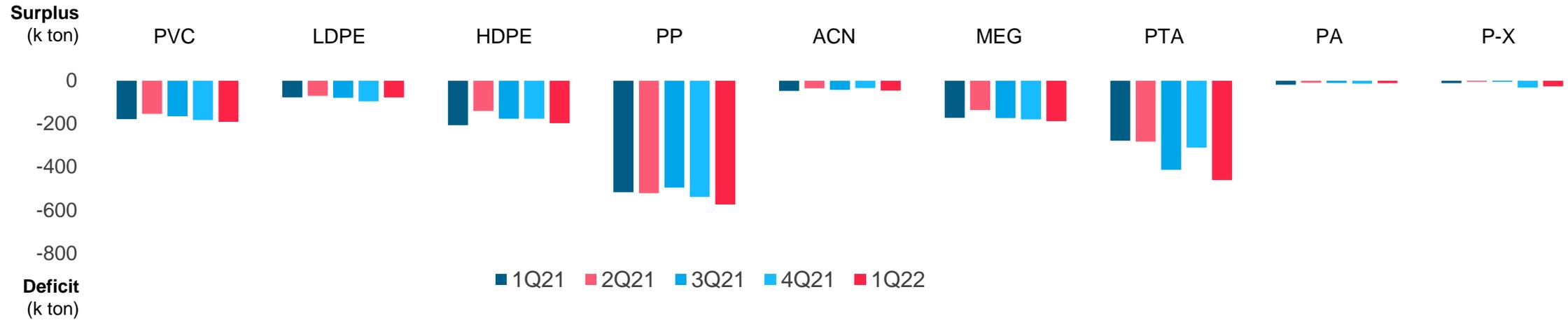
Product groups spread (over naphtha CIF MED), USD/MT



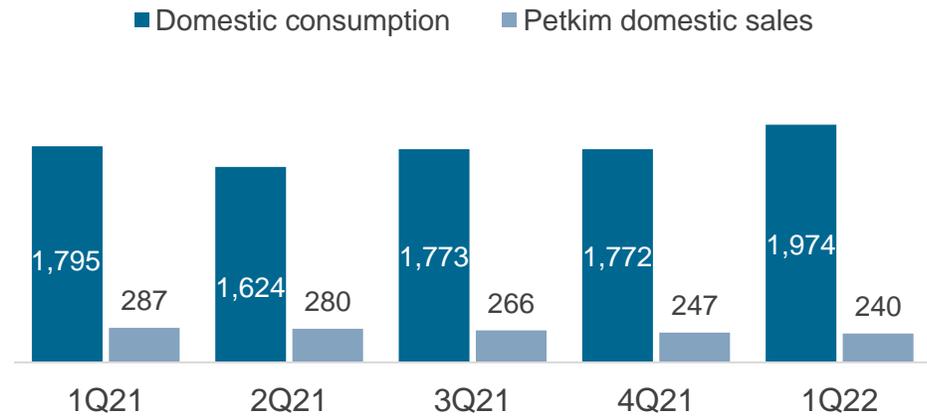
Source: S&P Global Commodity Insights

Turkey's petrochemical sector overview

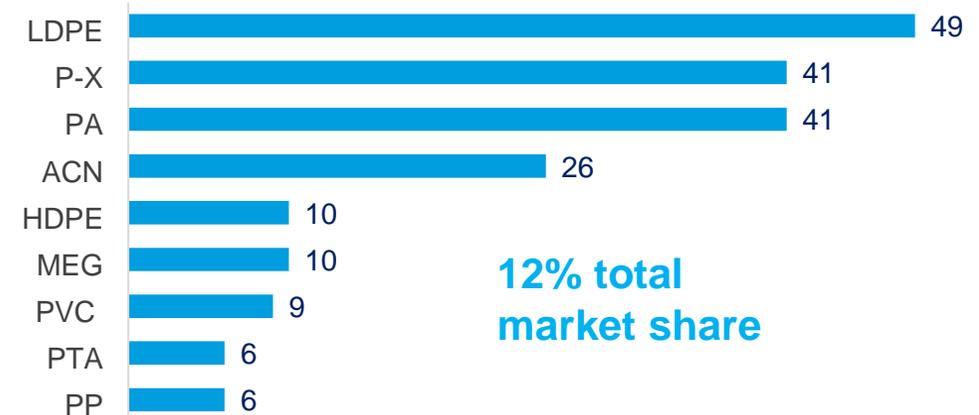
Turkey domestic demand is primarily met by imports



Petrochemical consumption in Turkey (k ton)



Products market share (%)



