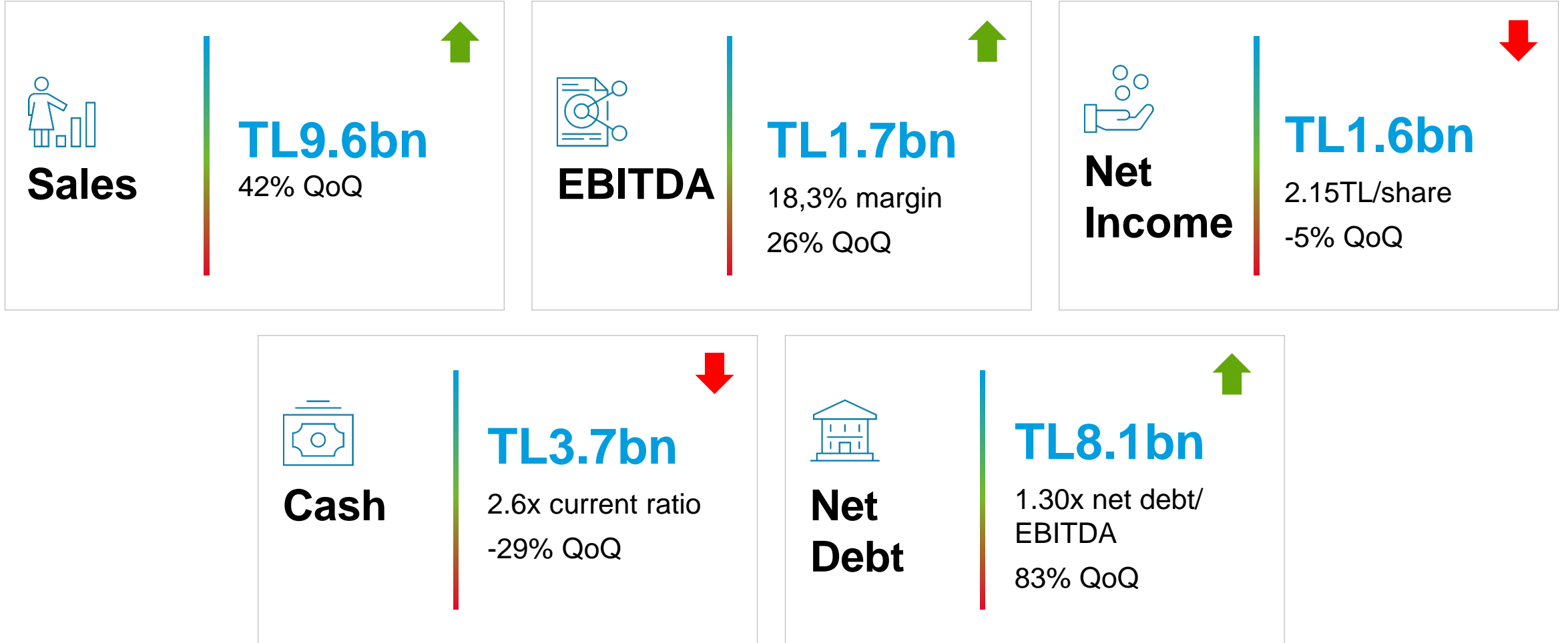


4Q21 Results Investor Presentation



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



Tight supply and strong demand propelled to profitability to record high

Full year 2021 highlights



Petrochemical prices surged to record highs, overshooting sustainable long term equilibrium price where supplies were pinched

Petchem unit margins on average was USD376/ton in 2021 compared to USD126/ton in 2020.



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 upgrade reflects strong progress on deleveraging strategy

Fitch Upgrades Petkim to 'B+'; Outlook Stable*



Higher trading support in the total portfolio

USD63mn trading gross profit in 2021



Cost optimization and integrated production significantly supported earnings

USD48.3mn inventory gain in 2021



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

1.30x net debt/EBITDA

*As of 24 February 2022, Fitch revised Petkim's outlook from "Stable" to "Negative" following the downgrade of Turkey's LT FC IDR.

Industry Environment

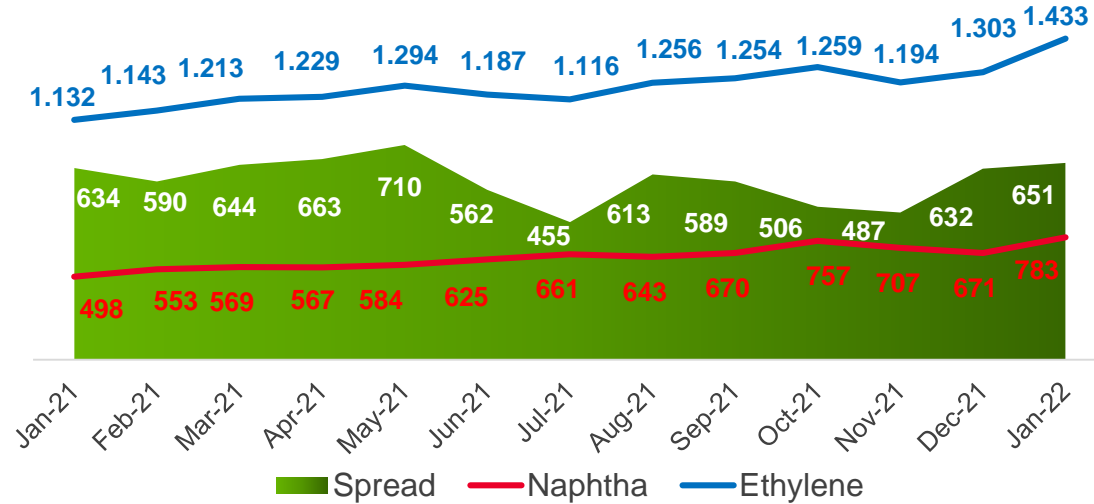
Global petrochemical market
Petrochemical market in Turkey



Industry environment

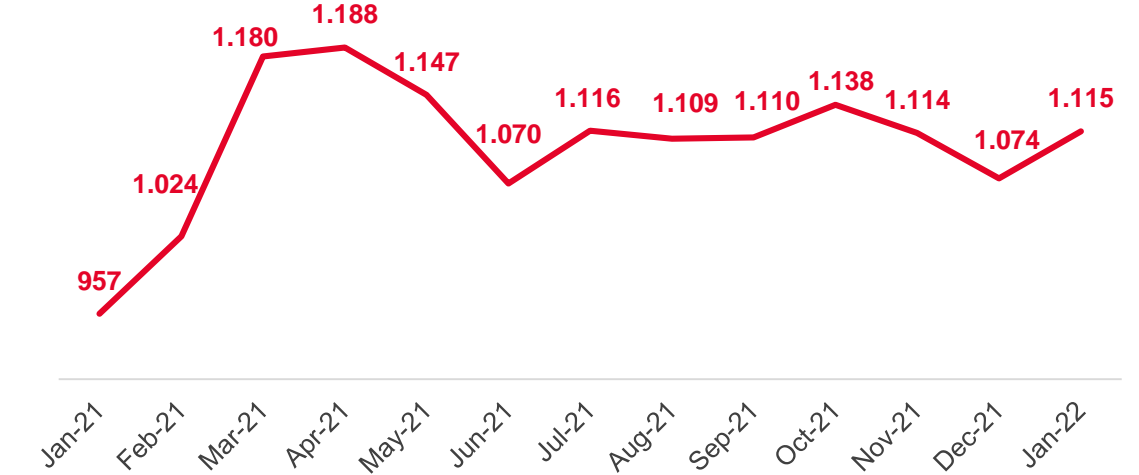
Monthly naphtha - ethylene spread (CIF MED spot prices)

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 **9%** in the last quarter of the year



Ethylene-naphtha spread decreased by **3%** from USD545/ton in 3Q21 to USD527/ton in 4Q21



