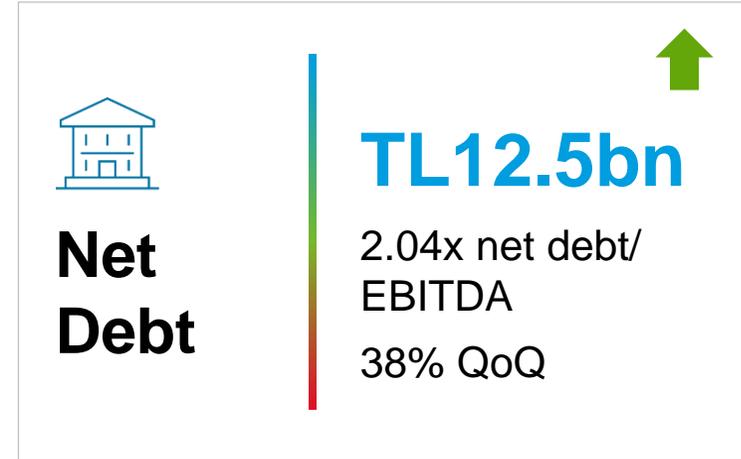
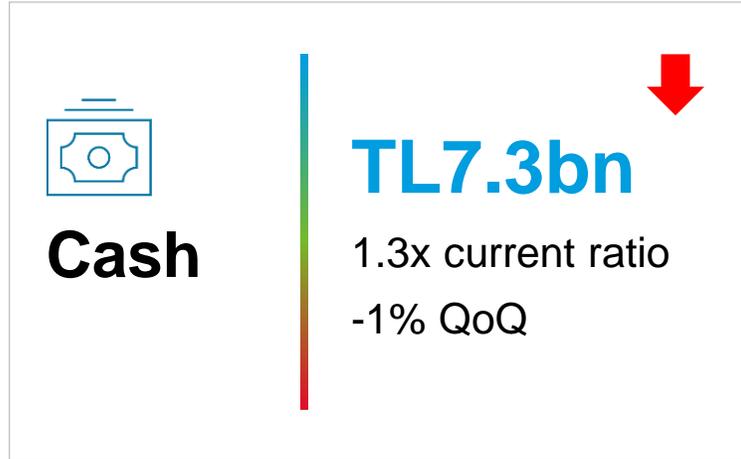
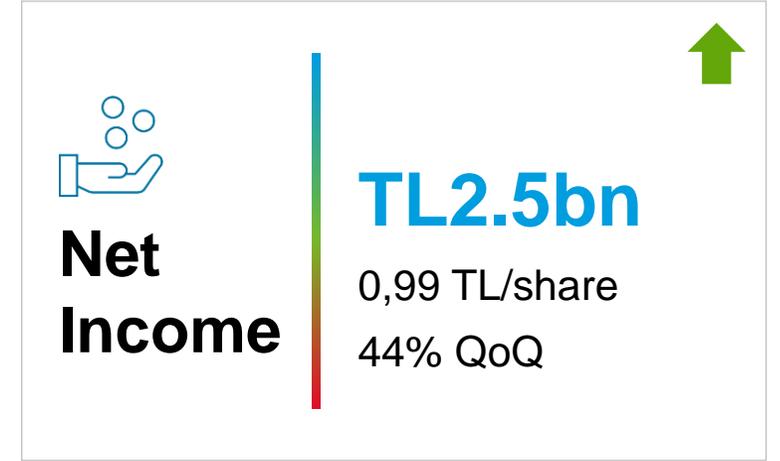
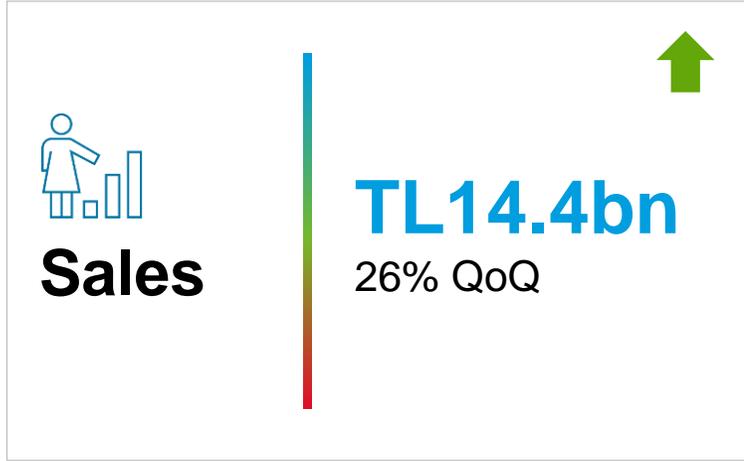


2Q22 Results Investor Presentation



Second quarter 2022 financial highlights



Solid performance despite deteriorating market sentiment

Q222 highlights



Petrochemical margins retreated through the second quarter as feedstock costs firmed ahead of easing resin prices

Petkim unit margins on average decreased to USD223/ton in 2Q22 from USD257/ton in 1Q22



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



Record net profit supported by fixed asset revaluation tax incentives

Petkim recorded 1.031 million TL tax benefit with using various tax incentives



Higher trading contribution in the total portfolio

USD15mn trading gross profit in 2Q22

Industry Environment

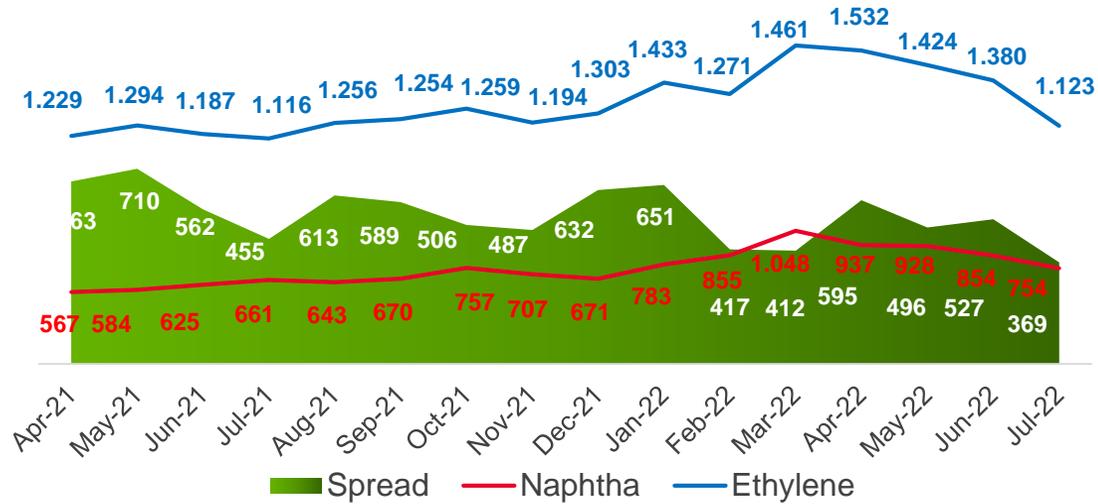
Global petrochemical market
Petrochemical market in Turkey



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 weakened relative to crude oil prices mainly due to rising supply from refiners, weak demand for petrochemical feedstock



Ethylene-naphtha spread increased by **9%** from **USD493/ton** in 1Q22 to **USD540/ton** in 2Q22