12% total market share

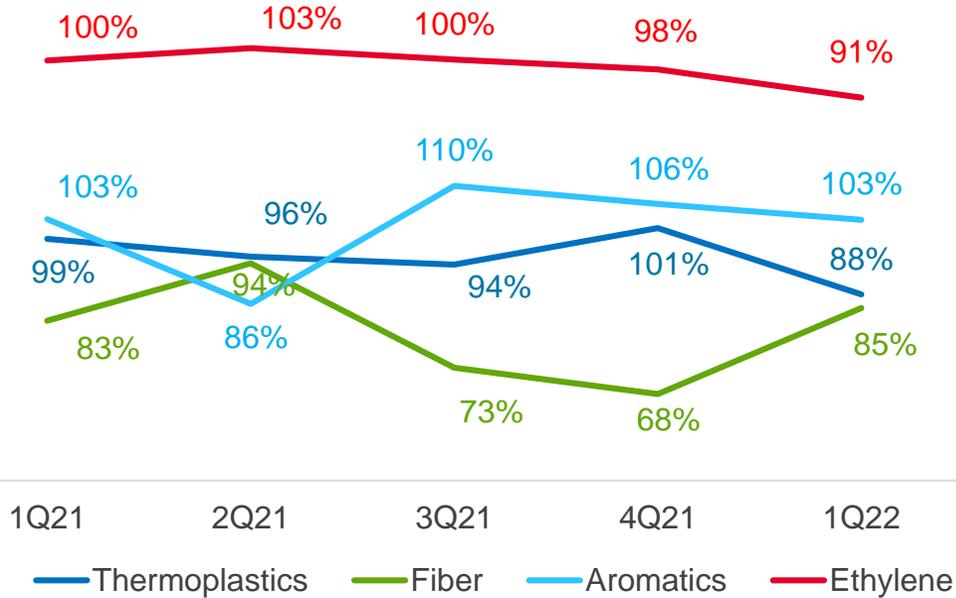


Operating and Financial Results

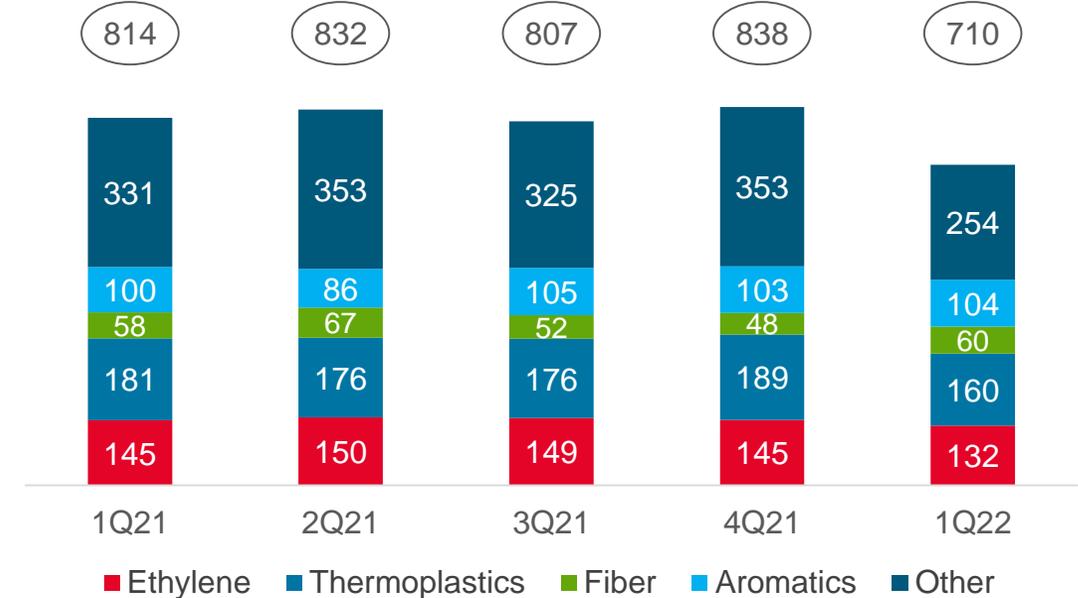


Capacity utilization and gross production

Capacity utilization rates (%)



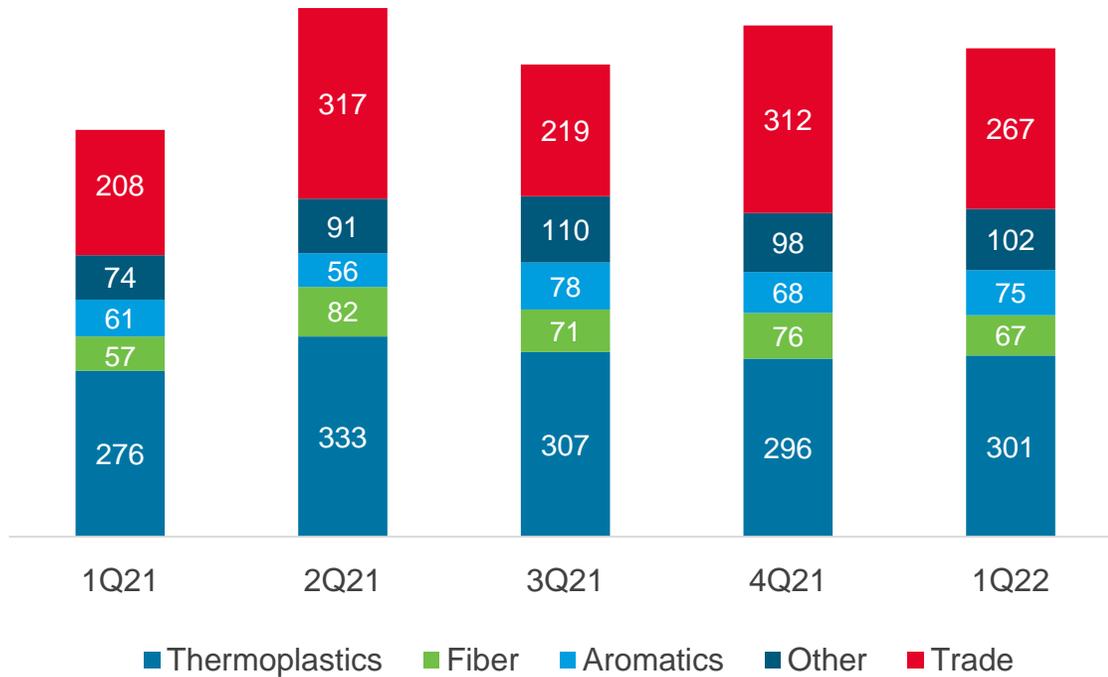
Gross production (k ton)



