



KİMTEKS POLİÜRETAN SANAYİ VE TİCARET
A.Ş. and its SUBSIDIARIES

*2023 1. Quarterly Business
Results*

Investor Presentation

May 2023



Cavidan Karaca

CEO & Vice
Chairman of
the Board of
Directors



2015 Kimpur - CEO and Vice Chairman of the Board of Directors
2014 Kimteks Kimya Tekstil Ürünleri A.Ş. - Consultant
2002 Innovis Ticaret ve Danışmanlık A.Ş. - General Manager
2001 Omsan Lojistik A.Ş. - Purchasing Director
1997 Arçelik A.Ş. - Purchasing Manager
1996 Arçelik A.Ş. - Plastic Tool Production Engineer
1992 Erkunt Sanayi A.Ş. - Production and Planning Engineer

Middle East Technical University - Mechanical Engineering



1

Overview

WHY KIMPUR?



OUR VISION

To be one of the world's top 10 players in polyurethane systems with innovative products and extraordinary solutions

- Turkey's first domestic capital polyurethane systems manufacturer that blends "Advanced Technology" systems based on "Smart Business Model" with agile & lean management approach
- Sector leader with strong domestic market position
- Strong growth strategy in export markets
- Leading company in the sector with new product development, application & simulation opportunities in its leading R&D Centre



KIMPUR IN ALL AREAS OF LIFE



kim FOOT[®]
AYAKKABI SİSTEMLERİ



kim FLEX[®]
ESNEK KÖPÜK SİSTEMLERİ



kim RIGID[®]
SERT KÖPÜK SİTEMLERİ



kim CASE[®]
ÖZEL ÜRÜNLER



kim POL[®]
POLYESTER POLİOLLER



kim RAW[®]
HAMMADELER



kim PLUS[®]
YARDIMCI MALZEMELER

ROOF INSULATION (Spray Systems)

ROCK WOOL / EPS ADHESIVE

SANDWICH PANEL (PUR/PIR)

VISCO PILLOW
VISCO BED

CAR SEAT (HR Foam Systems)

CEILING TILE (Semi-Rigid)

GARAGE DOOR

STEERING WHEEL
CAR SEAT
CONSOLE
MAT

REACTION INJECTION MOLDING (RIM)
REAKSİYON ENJEKSİYON KALIPLAMA (RIM)

SOUND INSULATION
SYSTEM

CABLE HARDWARE

FILTERS

SHOE SYSTEMS



SOLAR PANEL SYSTEM

FRAME (Wood Imitation)

BED HEAD (Wood Imitation)