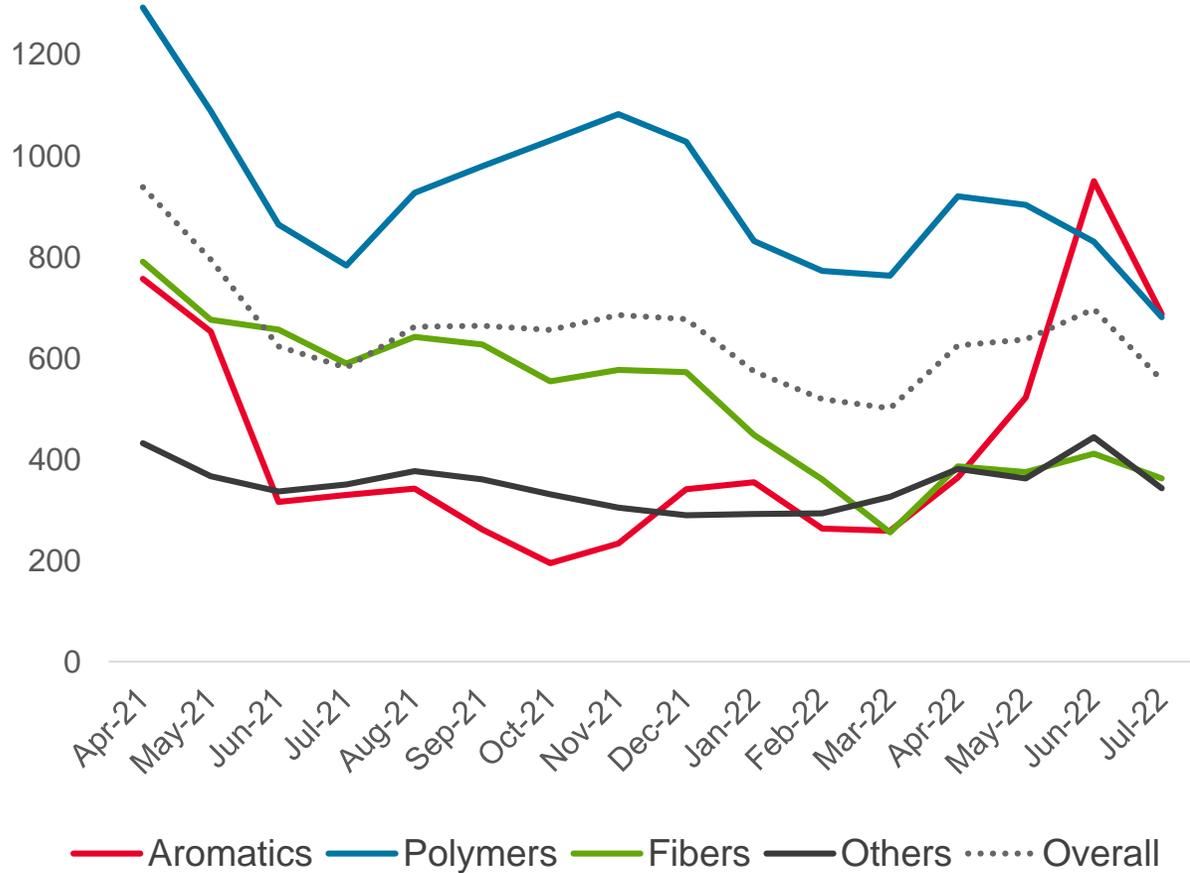
Ethylene and propylene fell in all regions throughout the second quarter due to weak demand and ample supply



2Q22 PLATTS index was still **5%** high from 1Q22 average, balanced by double-digit jump in aromatics prices

Industry environment

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



Source: S&P Global Commodity Insights

Key trends in the industry

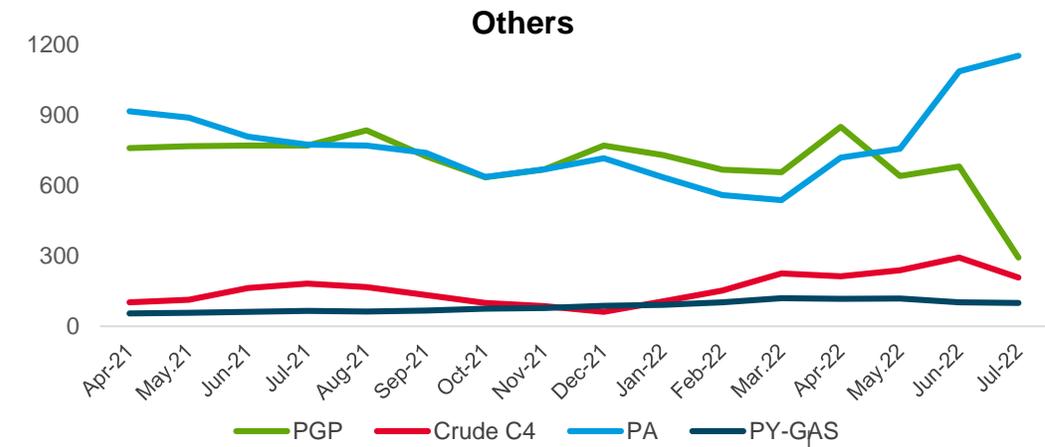
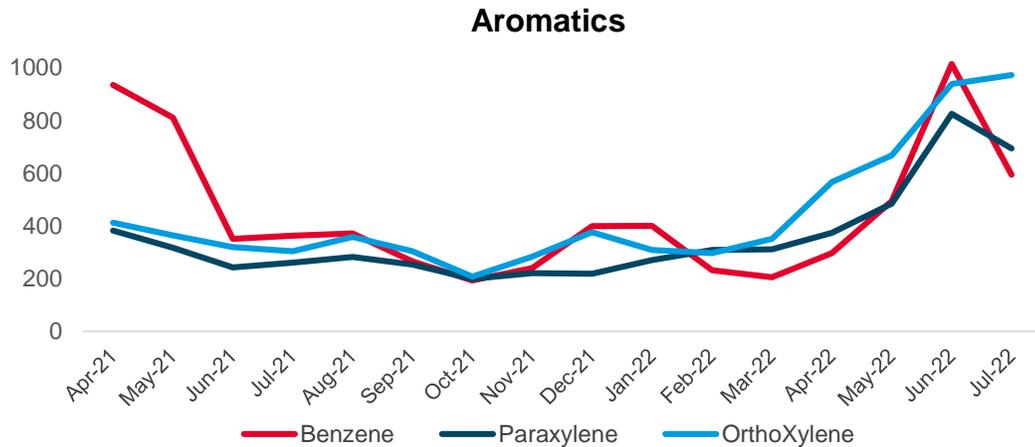
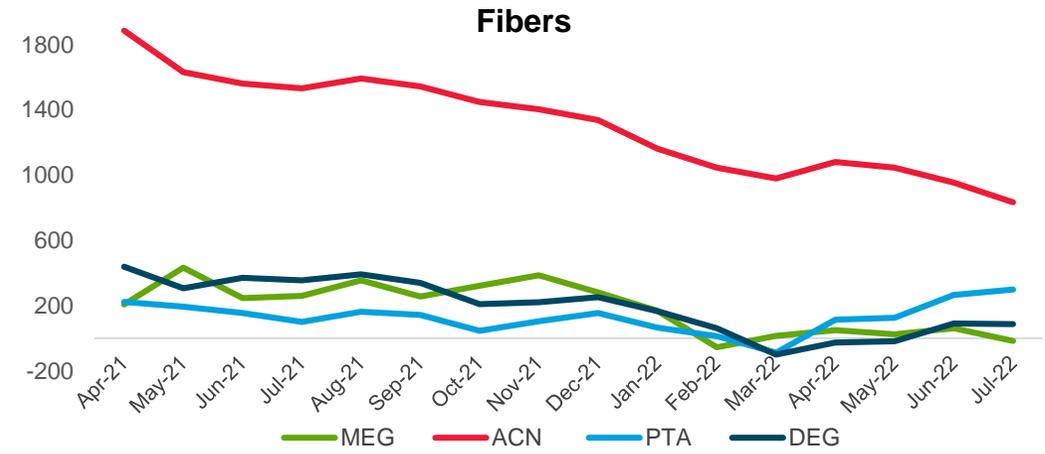
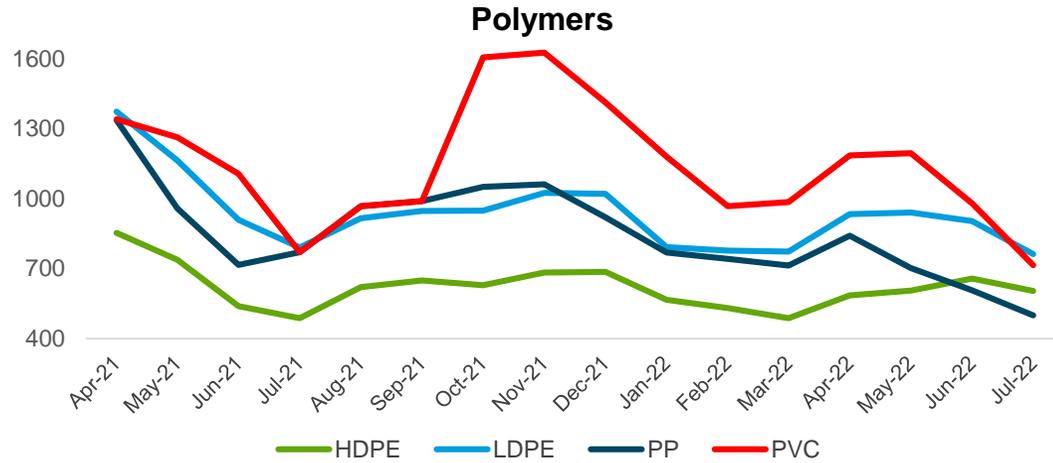
-  Global supply chain challenges
-  Higher feedstock and energy costs
-  Deteriorating economic climate