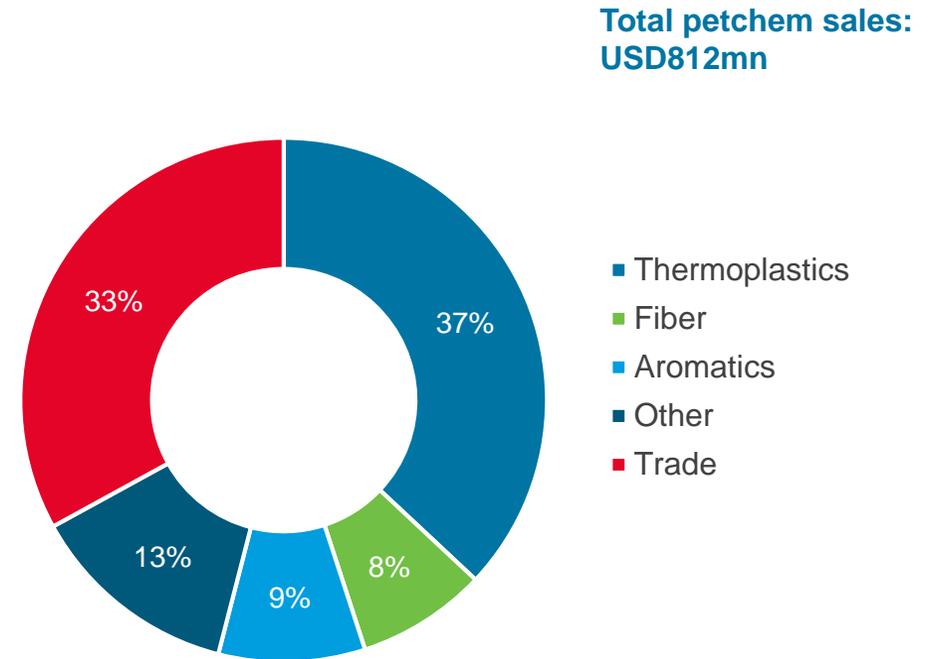
Thanks to the uninterrupted high quality feedstock procurement from STAR Refinery, Petkim generated **710kton** gross production and ethylene capacity utilization rate was **91%** in Q122

Petrochemical product sales

Breakdown of petchem sales (mn USD)



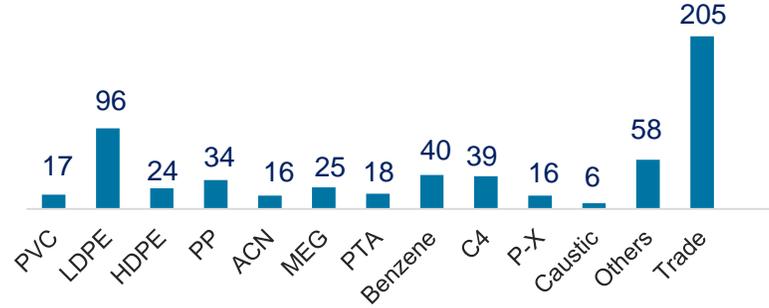
Breakdown by percentage in 1Q22



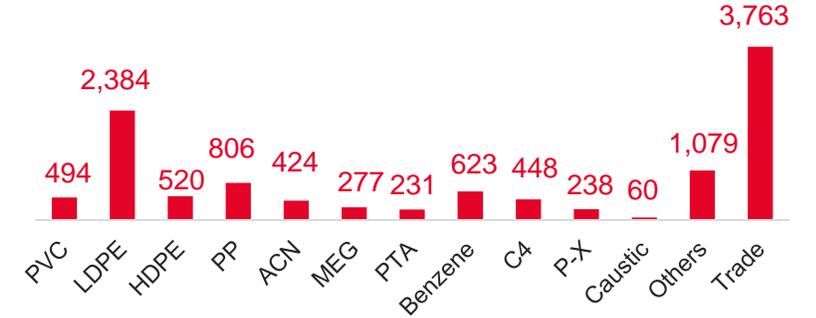


In 1Q22, Petkim achieved TL 11,347mn sales via 593k ton sales volume

Sales volume (ton k) **Total volume: 593k ton**



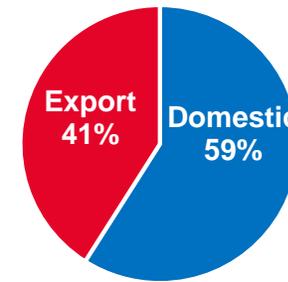
Revenue (TL mn) **Total revenue: TL11,347mn**



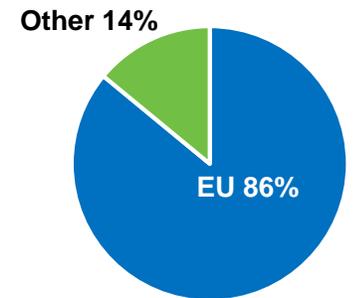
Export Revenue (TL mn) **Total export: TL4,738mn**



Revenue breakdown (%)



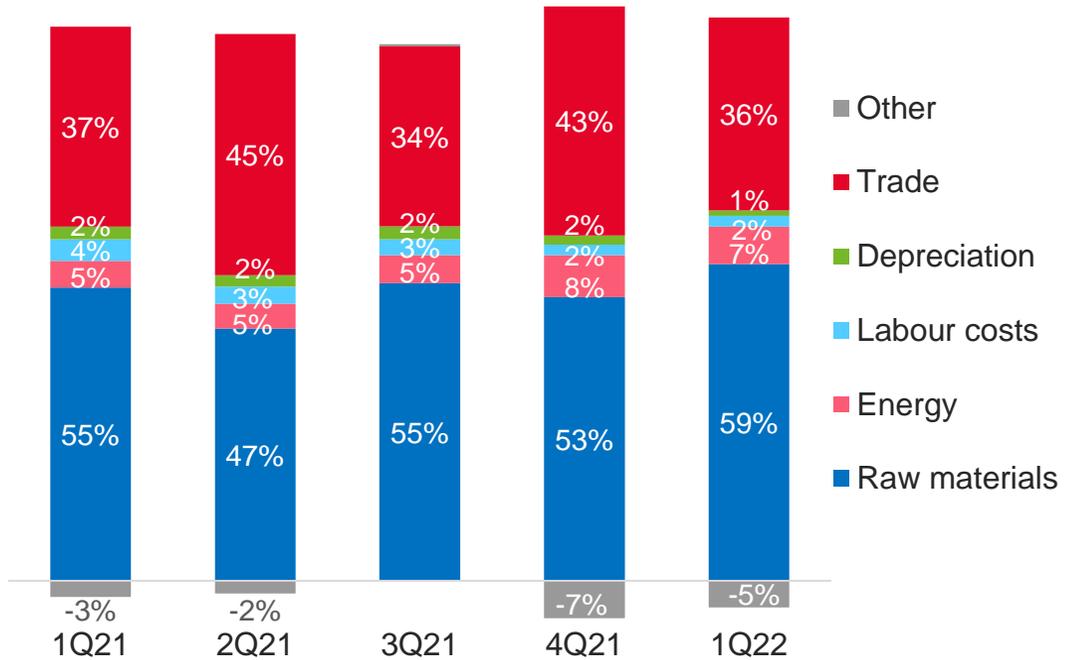
Exports breakdown as per region (%)