OFFICE CHAIR

COOLING SYSTEMS

WATER
INSULATION

MOTORCYCLE SEAT

BINDERS

Over
600
System
s

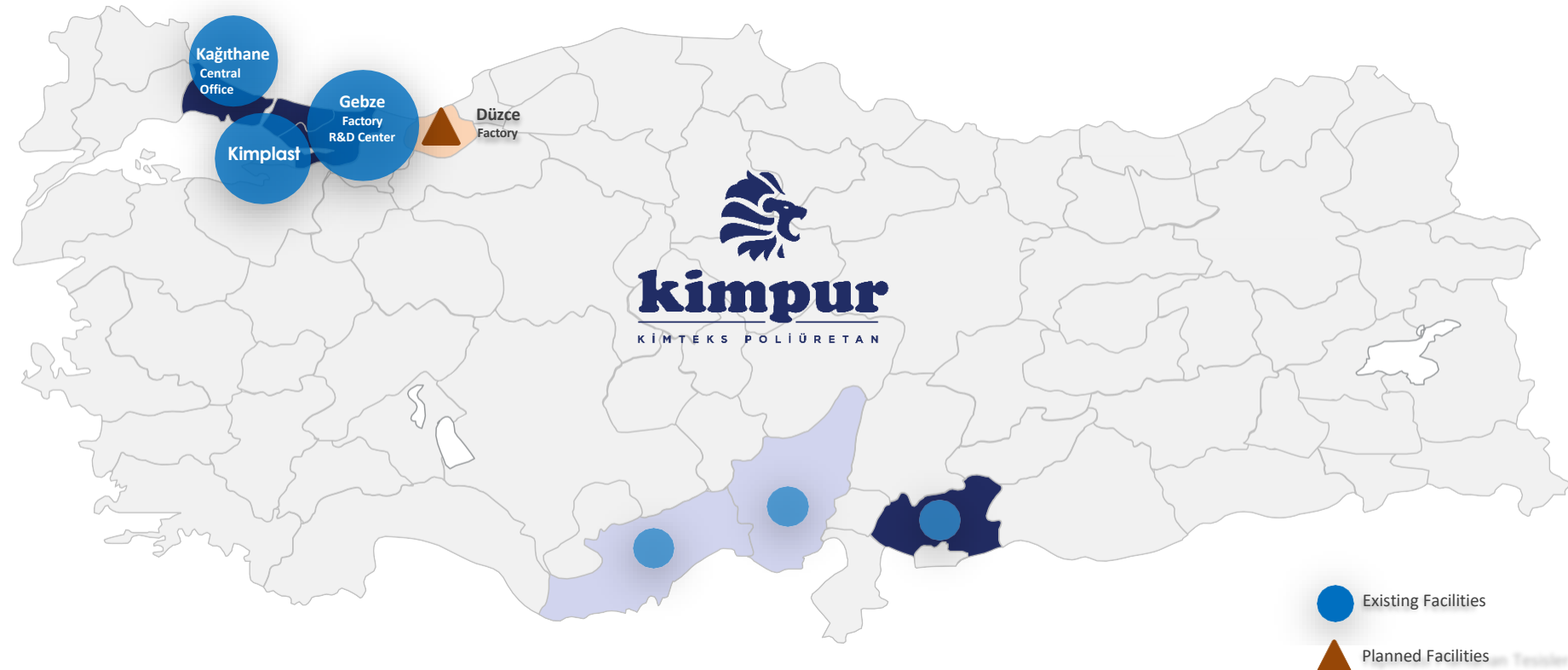
Wide
Produ
ct
Range



OUR GLOBAL ACTIVITIES



Company	Country	Capital Share (%)	Field of Activity
Kimpur Russia	Russia	%100	Sales, warehousing & distribution service
Kimplast	Turkey	%83	Wholesale of plastics and rubber in primary form
Kimpur Europe	Latvia	%75	25 kton capacity polyurethane production, legal processes completed in '22
Kimpur Int. Trading	Malta	%100	Raw material supply & export



NUMBERS AT A GLANCE:



40

ANNUAL EXPERIENCE

155 kton

PRODUCTION CAPACITY
 • 130 kton Gebze
 • 25 kton Latvia

65 kton

DÜZCE INVESTMENT
 • 10 kton EVA
 • 5 kton PET Recycle

10

VISION TO BE ONE OF THE 10 BIGGEST GLOBAL PLAYERS WITH A TOTAL CAPACITY OF 220 ktons

50+

EXPORTS TO COUNTRY

258

EMPLOYEE (28 R&D)