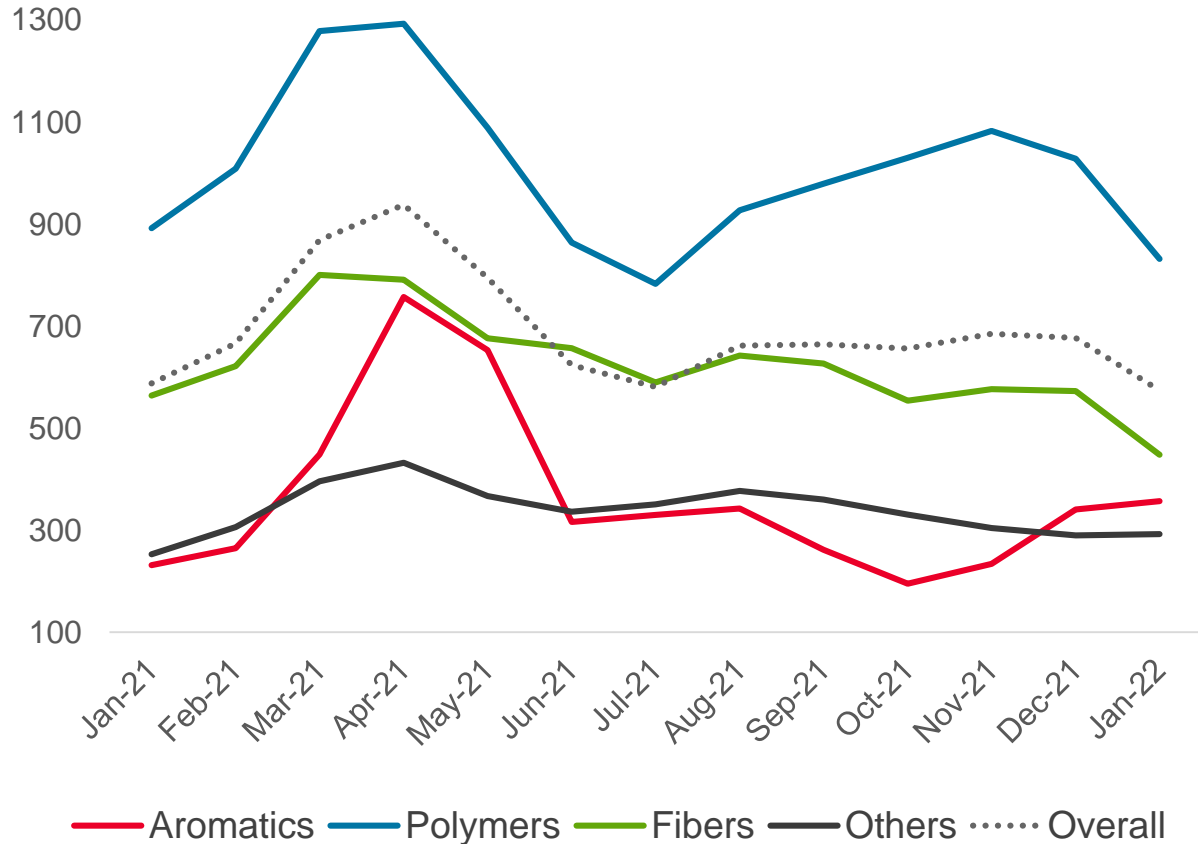
Ethylene supply has been tight since December, due to some outages and firm downstream demand and costs



Improving supply dynamics, firming costs and declining co-product prices pressure on ethylene profitability of naphtha crackers in the fourth quarter

Industry environment

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



Source: Platts, Company

Global petrochemical markets eased towards more balanced position as demand easing against normalizing supply as operational reliability of crackers improved



Global supply chain disruption



Rising feedstock and energy costs

Profitability remained at the upper end of the range achieved ahead of the record highs earned as markets were tight in the first half of the year



Thermoplastics prices briefly firmed through October and November, eased in December due to improved availability



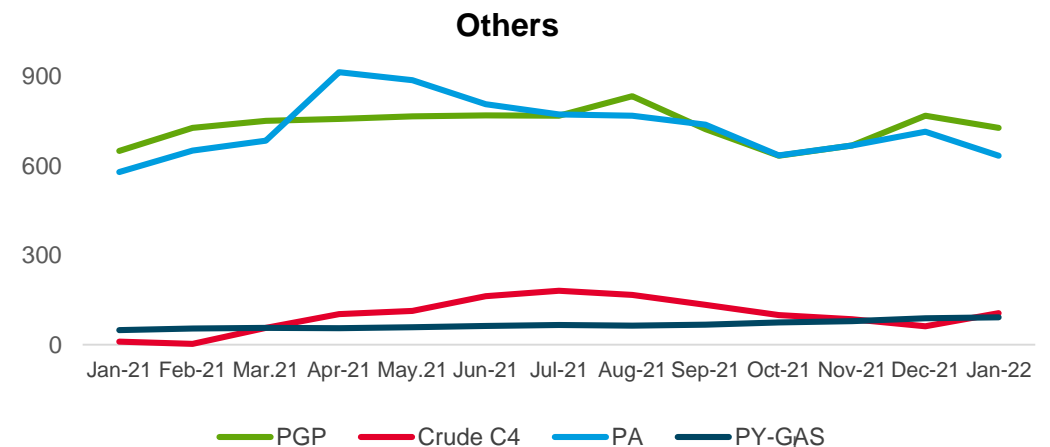
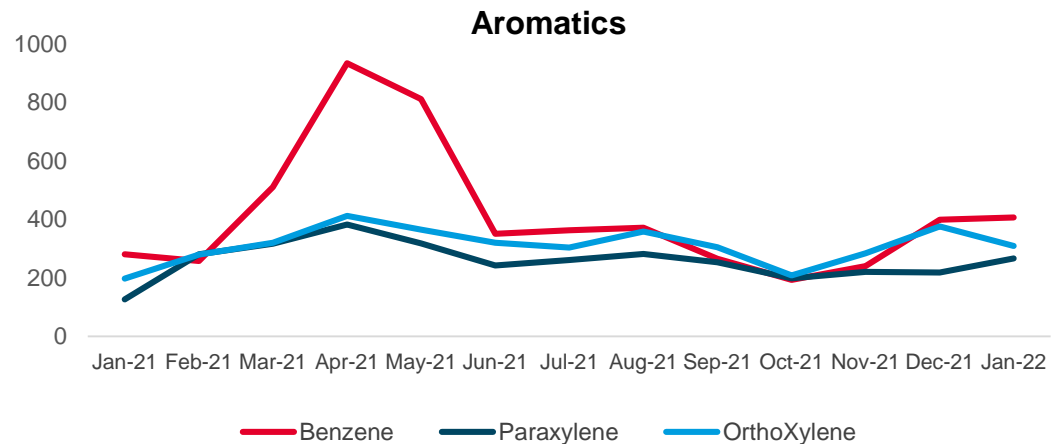
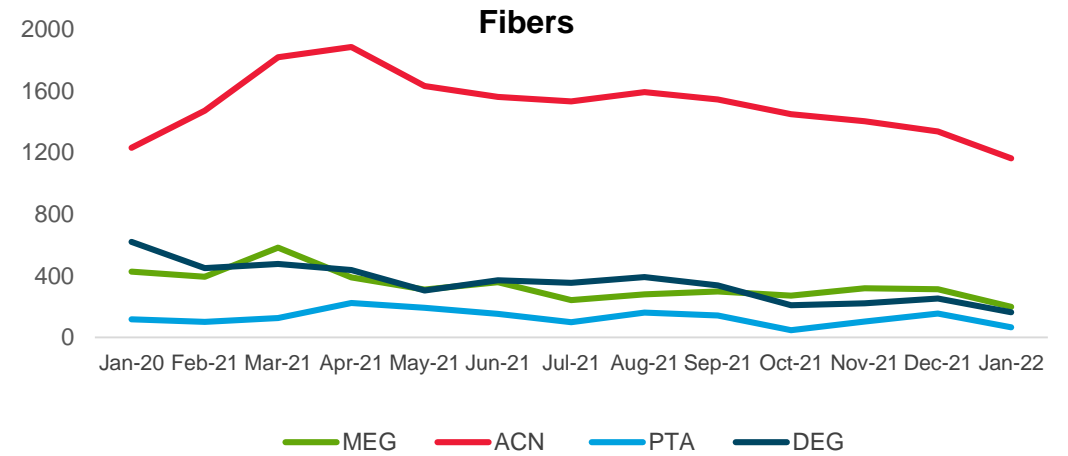
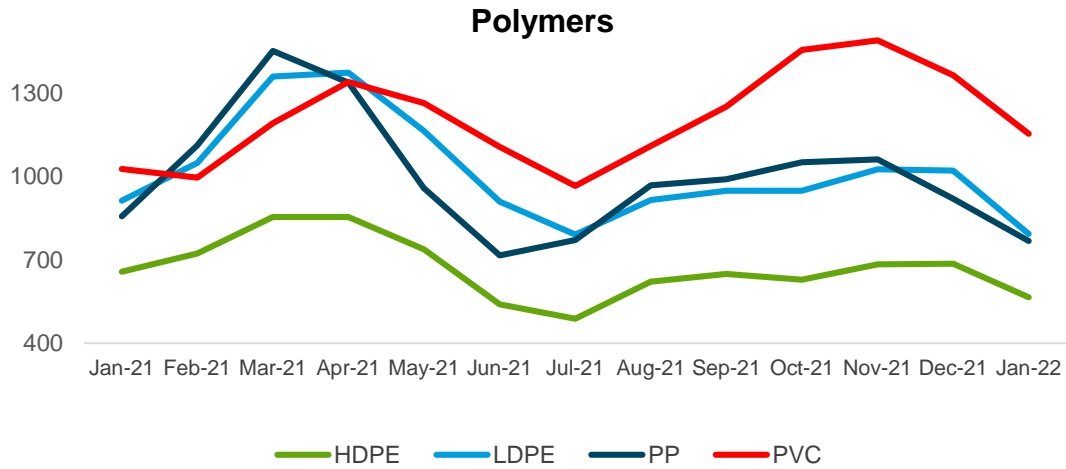
Major co-product prices such as propylene, butadiene and benzene weakened against firming upstream costs