Breakdown of total COGS

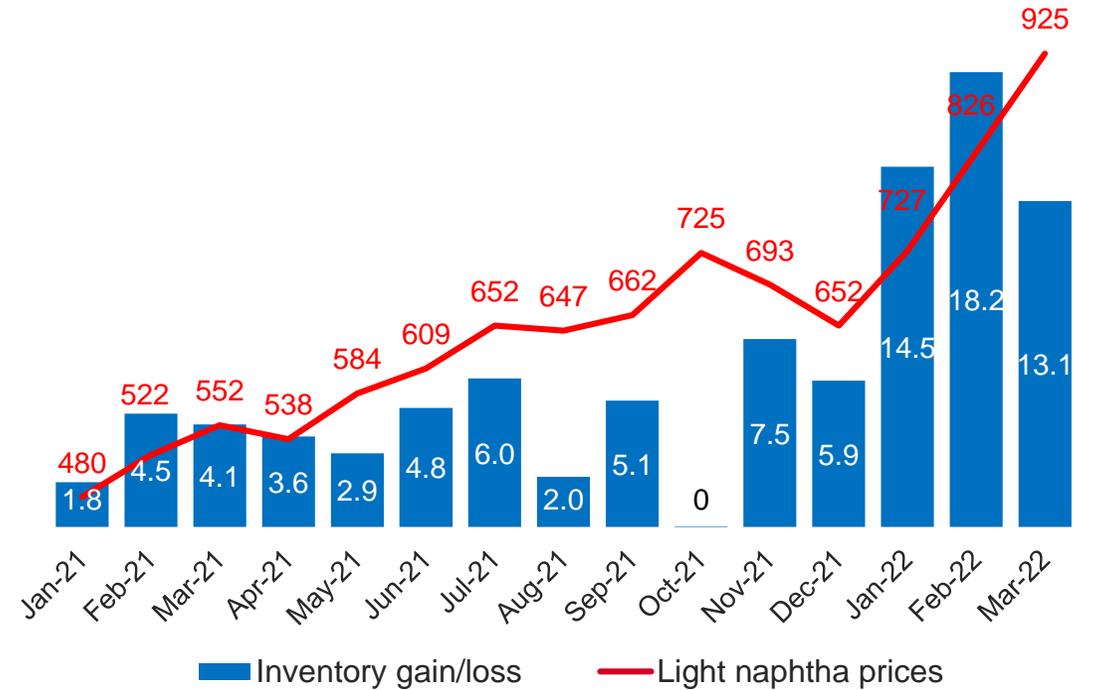
COGS breakdown (%)

1Q22 total COGS: TL9,746mn



Inventory gain/loss (mn USD)