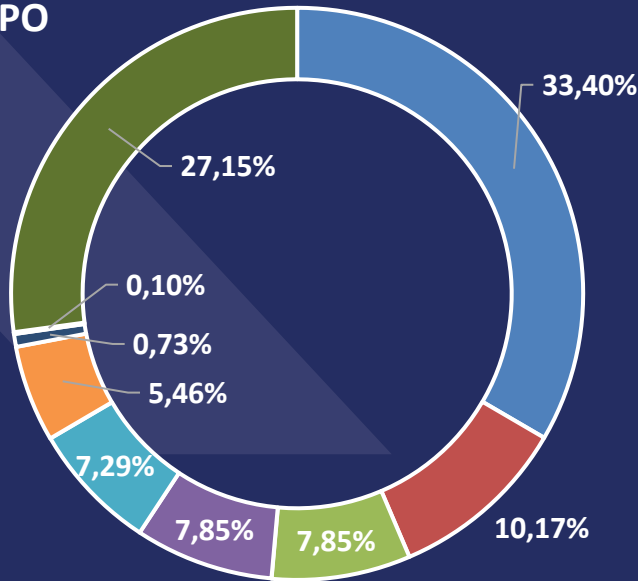
%31

EXPORTS / TOTAL TONNAGE

600+

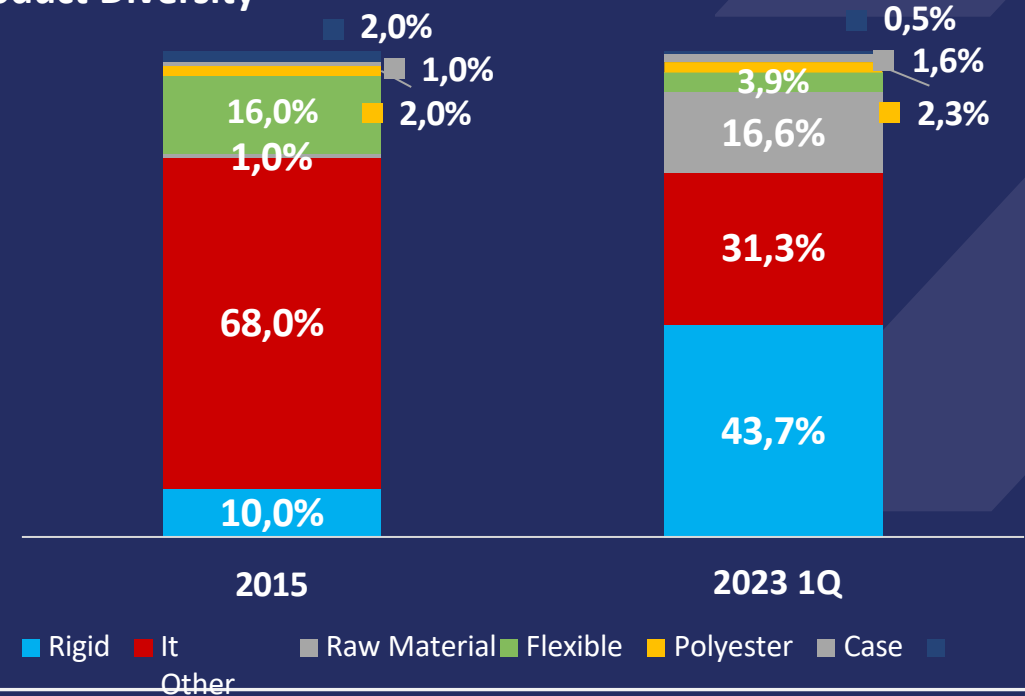
PRODUCT DIVERSITY

Shareholding Structure After IPO



- Yuda Leon Mizrahi
- Etel Sason
- İsak İzi Mizrahi
- Beti Mizrahi
- Salvo Özsarfati
- İnnovis Tic. ve Danışm. A.Ş.
- Yener Rakıcioğlu
- Murat Kuzkan
- Public Access