Global petrochemical demand slowed through the second quarter as intense cost pressure and deteriorating economic climate increasingly curtailed into a broader set of derivatives

-  PE prices lagged escalating ethylene monomer costs to depress margins at the polymer unit
-  Aromatics supply shortened against fragile demand and faced mounting competition from refiners with robust demand for gasoline into the summer season
-  July benzene contracts jumped from June values to reach a fresh record high, tracking record high spot prices during the month of June

Industry environment

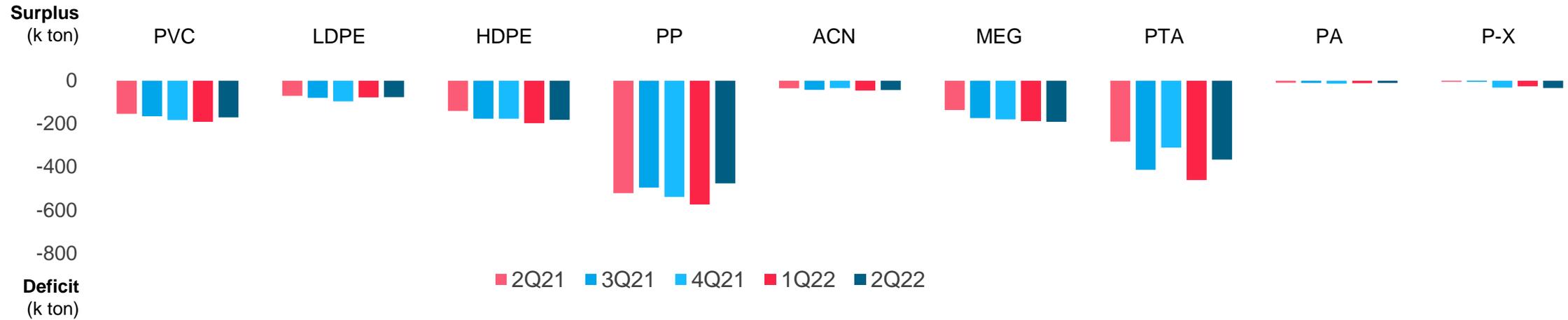
Product groups spread (over naphtha CIF MED), USD/MT



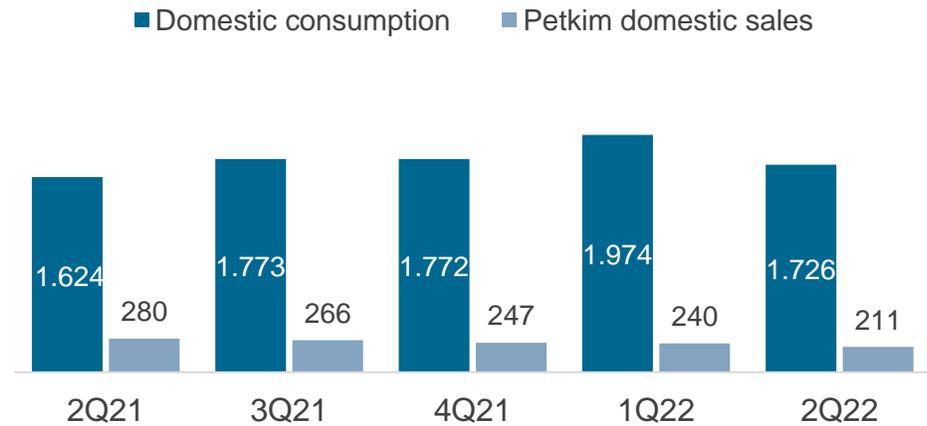
Source: S&P Global Commodity Insights

Turkey's petrochemical sector overview

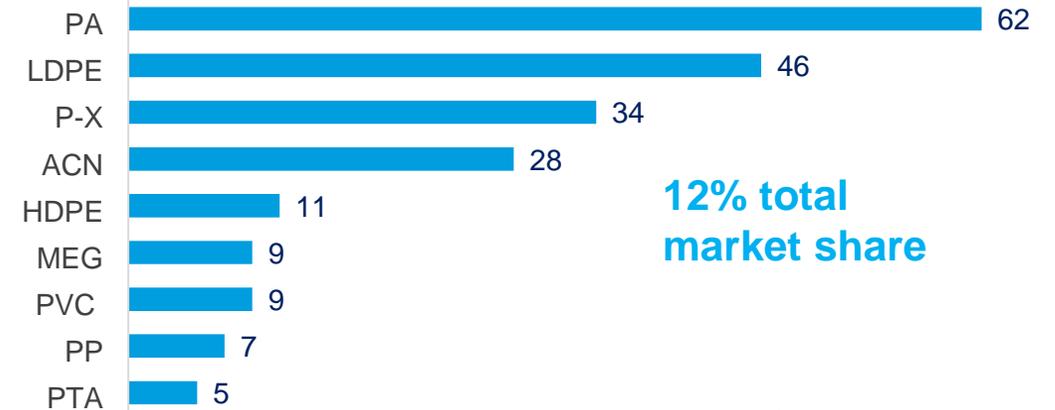
Turkey domestic demand is primarily met by imports



Petrochemical consumption in Turkey (k ton)



Products market share (%)