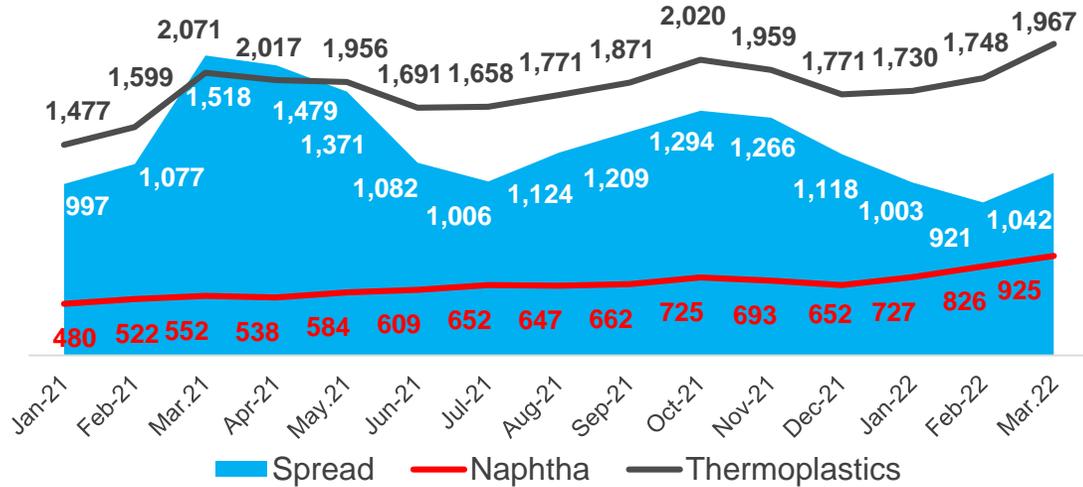
1Q22 inventory gain: USD45,8mn



Feedstock vs. product prices of Petkim

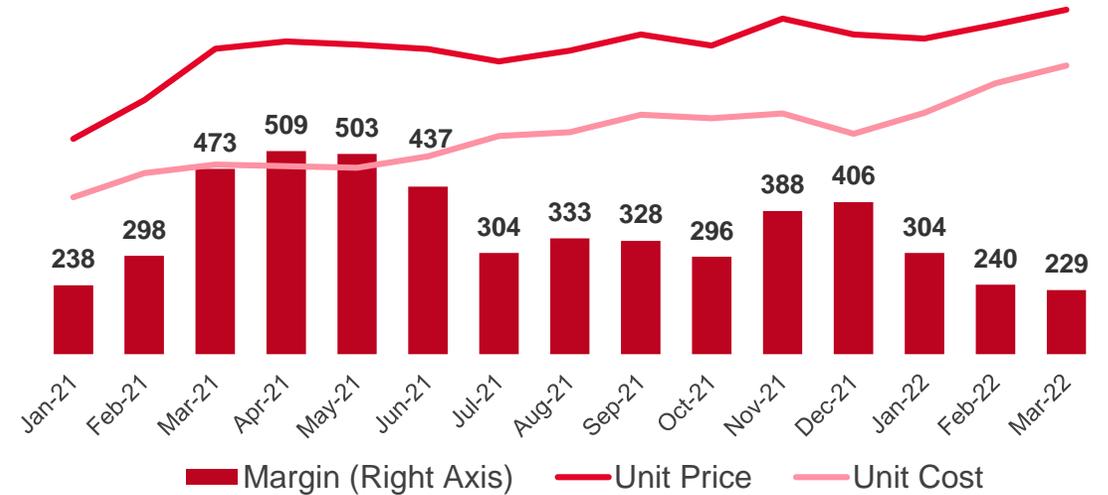
Thermoplastics and naphtha spread

USD/tonne



Petchem unit margins*

USD/tonne



(*) Excluding trade



Thermoplastics margins fell **USD989/ton** in the first quarter decreasing by **19%** led by firmer feedstock cost and eased prices



Feedstock prices rose significantly, with upstream crude and naphtha prices surging due to the conflict in Ukraine and sanctions directly and indirectly affecting supply



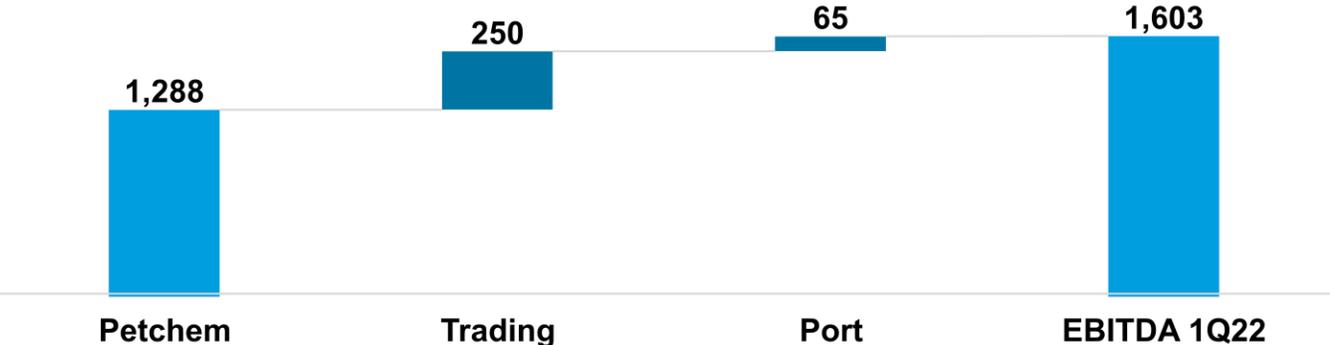
Petrochemical integrated unit margins faced greater pressure, by decreasing to **USD257/ton** in 1Q22 with firming cost squeezing cracker margins

PETKIM 1Q22 income statement

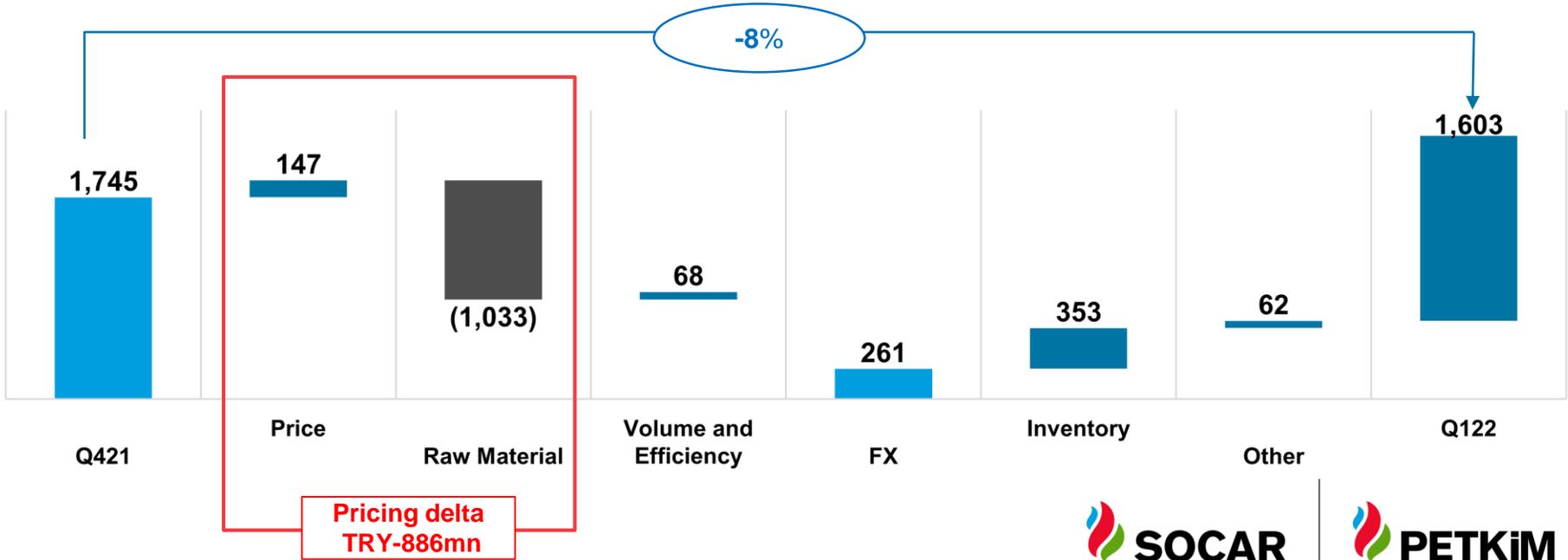
TL mn	FY			4Q		
	Q1'21	Q1'22	YoY Δ (%)	4Q'21	Q1'22	QoQ Δ (%)
Sales	5,034	11,421	127%	9,550	11,421	20%
Cost of sales	(3,823)	(9,746)	155%	(7,580)	(9,746)	29%
Gross profit	1,210	1,675	38%	1,971	1,675	(15%)
Gross profit %	24%	15%		21%	15%	
Marketing and sales expenses	(33)	(83)	153%	(156)	(83)	(46%)
General administrative expenses	(93)	(222)	138%	(275)	(222)	(19%)
Operating profit	1,084	1,369	26%	1,540	1,369	(11%)
Other income/ (expenses)	106	1,065	906%	1,108	1,065	(4%)
Financial income	1,478	1,500	1%	4,981	1,500	(70%)
Financial expenses	(1,527)	(1,848)	21%	(5,478)	(1,848)	(66%)
Profit before tax	1,142	2,086	83%	2,150	2,086	(3%)
Income tax	(208)	(221)	6%	(316)	(221)	30%
Deferred tax	(42)	(113)		(227)	(113)	
Net profit / (loss)	892	1,753	97%	1,608	1,753	9%
Net profit %	18%	15%		17%	15%	
Other	32	51	60%	53	51	(5%)
Depreciation	109	183	68%	152	183	21%
EBITDA	1,225	1,603	31%	1,745	1,603	(8%)
EBITDA %	24%	14%		18%	14%	