Aromatic prices in January settled higher due to steam cracker turnarounds in Europe

Industry environment

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



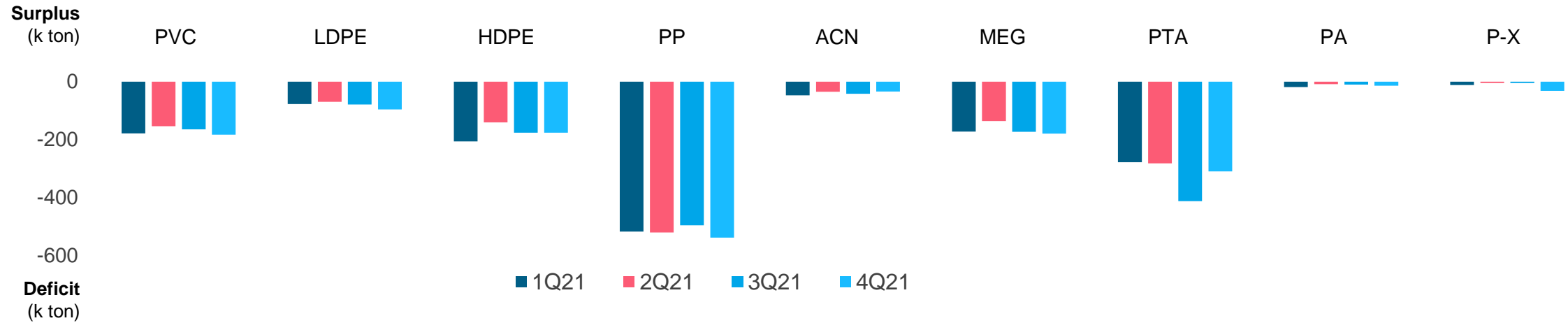
Source: Platts, Company

Hizmete Özel (Dış Taraf)lar

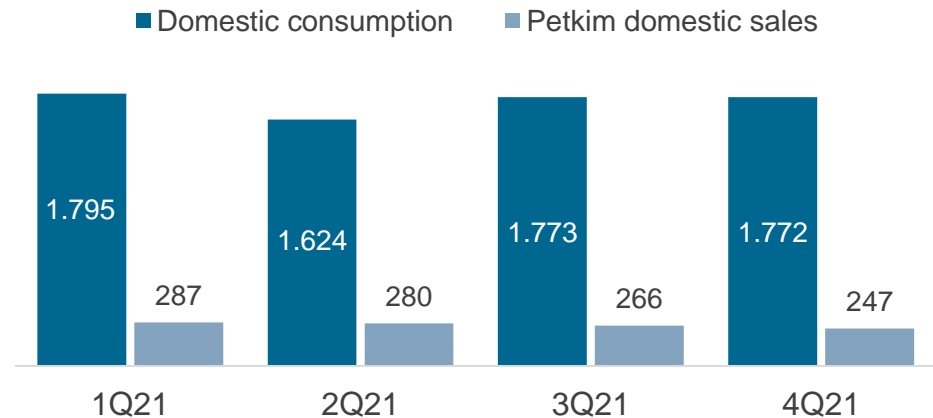


Turkey's petrochemical sector overview

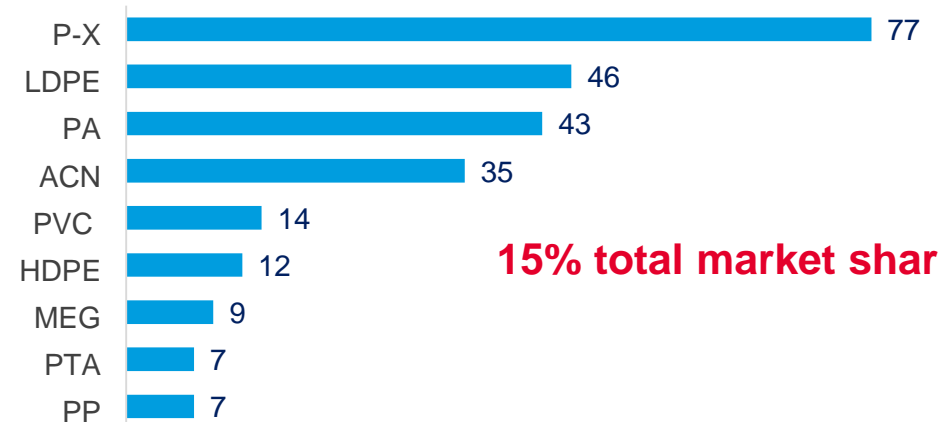
Turkey domestic demand is primarily met by imports



Petrochemical consumption in Turkey (k ton)



Products market share (%)