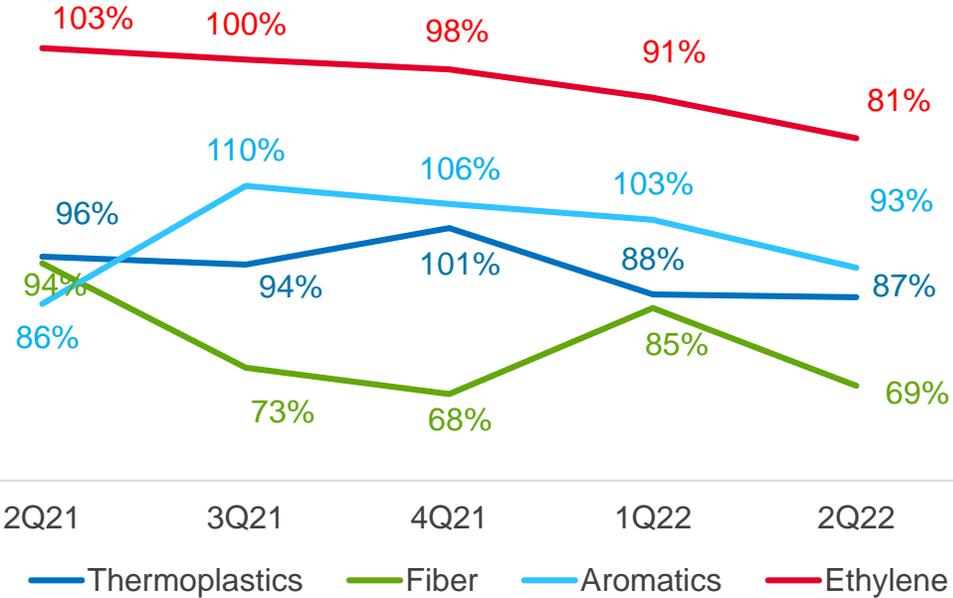


Operating and Financial Results

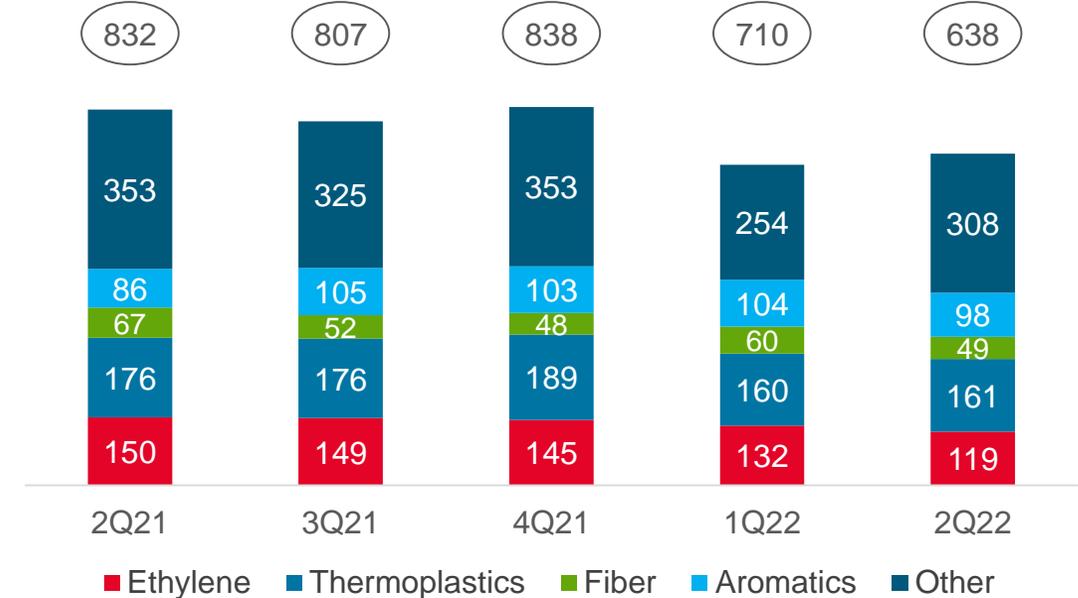


Capacity utilization and gross production

Capacity utilization rates (%)



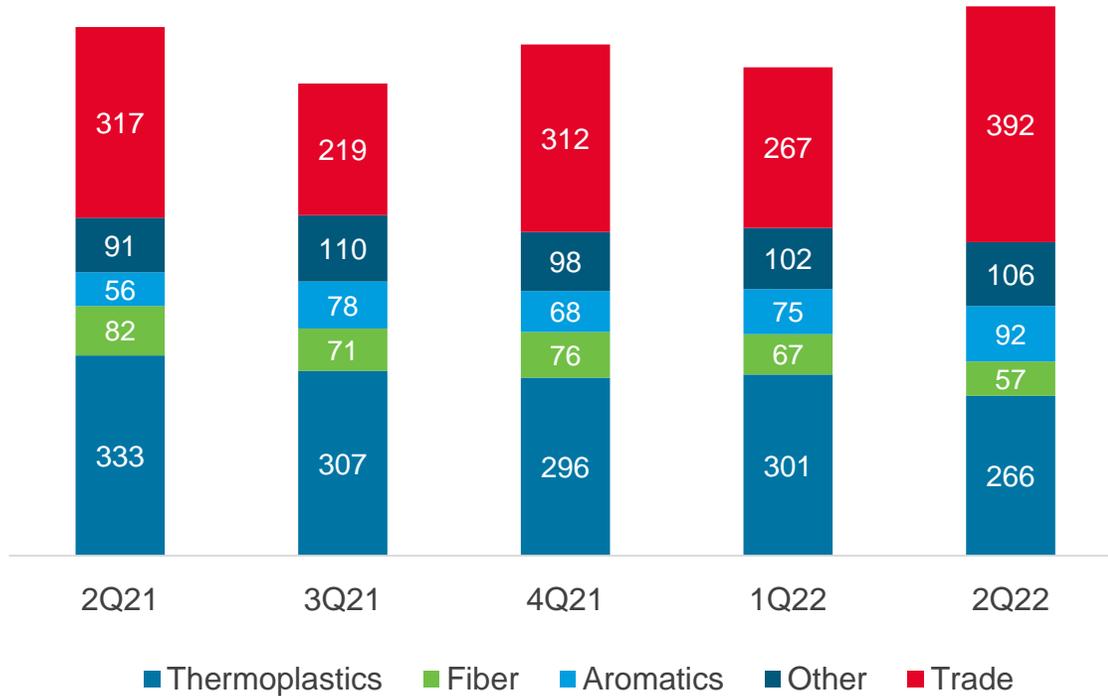
Gross production (k ton)



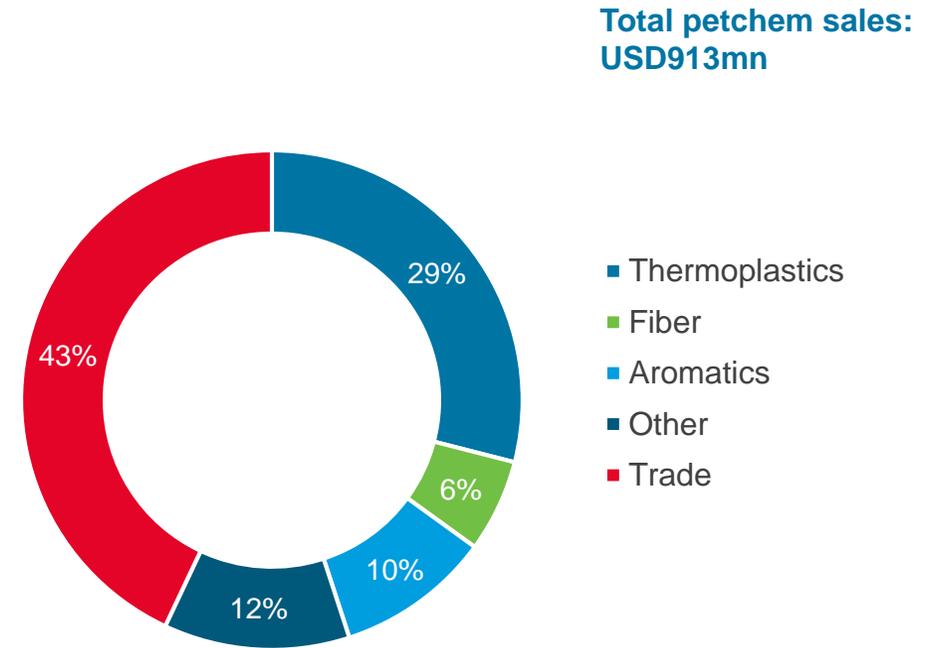
Thanks to the uninterrupted high quality feedstock procurement from STAR Refinery, Petkim generated **638kton** gross production and ethylene capacity utilization rate was **81%** in 2Q22

Petrochemical product sales

Breakdown of petchem sales (mn USD)