EBITDA continues on high level despite negative pricing delta

1Q22 segments' results (mn TRY)



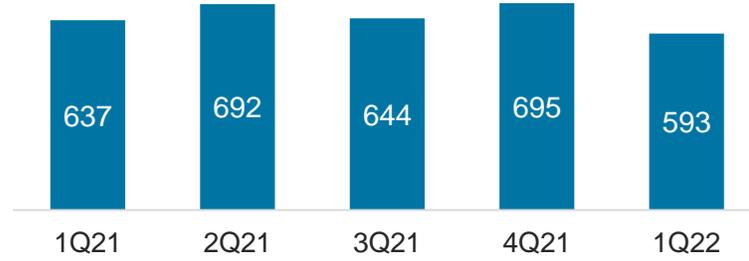
Quarterly change in EBITDA (mn TRY)



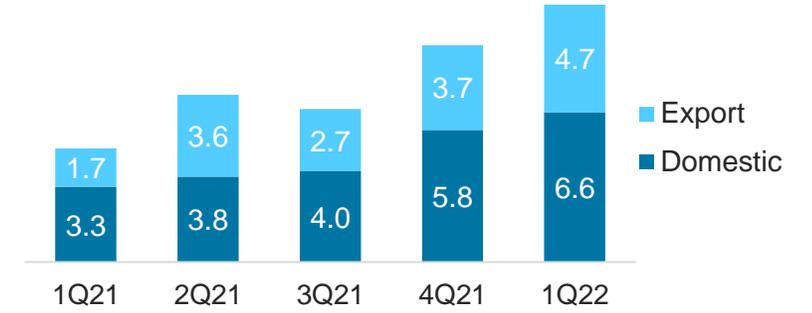


Financial highlights

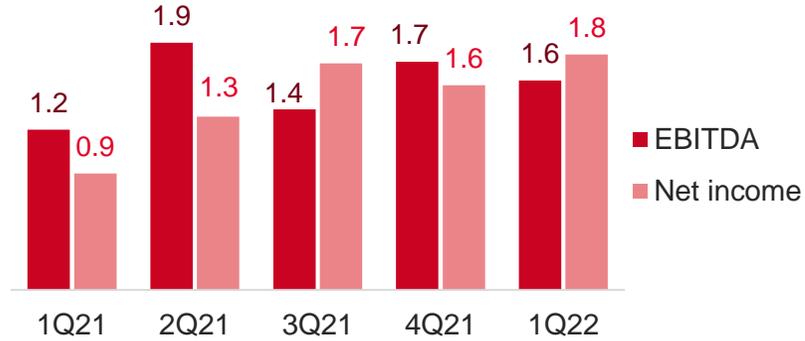
Sales tonnes (k ton)



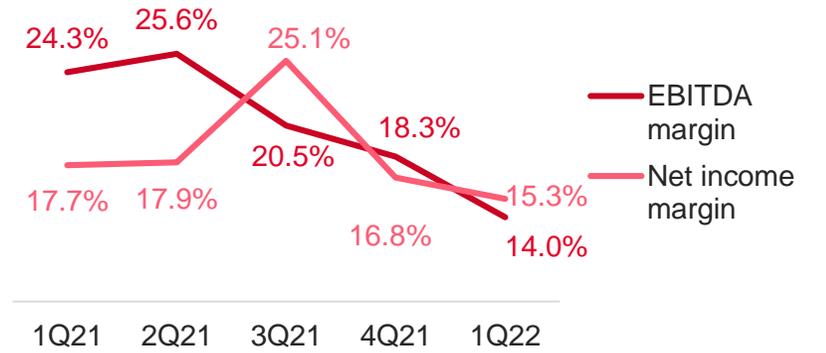
Revenue (bn TL)



EBITDA and net income (mn TL)