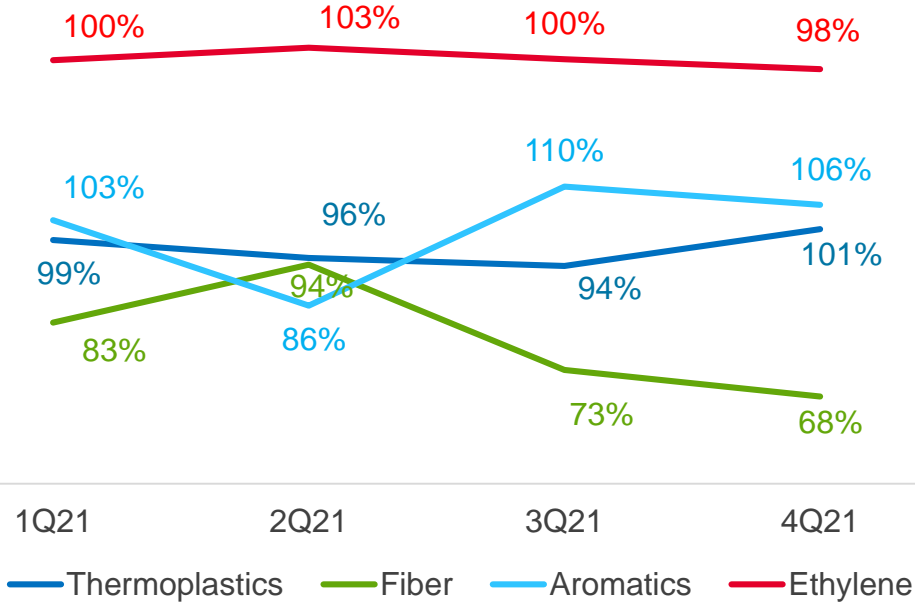
15% total market share

Operating and Financial Results

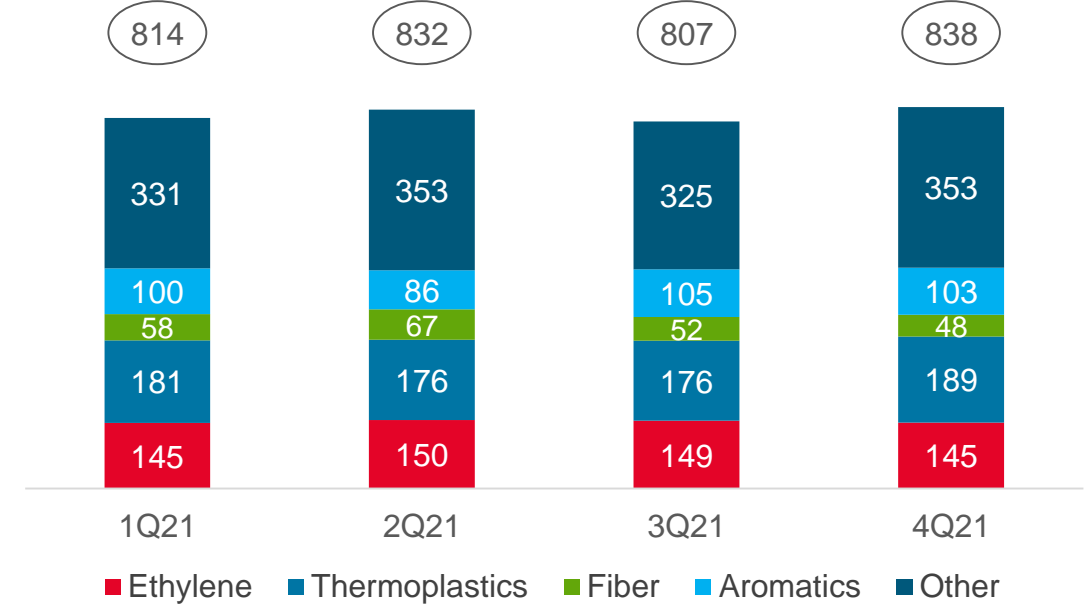


Capacity utilization and gross production

Capacity utilization rates (%)



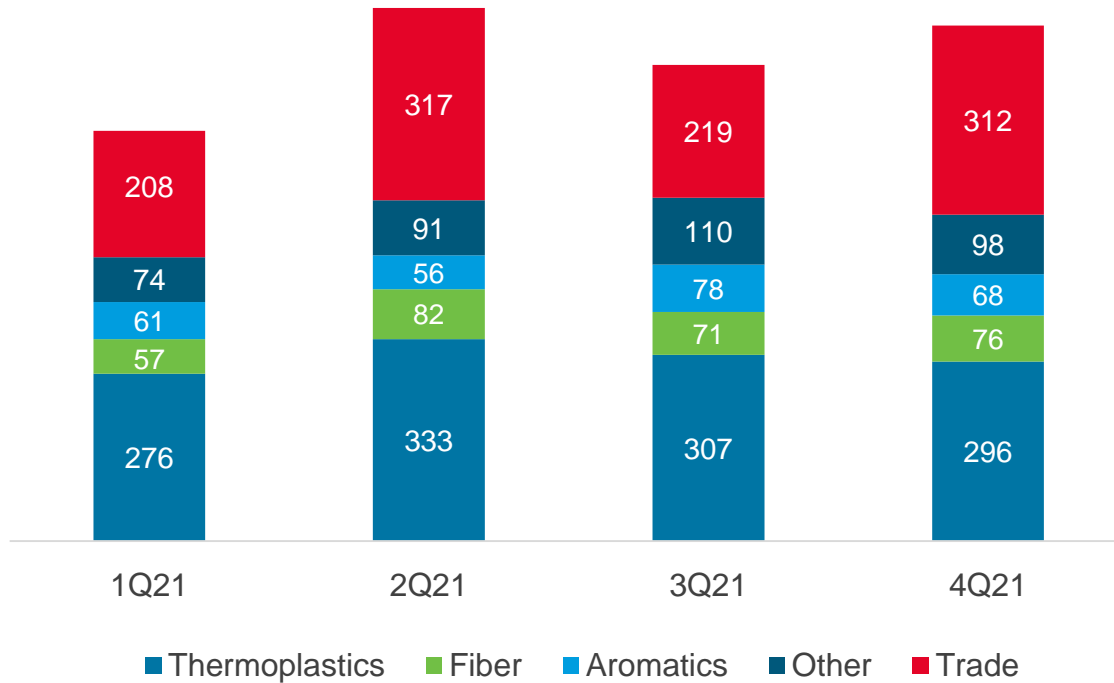
Gross production (k ton)



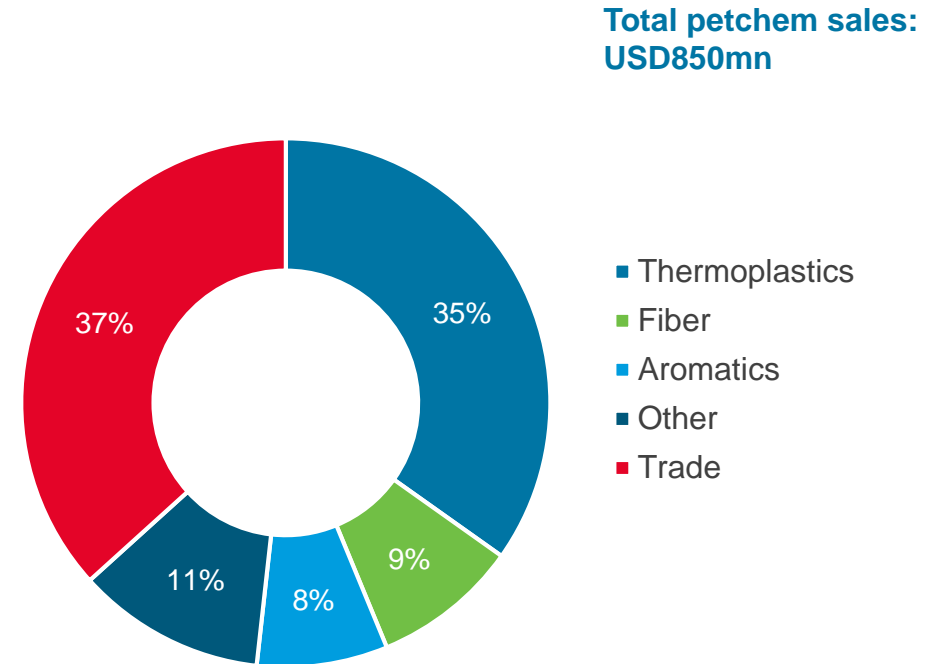
Thanks to the uninterrupted high quality feedstock procurement from STAR Refinery, Petkim generated **838kton** gross production and ethylene capacity utilization rate was **98%** in Q421

Petrochemical product sales

Breakdown of petchem sales (mn USD)