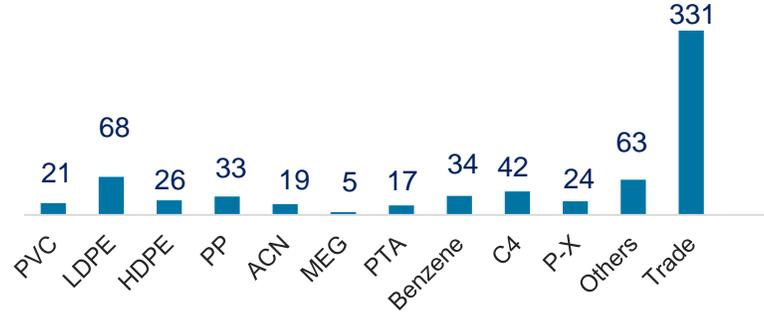
Breakdown by percentage in 2Q22



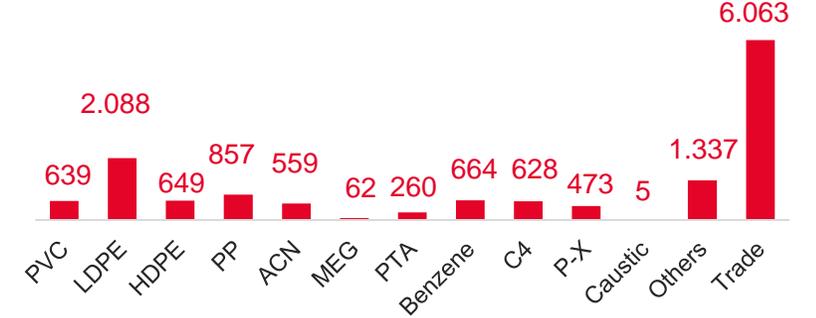


In 2Q22, Petkim achieved TL 14,286mn sales via 683k ton sales volume

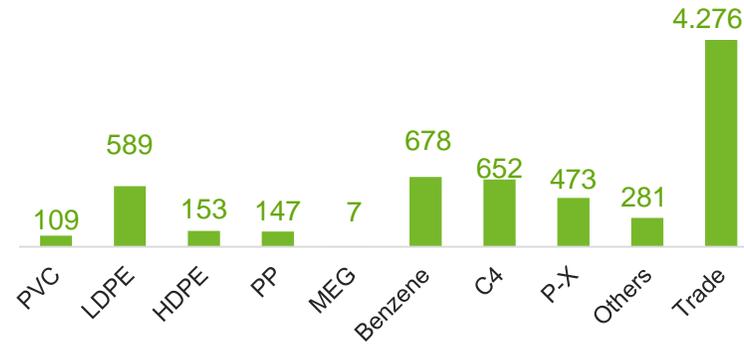
Sales volume (ton k) **Total volume: 683k ton**



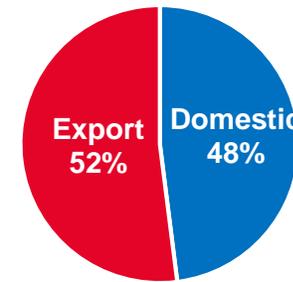
Revenue (TL mn) **Total revenue: TL14,286mn**



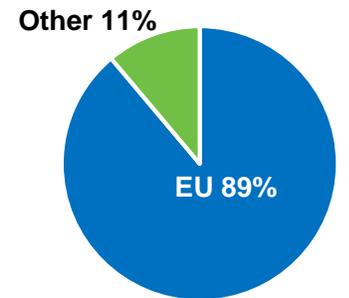
Export Revenue (TL mn) **Total export: TL7,363mn**



Revenue breakdown (%)



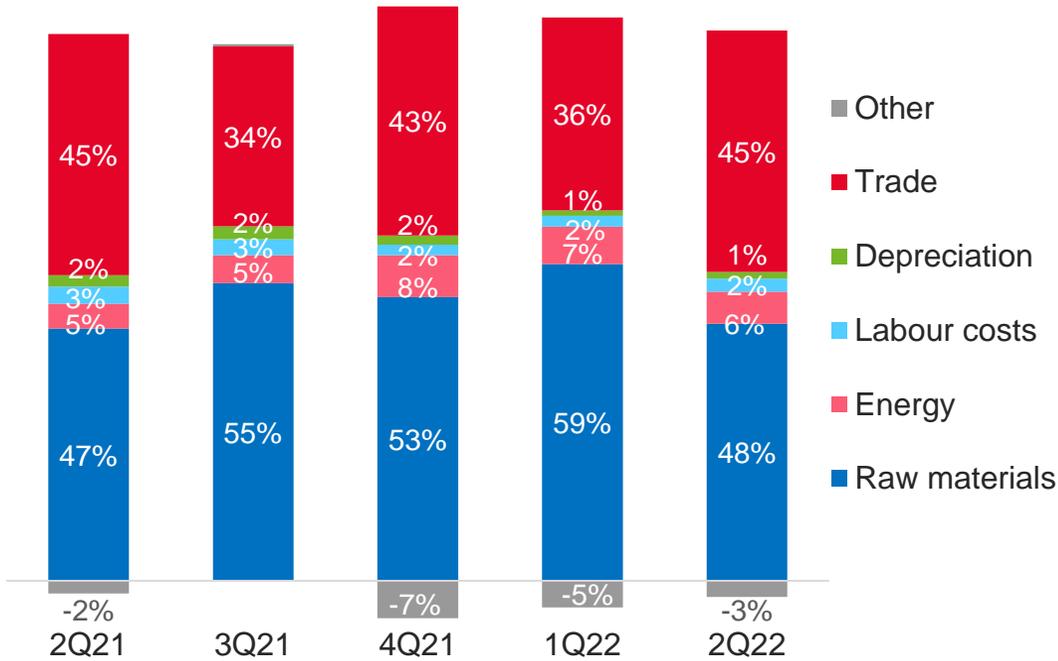
Exports breakdown as per region (%)



Breakdown of total COGS

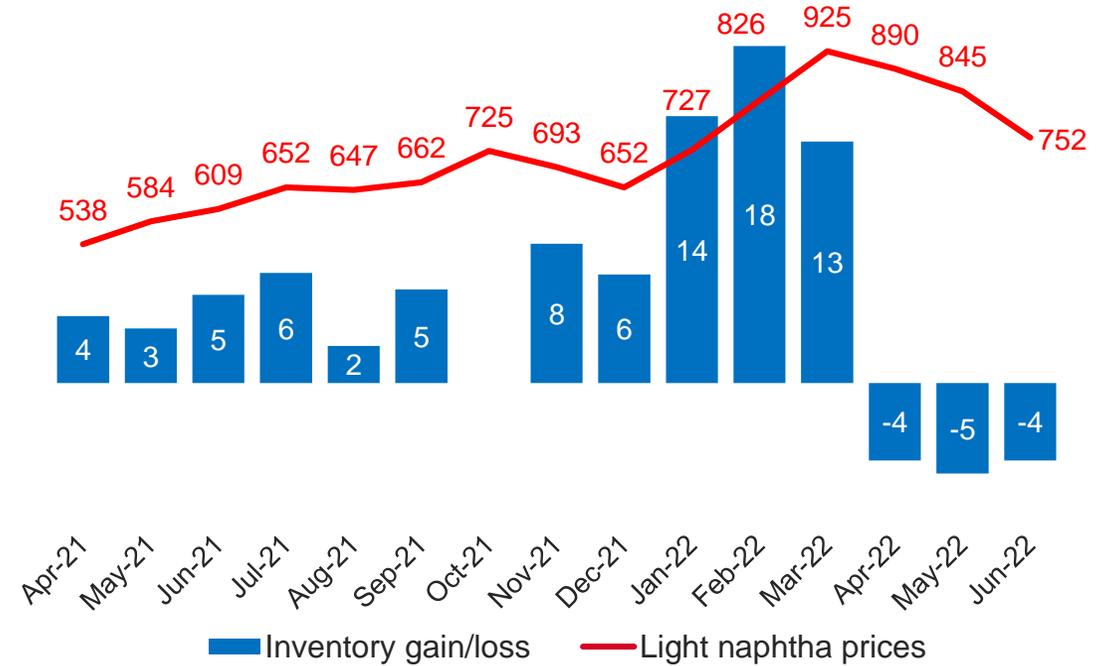
COGS breakdown (%)