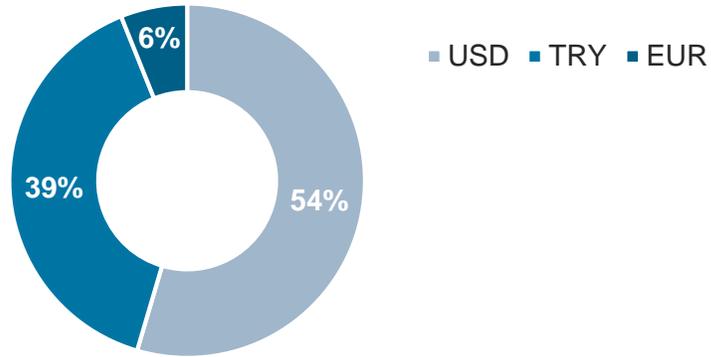
Margins (%)



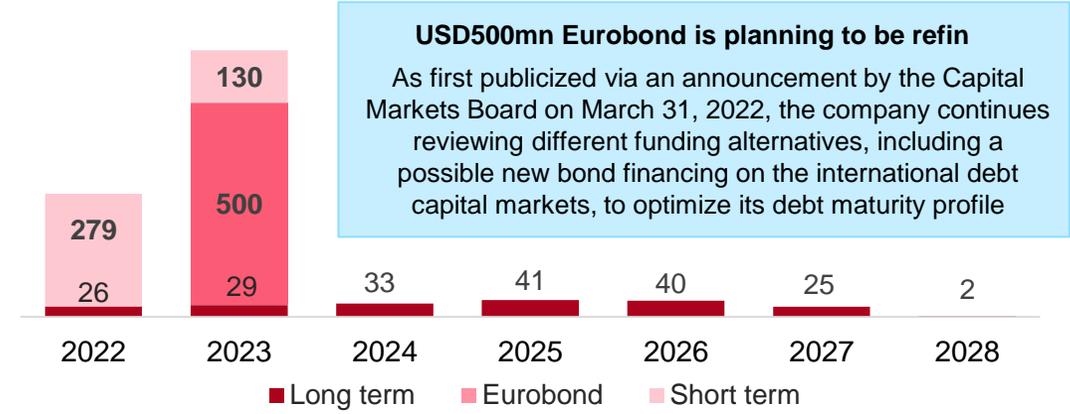
Liquidity highlights

Deposits (%)

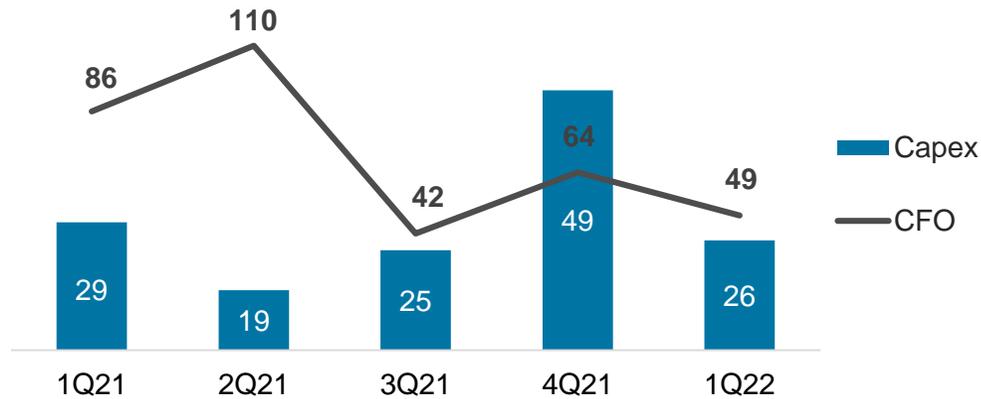
USD501mn



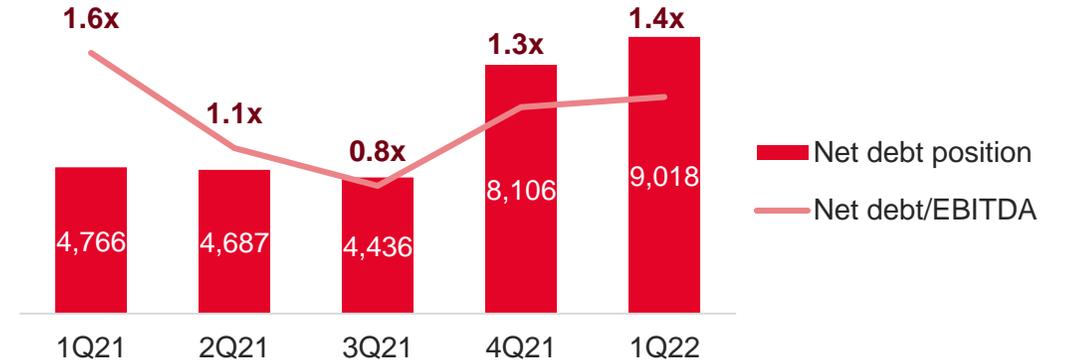
Maturity profile (mn USD)



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 Targets³



Decarbonization

1

Short-term²

2021-2025

Implement energy efficiency and electrification initiatives to decrease CO2 emission by **1%** per annum and carbon intensity by **1%**

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

3

Long-term

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
- **50%** reduction in carbon intensity for Scope 3¹ by 2050

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

Improve capabilities and know-how for potential alternative energies (e.g., hydrogen, biofuel, etc.)