Breakdown by percentage in 4Q21

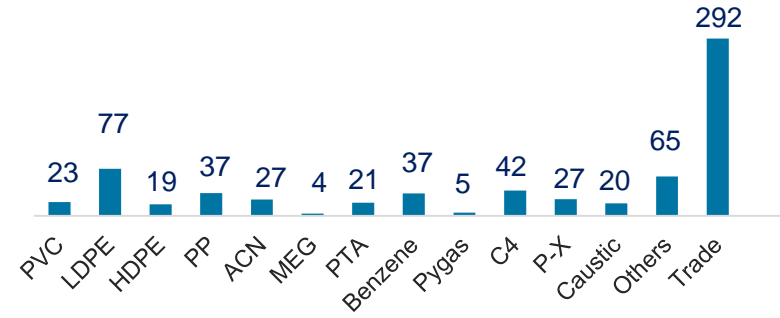




In 4Q21, Petkim achieved TL 9,484 mn sales via 695k ton sales volume

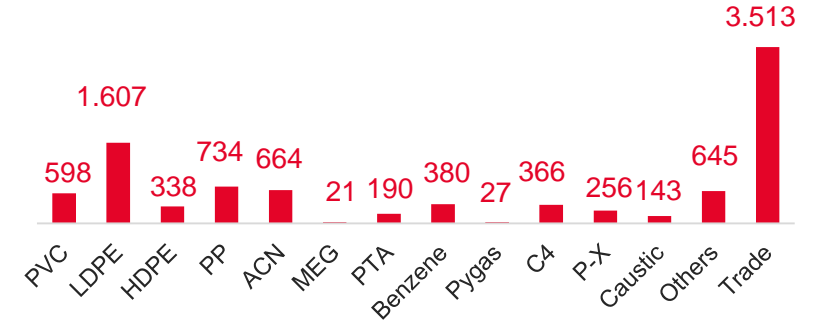
Sales volume (ton k)

Total volume: 695k ton



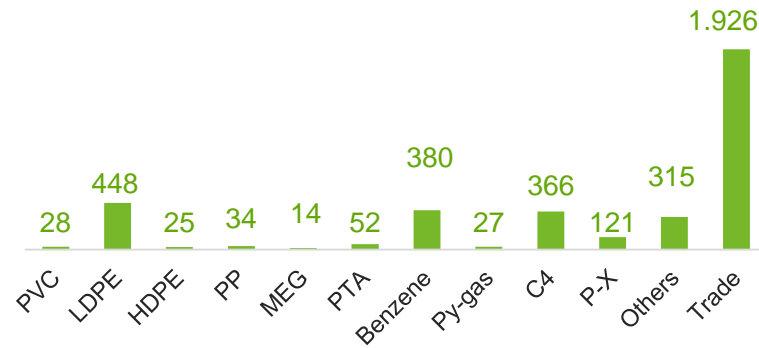
Revenue (TL mn)

Total revenue: TL9,484mn

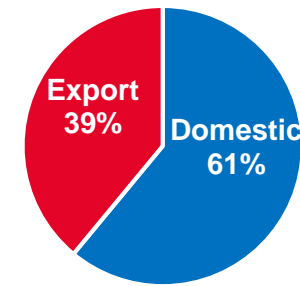


Export Revenue (TL mn)

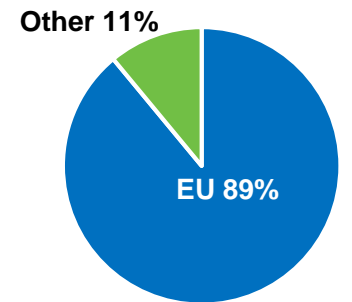
Total export: TL3,736mn



Revenue breakdown (%)

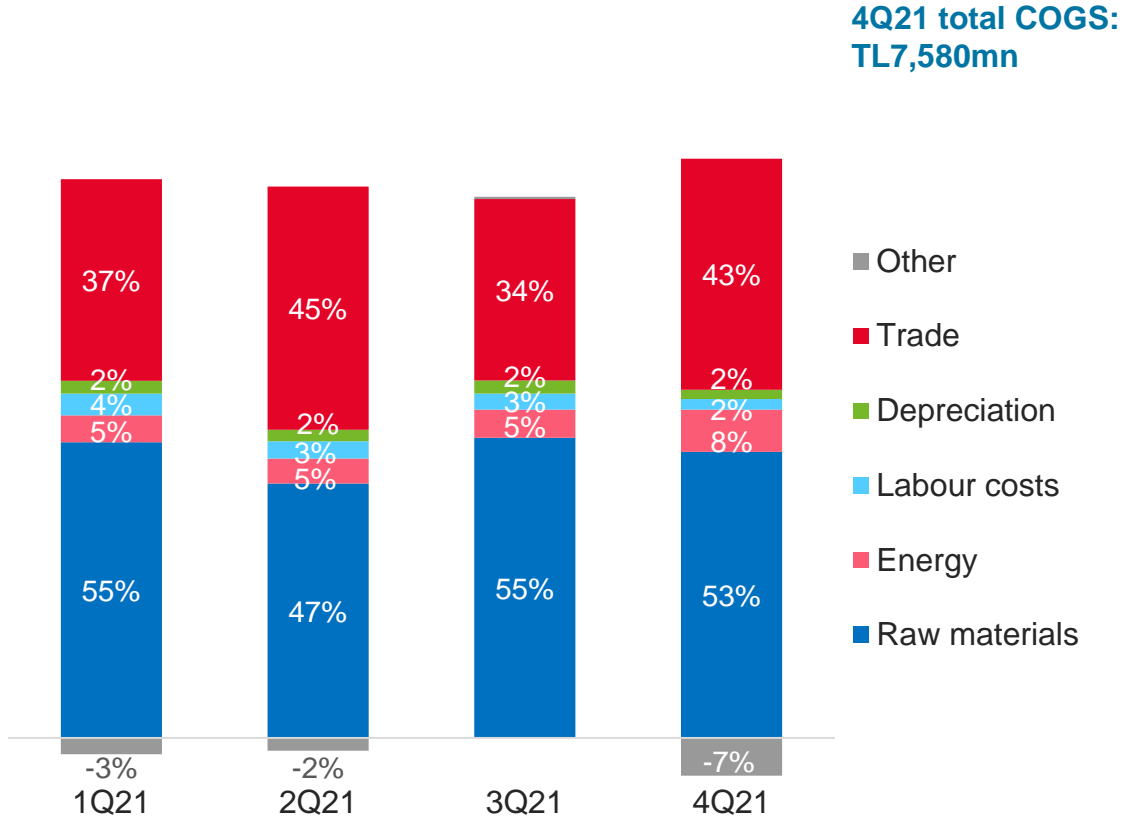


Exports breakdown as per region (%)

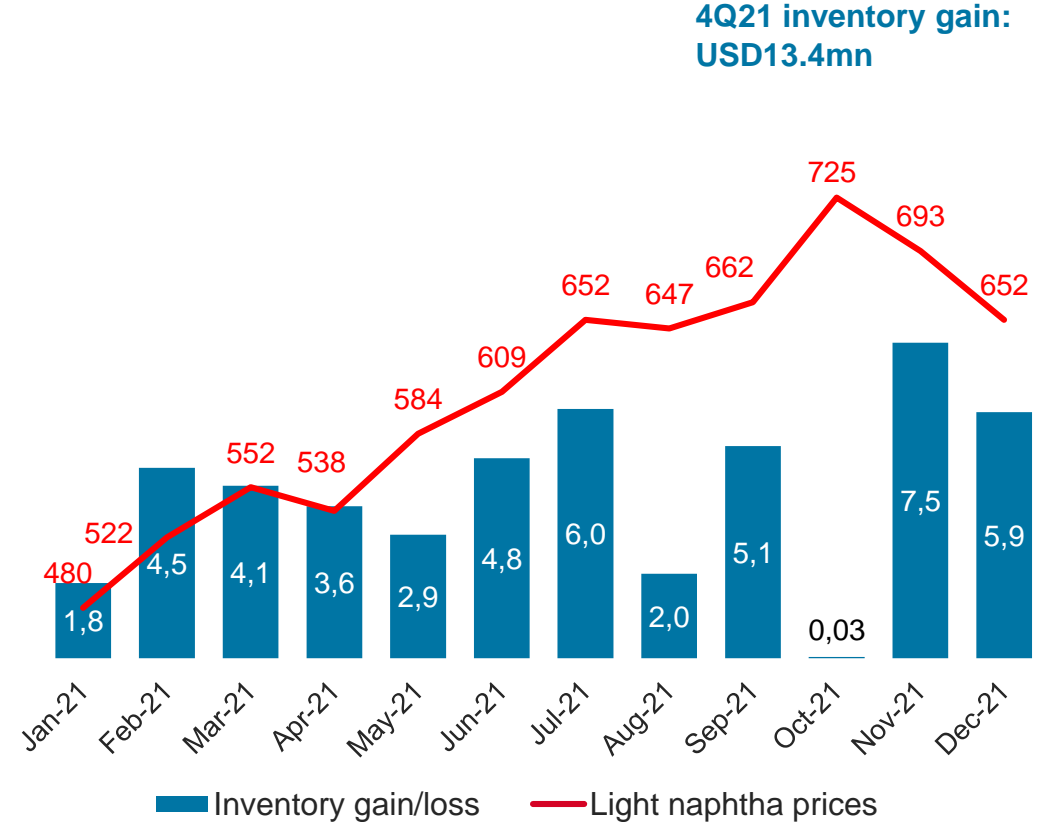


Breakdown of total COGS

COGS breakdown (%)