2Q22 total COGS:
TL12,910mn



Inventory gain/loss (mn USD)

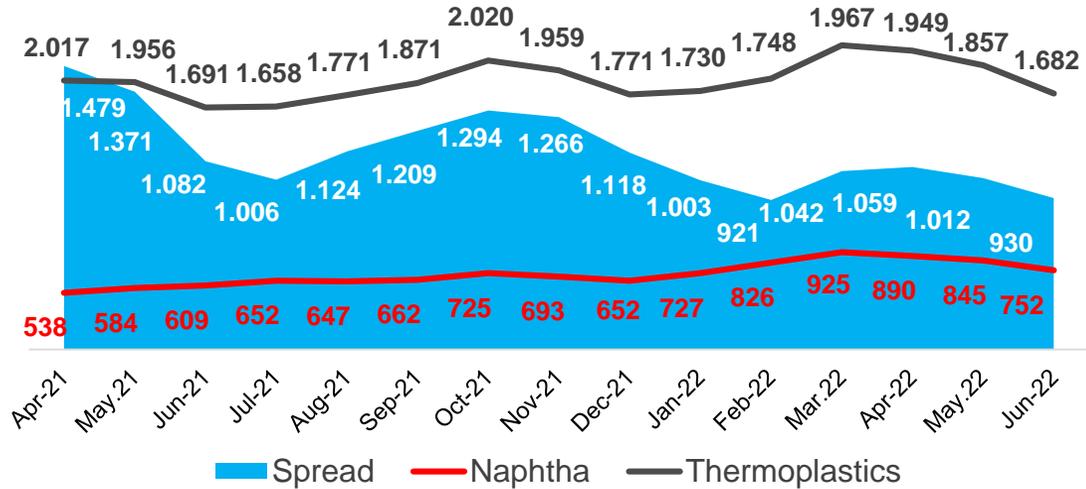
2Q22 inventory gain:
USD-13.3mn



Feedstock vs. product prices of Petkim

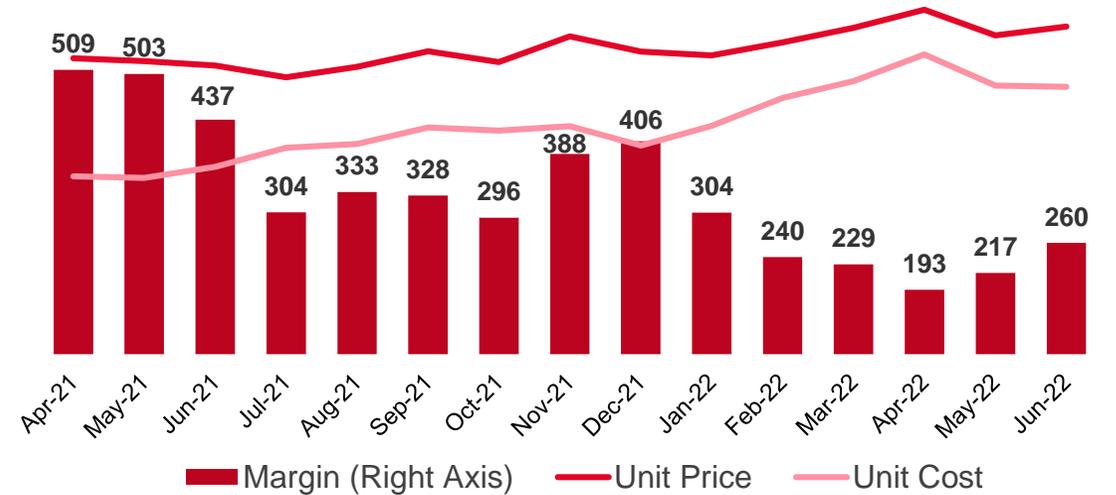
Thermoplastics and naphtha spread

USD/tonne



Petchem unit margins*

USD/tonne



(*) Excluding trade



Thermoplastics margin retreated through the second the quarter as feedstock costs firmed ahead of easing resin prices



Strong co-product revenue and weakening naphtha crack spreads ultimately shielded naphtha crackers from escalating energy values



Petrochemical unit margins rebounded to **USD260/ton** in June with the tightened aromatics market

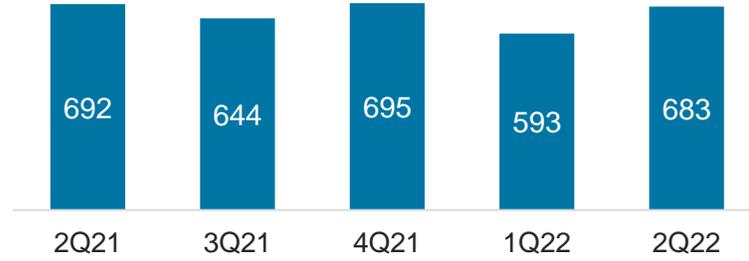
PETKIM 2Q22 income statement

TL mn	FY			Q2		
	Q2'21	Q2'22	YoY Δ (%)	Q1'22	Q2'22	QoQ Δ (%)
Sales	7,397	14,369	94%	11,421	14,369	26%
Cost of sales	(5,513)	(12,910)	34%	(9,746)	(12,910)	32%
Gross profit	1,884	1,458	(23%)	1,675	1,458	(13%)
Gross profit %	25%	10%		15%	10%	
Marketing and sales expenses	(42)	(130)	213%	(83)	(130)	56%
General administrative expenses	(105)	(219)	109%	(222)	(219)	(1%)
Operating profit	1,737	1,109	(36%)	1,369	1,109	(19%)
Other income/ (expenses)	47	1,131	2300%	1,065	1,131	6%
Financial income	690	1,984	188%	1,500	1,984	32%
Financial expenses	(743)	(2,603)	250%	(1,848)	(2,603)	41%
Profit before tax	1,731	1,621	(6%)	2,086	1,621	(22%)
Income tax	(385)	105	127%	(221)	105	(148%)
Deferred tax	(21)	794		(113)	794	
Net profit / (loss)	1,325	2,520	90%	1,753	2,520	44%
Net profit %	18%	17%		15%	17%	
Other	20	97	372%	51	97	91%
Depreciation	132	191	45%	183	191	4%
EBITDA	1,890	1,396	(26%)	1,603	1,396	(13%)
EBITDA %	26%	10%		14%	10%	

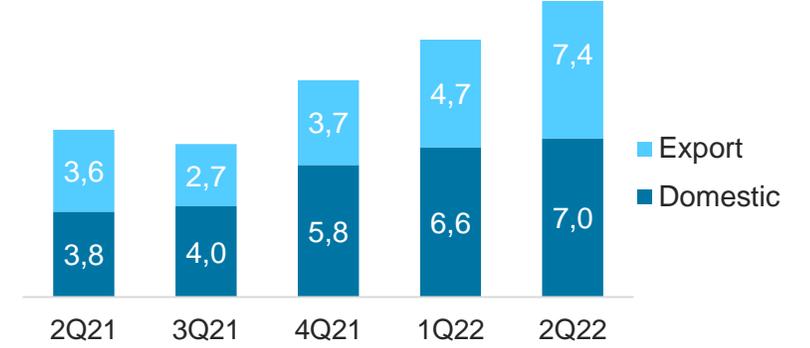


Financial highlights

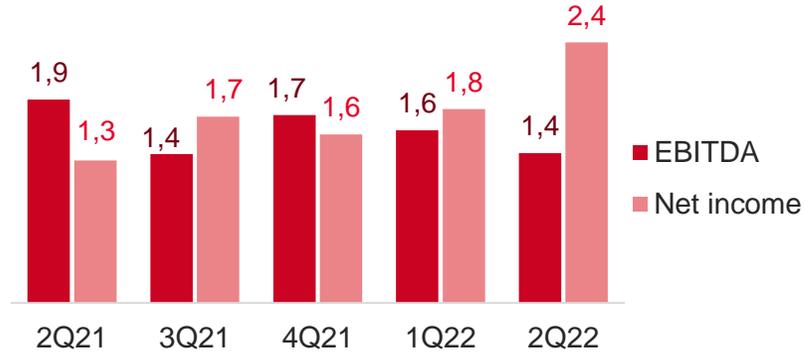
Sales tonnes (k ton)