Product Diversity

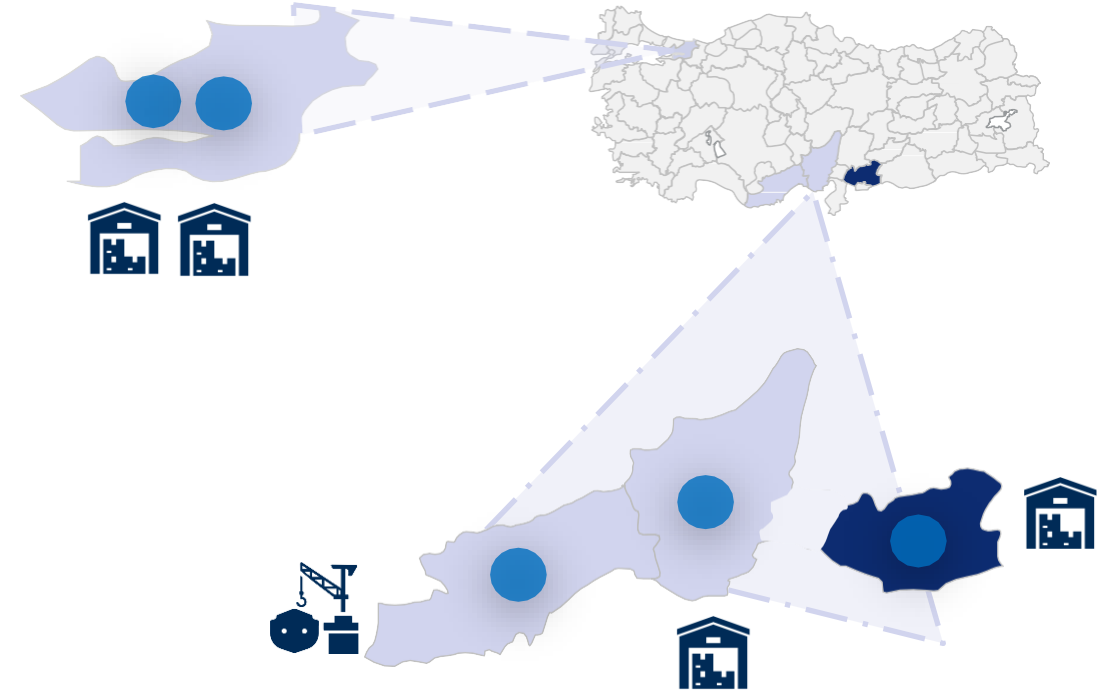


SUPPLY CHAIN & LOGISTICS MANAGEMENT



- Turkey's largest acquisition volume in the sector
- ~90% import rate in production inputs
- European and Far Eastern producers in raw material supply
- Proactive raw material forecasting & cost studies in line with SAP & MRP studies commissioned in 2019
- Efficiency & speed in inventory turnover rates (**30 days** for raw materials
15 days for products / 7 days for products after ordering)
- Extensive storage network in port cities in line with increasing production and sales volume
- Efficient supply chain management with a total of 4 storage areas in Gaziantep, both in-house and contracted

Kimpur Logistics Warehousing Network





2

Our Strategic Priorities

PROMINENT INVESTMENT ELEMENTS



Reliable Solution Partnership



R&D Center & Innovative Practices Leading the Industry



Strong Domestic & Export Growth Strategy with Wide Product



Range Environmental and Social Sustainability



Sustainable Expansion Policies



Strong Financial Performance

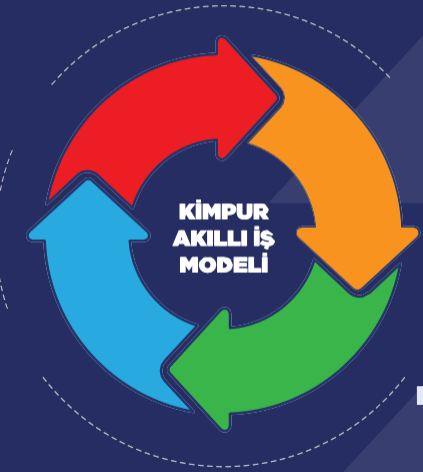




i. Reliable Solution Partnership



RELIABLE SOLUTION PARTNERSHIP



Product Management

- ❖ Brand Awareness
- ❖ Customer Loyalty
- ❖ Sectoral Diversity
- ❖ Wide Product Range
- ❖ High Export Rate
- ❖ After Sales Service and Technical Support
- ❖ Customer Requirements Simulation
- ❖ Quality Assurance Infrastructure
- ❖ Modern Project Management Tools