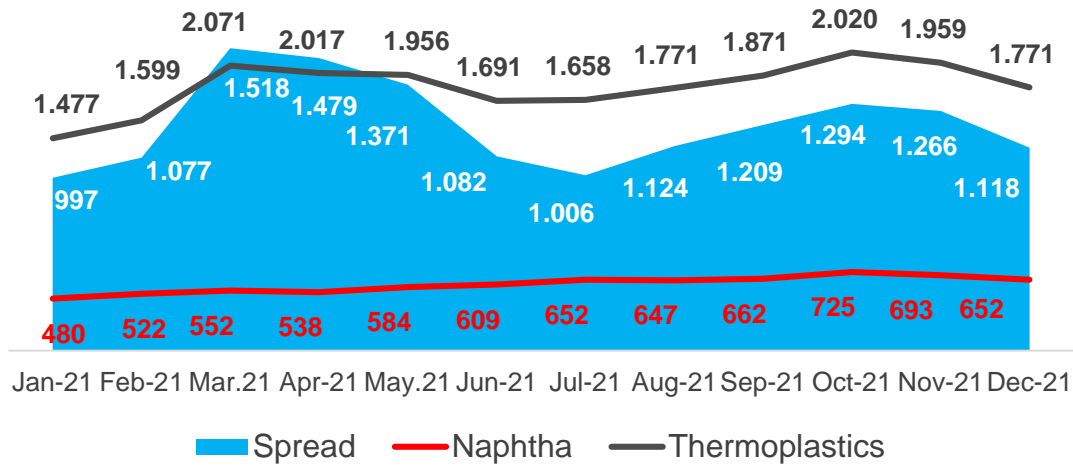
Inventory gain/loss (mn USD)



Feedstock vs. product prices of Petkim

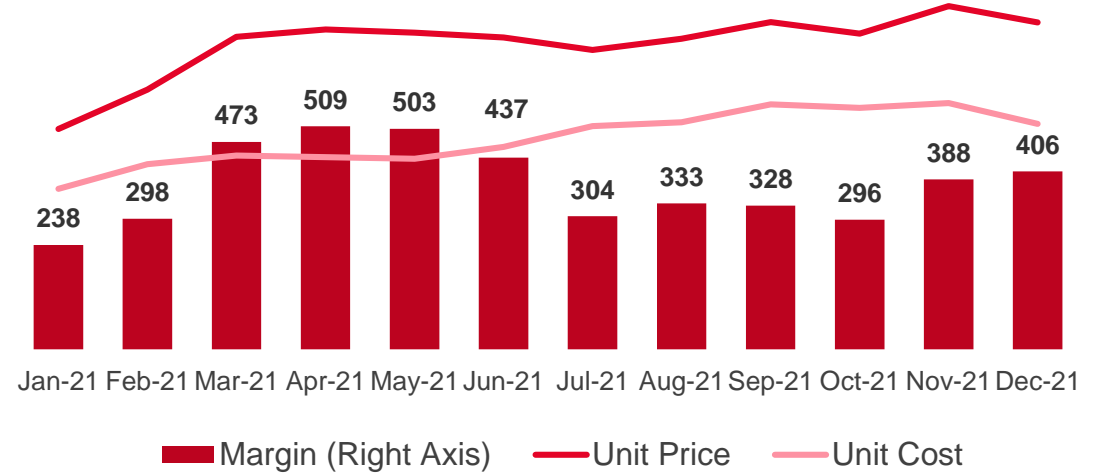
Thermoplastics and naphtha spread

USD/tonne



Petchem unit margins*

USD/tonne



(*) Excluding trade



Thermoplastics margins retreated from historic highs but remain significantly above the longer term average with the average of **USD1,226/ton** in the last quarter of 2021



Cost of naphtha crackers leapt in October, as naphtha prices peaked at a seven years high above **USD750/ton**



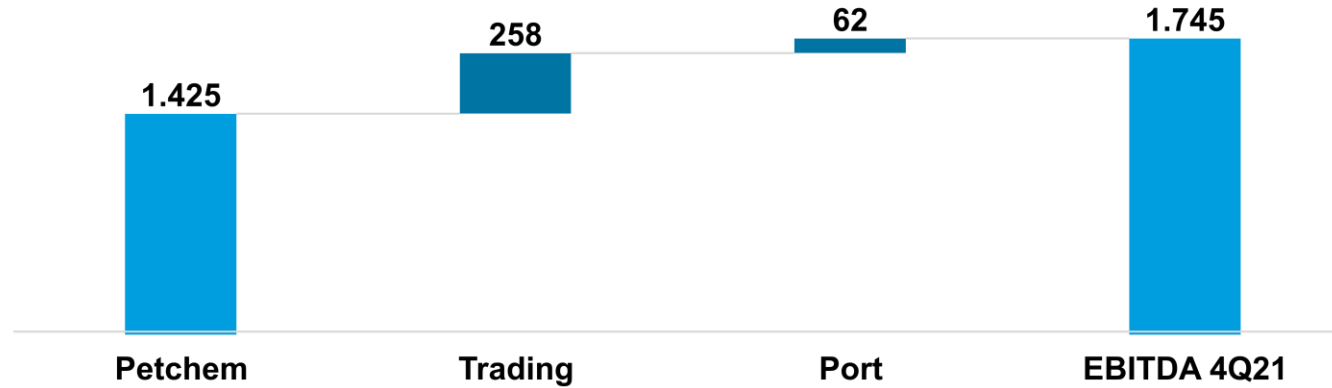
Margins are recovered in November as naphtha cost stabilized and co-product prices improved with higher price point for crude oil