Revenue (bn TL)



EBITDA and net income (mn TL)

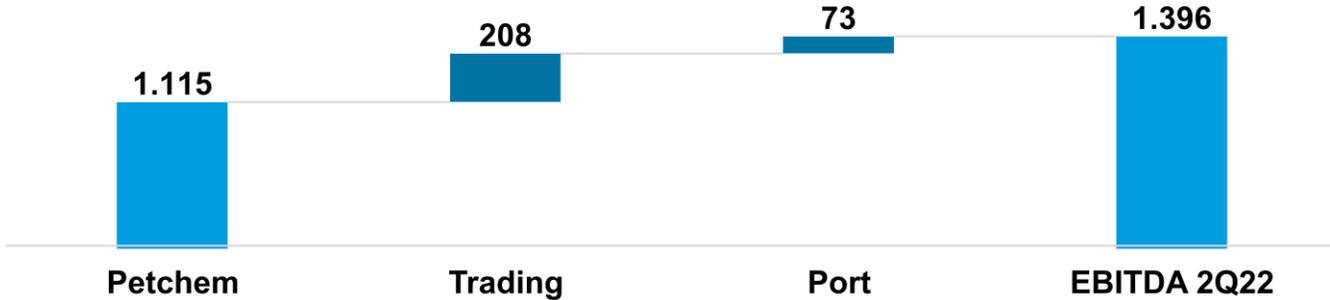


Margins (%)

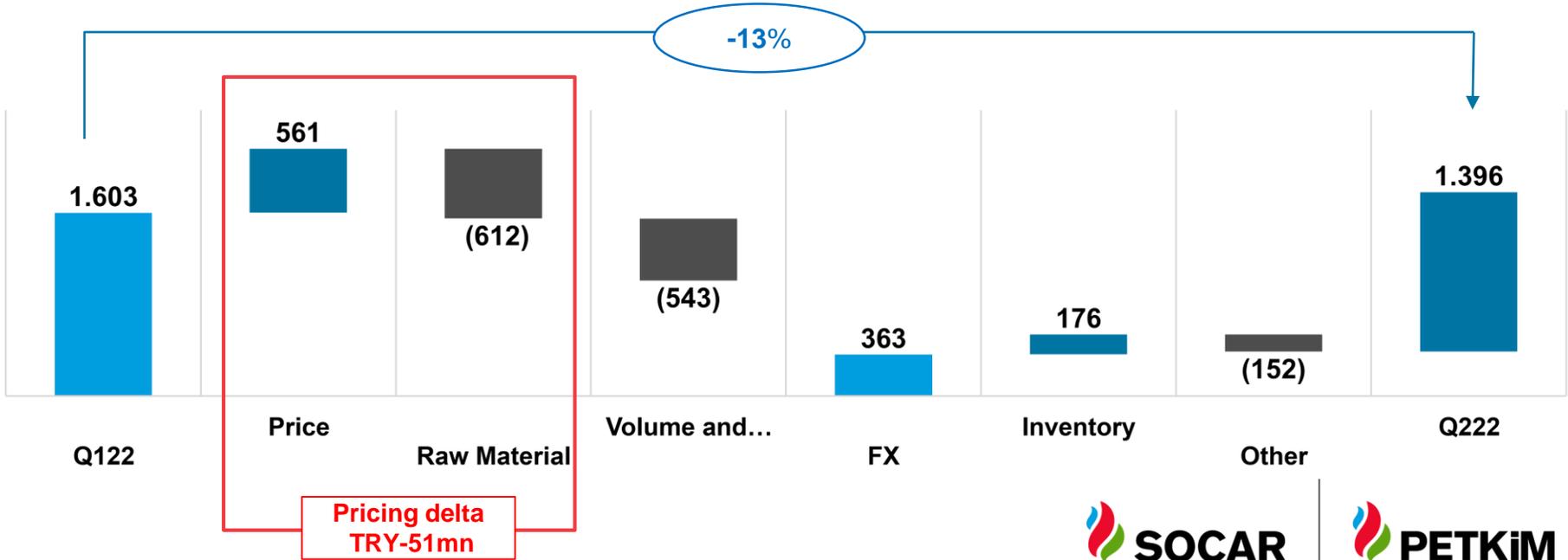


Earnings decreased mainly due to sales volume and efficiency decline

2Q22 segments' results (mn TRY)



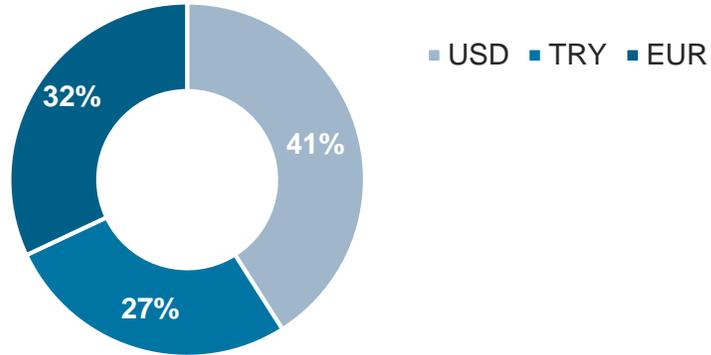
Quarterly change in EBITDA (mn TRY)



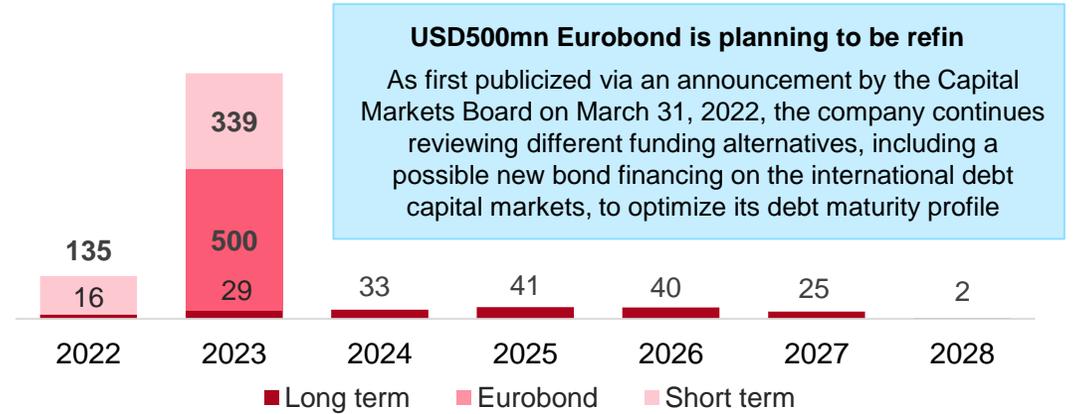
Liquidity highlights

Deposits (%)