Circular economy

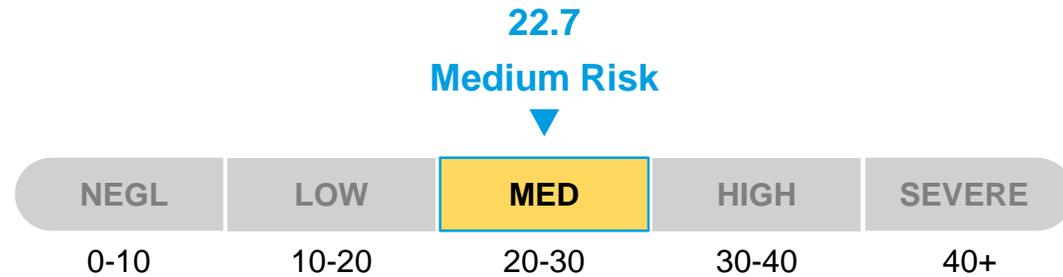
Develop relations and potentially partnerships with mechanical recycling players to address projected business opportunity and capture sustainability impact

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

1. Scope 1: Direct emissions (e.g., production processes), Scope 2: Indirect emissions (e.g. electricity and heat), Scope 3: Indirect emissions in the value chain (e.g. emissions from combustion of products in an internal combustion engine)
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.

Sustainability key performance indicators – 2021 & 2022

Stakeholder related targets¹

		2021 Targets	2021 Results	2022 Targets	Key Highlights
Climate & Environment	Decarbonization	1%	4,7%	1%	Implementation of energy efficiency and electrification initiatives to decrease carbon intensity (decarbonization)
	Energy consumption per ton of product	2.9 gcal/ton	2.7 gcal/ton	2.79 gcal/ton	Conducting Energy Audits Implementation of Energy Efficiency Projects ISO 50001 Energy Management System Standard Certificate
	Water consumption reduction	3%	4.75%	1%	Implementation of water conservation projects and determining alternative sourcing and monitoring (per raw material)
Health & Safety	Total recordable incident rate (TRIR)	<1.01	0.39	≤0.90	Tracking and ensuring compliance with HSE Leading and Lagging KPIs Implementation of relevant programs in terms of leadership, employee engagement and ownership Implementation of relevant HSE initiatives

Supporting Slides



PETKIM 1Q22 balance sheet

TL mn	12M'21	3M'22	Financial highlights	12M'21	3M'22
Cash and cash equivalents	3,665	7,330	Net debt position	(8,106)	(9,018)
Trade receivable	5,107	5,680	Working capital	(3,362)	(2,272)
Inventory	3,540	4,960	Days sales outstanding	43	43
Other receivables	27	22	Days payable outstanding	69	80
Other current assets	7,285	8,170	Days sales of inventory	35	40
Current assets	19,623	26,162			
Non current assets	10,805	11,907			
Total assets	30,428	38,069			
Short term borrowings	2,877	14,033			
Trade payables	3,836	4,540			
Other payables	943	1,365			
Current liabilities	7,655	19,938			
Long term borrowings	9,224	2,691			
Other non-current liabilities	830	904			
Shareholders' equity	12,719	14,536			
Total liabilities	30,428	38,069			

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

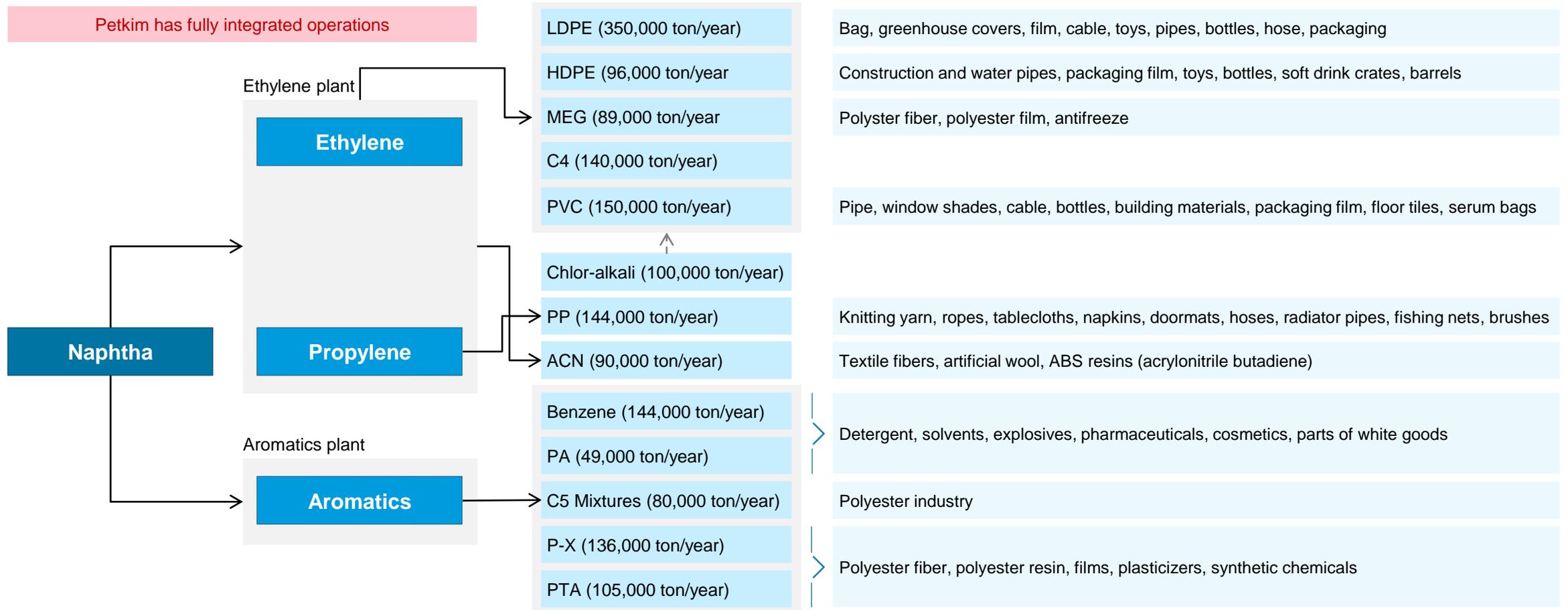
- Stable stream of income that is not correlated to Petkim's core business
- Savings on shipments for expansion projects



- 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)
10.05TL

Market capitalization
(TL mn)
TL 25,471

Free float
(%)
49.0%

*As the date of 6 May 2022

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