PETKIM 4Q21 income statement

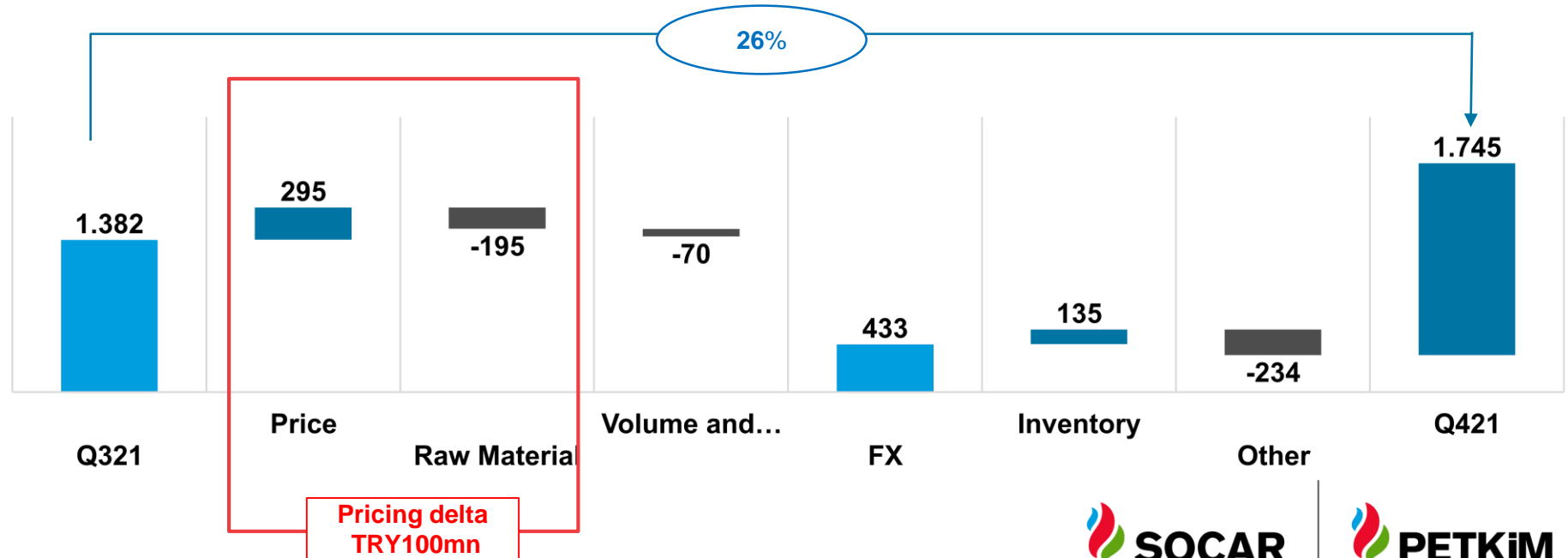
TL mn	FY			4Q		
	4Q'20	4Q'21	YoY Δ (%)	3Q'21	4Q'21	QoQ Δ (%)
Sales	4,088	9,550	134%	6,735	9,550	42%
Cost of sales	(3,320)	(7,580)	128%	(5,383)	(7,580)	41%
Gross profit	768	1,971	155%	1,352	1,971	46%
Gross profit %	19%	21%		20%	21%	
Marketing and sales expenses	(37)	(156)	326%	(51)	(156)	206%
General administrative expenses	(90)	(275)	205%	(113)	(275)	144%
Operating profit	642	1,540	140%	1,188	1,540	30%
Other income/ (expenses)	98	1,108	1033%	500	1,108	122%
Financial income	126	4,981	3849%	479	4,981	939%
Financial expenses	(167)	(5,478)	3189%	(538)	(5,478)	918%
Profit before tax	699	2,150	208%	1,629	2,150	32%
Income tax	(25)	(316)	1152%	(228)	(316)	39%
Deferred tax	(49)	(227)		291	(227)	
Net profit / (loss)	625	1,608	157%	1,692	1,608	(5%)
Net profit%	15%	17%		25%	17%	
Other	20	53	163%	46	53	15%
Depreciation	122	152	25%	147	152	3%
EBITDA	784	1,745	123%	1,382	1,745	(26%)
EBITDA %	19%	18%		21%	18%	

Strong positive pricing delta derives EBITDA growth

4Q21 segments' results (mn TRY)



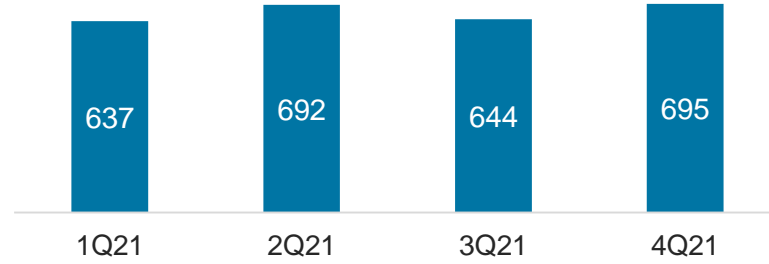
Quarterly change in EBITDA (mn TRY)



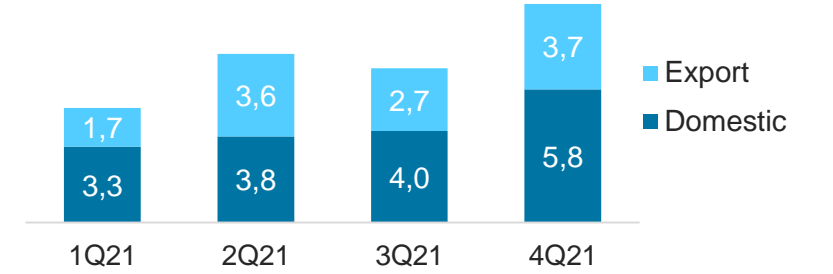


Financial highlights

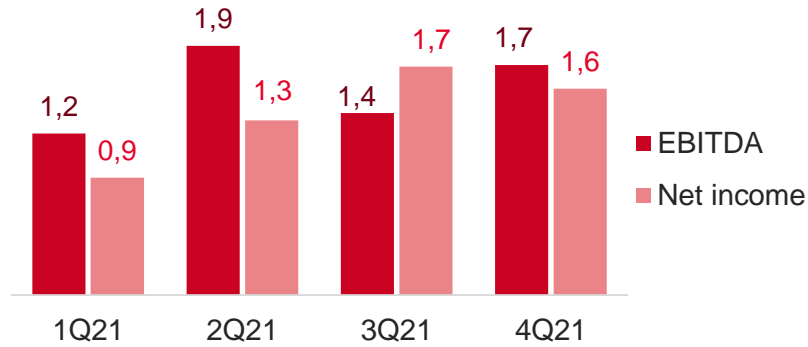
Sales tonnes (k ton)



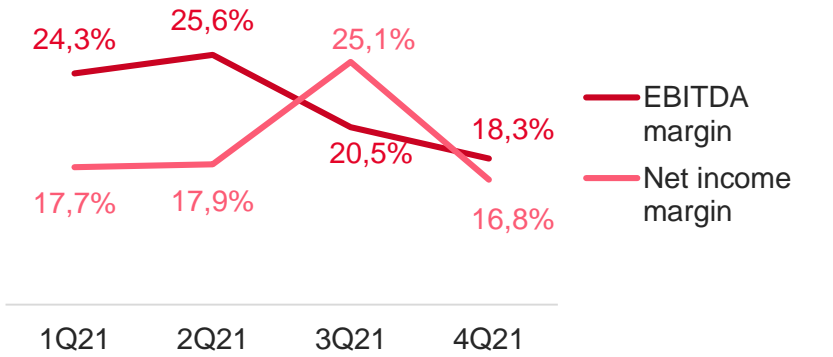
Revenue (bn TL)



EBITDA and net income (mn TL)



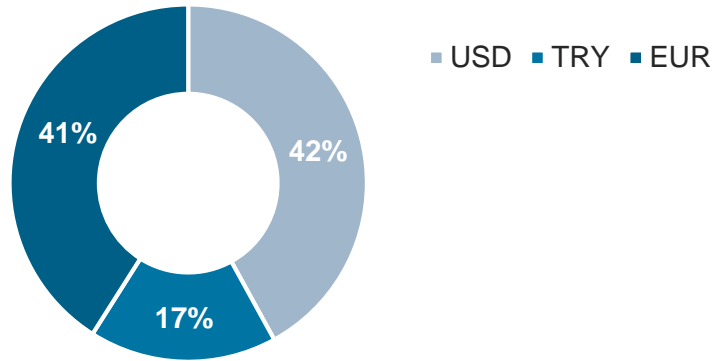
Margins (%)



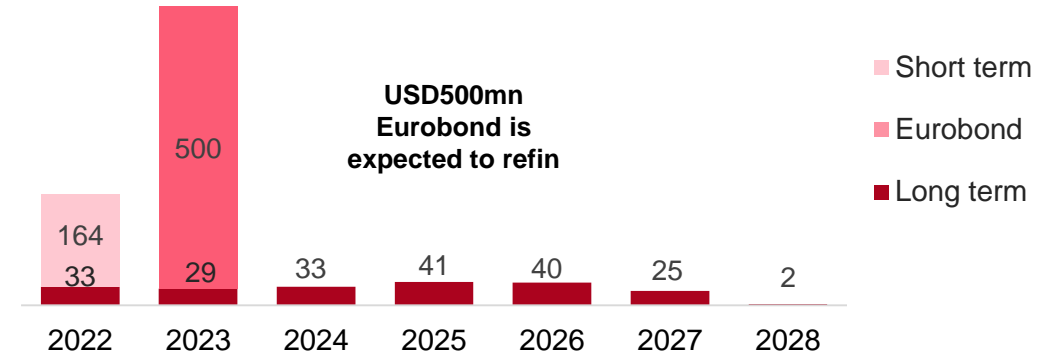
Liquidity highlights

Deposits (%)