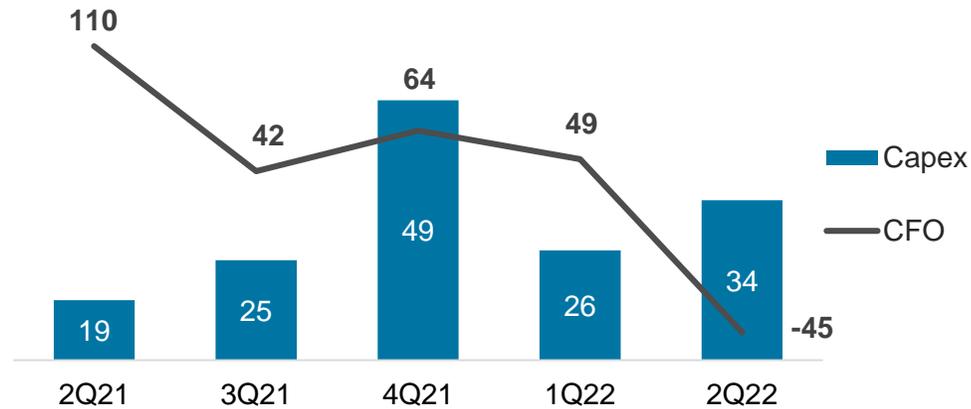
USD437mn



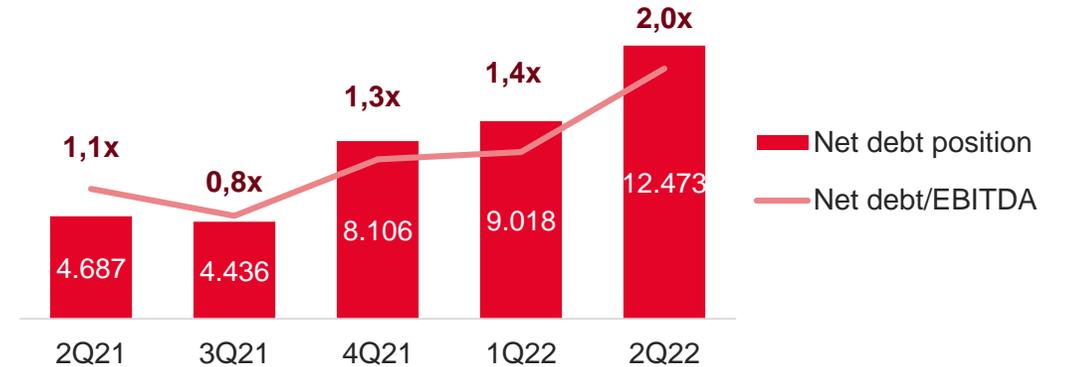
Maturity profile (mn USD)



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, 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-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

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



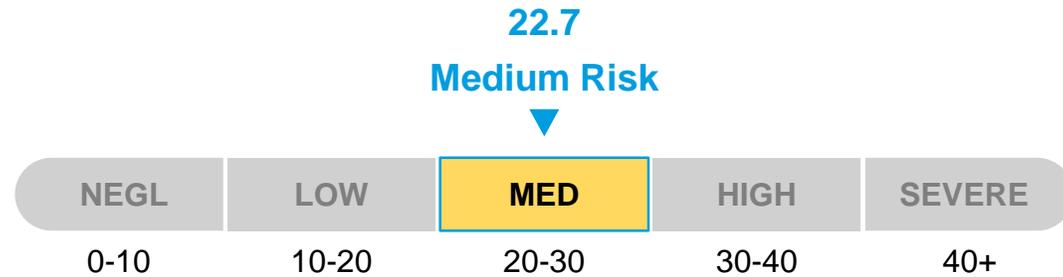
Circular economy

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 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

Climate & Environment

	2022 Targets	Key Highlights
Decarbonization	1%	Implementation of energy efficiency and electrification initiatives to decrease carbon intensity (decarbonization)
Energy consumption per ton of product	2.79 gcal/ton	Conducting Energy Audits Implementation of Energy Efficiency Projects ISO 50001 Energy Management System Standard Certificate
Water consumption reduction	1%	Implementation of water conservation projects and determining alternative sourcing and monitoring (per raw material)

Health & Safety

Total recordable incident rate (TRIR)	≤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
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Supporting Slides



PETKIM 2Q22 balance sheet

TL mn	3M'22	6M'22	Financial highlights	3M'22	6M'22
Cash and cash equivalents	7,330	7,277	Net debt position	(9,018)	(12,473)
Trade receivable	5,680	6,220	Working capital	(2,272)	(1,213)
Inventory	4,960	5,883	Days sales outstanding	43	38
Other receivables	22	29	Days payable outstanding	80	82
Other current assets	8,170	9,599	Days sales of inventory	40	39
Current assets	26,162	29,009			
Non current assets	11,907	14,323			
Total assets	38,069	43,332			
Short term borrowings	14,033	17,262			
Trade payables	4,540	4,289			
Other payables	1,365	821			
Current liabilities	19,938	22,372			
Long term borrowings	2,691	2,898			
Other non-current liabilities	904	1,088			
Shareholders' equity	14,536	16,974			
Total liabilities	38,069	43,332			

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

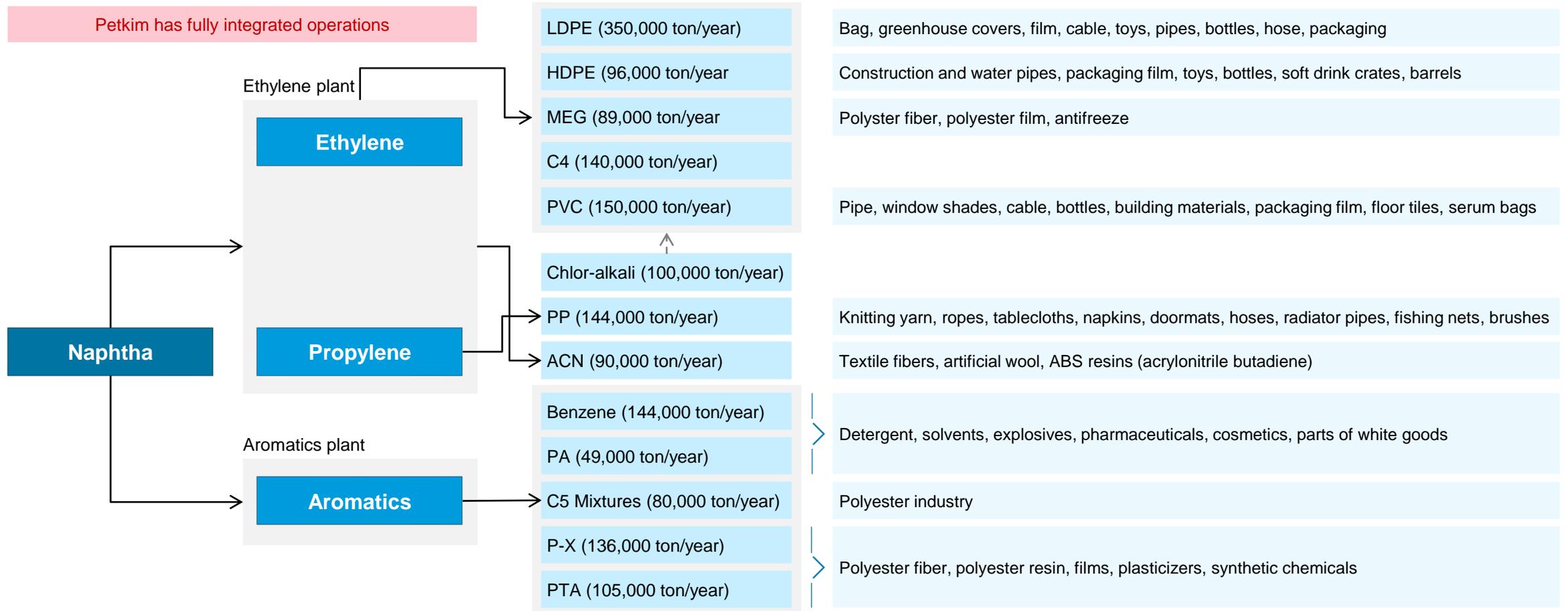
- Stable stream of income that is not correlated to Petkim's core business
- Savings on shipments for expansion projects



- 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)
9.45TL

Market capitalization
(TL mn)
TL 23,950

Free float
(%)
49.0%

*As the date of 8 Aug 2022

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