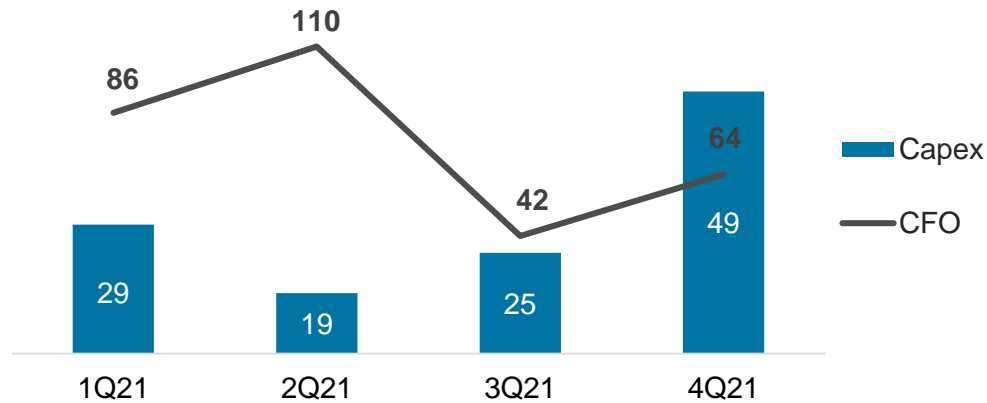
USD275mn



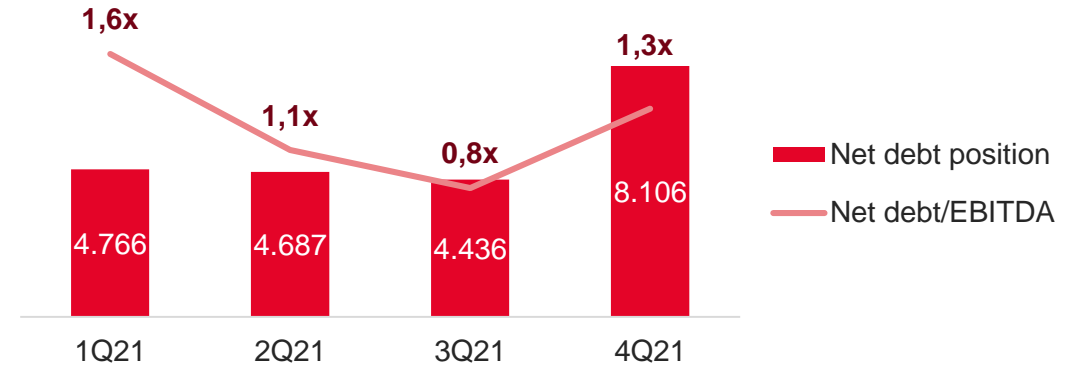
Maturity profile (mn USD)



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

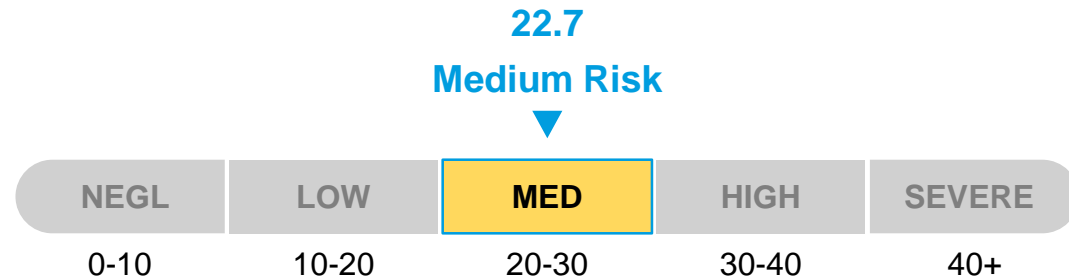
Develop relations and potentially partnerships with mechanical recycling players to address projected business opportunity and capture sustainability impact

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 4Q21 balance sheet

TL mn	12'20	12'21	Financial highlights	12M'20	12M'21
Cash and cash equivalents	5,502	3,665	Net debt position	(4,394)	(8,106)
Trade receivable	1,717	5,167	Working capital	(528)	3,188
Inventory	959	3,540	Days sales outstanding	45	43
Other receivables	4	27	Days payable outstanding	101	69
Other current assets	3,678	7,285	Days sales of inventory	34	35
Current assets	11,860	19,522			
Non current assets	8,124	10,805			
Total assets	19,983	30,327			
Short term borrowings	4,431	2,877			
Trade payables	1,187	3,836			
Other payables	316	943			
Current liabilities	5,934	7,655			
Long term borrowings	5,719	9,224			
Other non-current liabilities	771	830			
Shareholders' equity	7,559	12,719			
Total liabilities	19,983	30,428			

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

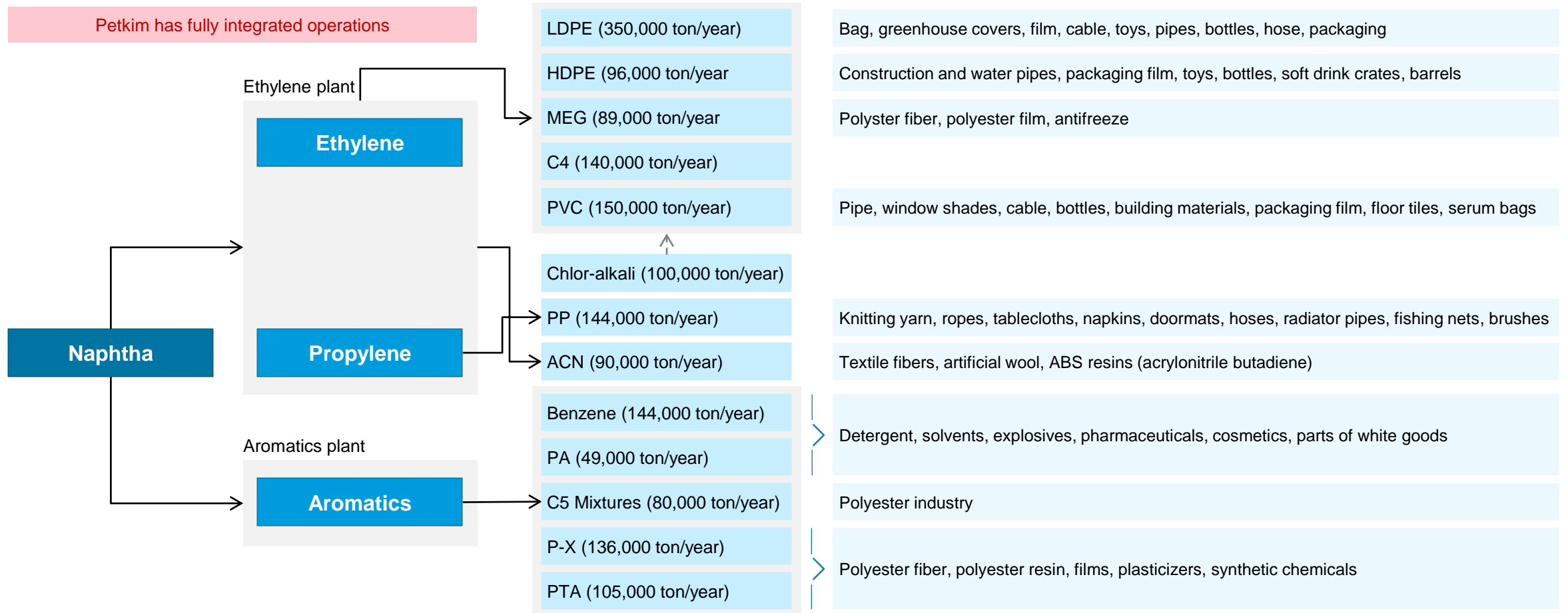
- Stable stream of income that is not correlated to Petkim's core business
- Savings on shipments for expansion projects



- 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)
7.80TL

Market capitalization
(TL mn)
TL 19,76

Free float
(%)
49.0%

*As the date of 31 December 2021

Disclaimer

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