Human Resources

- ❖ Global and Agile Organizational Structure
- ❖ Expert and Experienced R&D Team
- ❖ Experienced Sales Organization

Supply Chain Management

- ❖ Competitive Product Lead Time
- ❖ Strong Supplier Relations
- ❖ High Sectoral Based Purchase Volumes

Product Design

- ❖ Speed of Product Delivery to Market
- ❖ Customized Production / Solutions
- ❖ Environmentally Friendly Product Range
- ❖ Innovative Solutions
- ❖ Application Development
- ❖ Project Management with FMEA-6 Sigma

Digital Transformation

- ❖ SAP, ERP System Experience
- ❖ Production Site with Advanced Technology
- ❖ Automatic Barcode Used in Production and Logistics Processes

Finance Management

- ❖ Strong Capital Structure
- ❖ Ease of Access to Financing Instruments
- ❖ Effective Risk Management
- ❖ High Dividend Yield




ii. R&D Center & Innovative Applications
Leading
the Industry



PIONEER IN THE SECTOR WITH ITS R&D CENTER

Kimur Turkey's Polyurethane R&D

 Among the 250 companies with the highest R&D expenditures

Science, Industry and Technology Ministry - 80% Investment Incentive Rate

Product Development

Price/Performance Ratio Improvement

New Products and Applications

28 Employees with an Average of 10 years of Sector Experience

Development of Raw Materials for Soles, Slippers, Boots etc. for Footwear Industry

kim FOOT

Development of Insulation Raw Materials for White Goods, Building-Construction

kim RIGID

Development of Flexible Foam Raw Materials for Automotive and Furniture Industries

kim FLEX

Development of Raw Materials for C.A.S.E Coatings, Adhesives and Elastomers Production

kim CASE

R&D Expenditures (mTL)



Patents related to polyurethane system and polyurethane rigid foam*



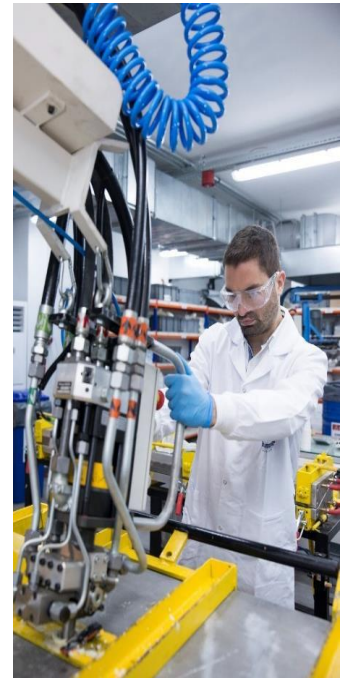
19 Registered Trademark



Defense Industry Projects



Teydeb Projects:
7 Completed Project
R&D Projects: 48
Completed 4
Ongoing
7 Planned



*Patents owned by the company:

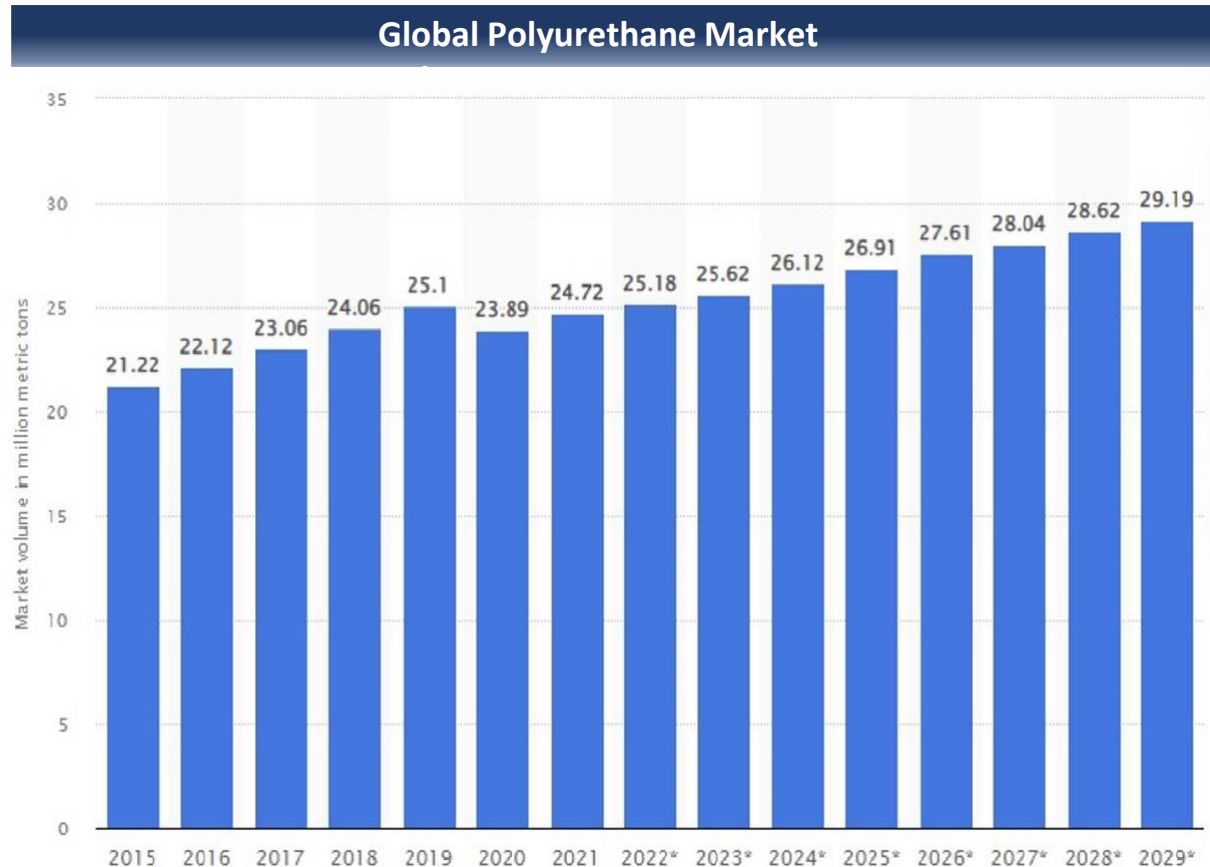
- Very Low Density Polyester Based Polyurethane System Used in Soft Slipper Production dated 26.02.2018
- Polyurethane Rigid Foam with Reduced Thermal Conduction Coefficient dated 08.03.2018



iii. With Wide Product
Range

Strong Domestic &
Export Growth
Strategy

GLOBAL POLYURETHANE MARKET



Factors/Trends Affecting Global Market Volume

- ✓ Polyurethane has become an important part of many sectors in the world thanks to its versatile use
- ✓ Increasing demand for lightweight, durable and high-performance products in many areas from automotive to construction and building sectors
- ✓ Increasing demand for insulation materials as a result of the realisation of the importance of energy saving due to environmental concerns
- ✓ Increasing demand for bio-based polyurethane derived from renewable resources
- ✓ Downsizing decision by industry leaders due to the energy crisis in Europe

POLYURETHANE MARKET IN TURKEY

DOMESTIC PU CAPACITY	2018	2019	2020	2021	2022	2023 T
Rigid	215,490	215,420	207,110	216,210	223,980	231,100
Flexible	149,130	143,800	138,100	144,890	149,980	154,370
Elastomers	101,105	110,822	119,665	126,284	130,519	133,618
Coatings	62.590	63.290	62.200	64.709	66.561	68.433
Adhesive & Sealants	8.601	8.720	8.570	8.886	9.158	9.355
Binders	1.545	1.560	1.540	1.583	1.616	1.656
TOTAL	538,461	543,612	537,185	562,562	581,814	598,532

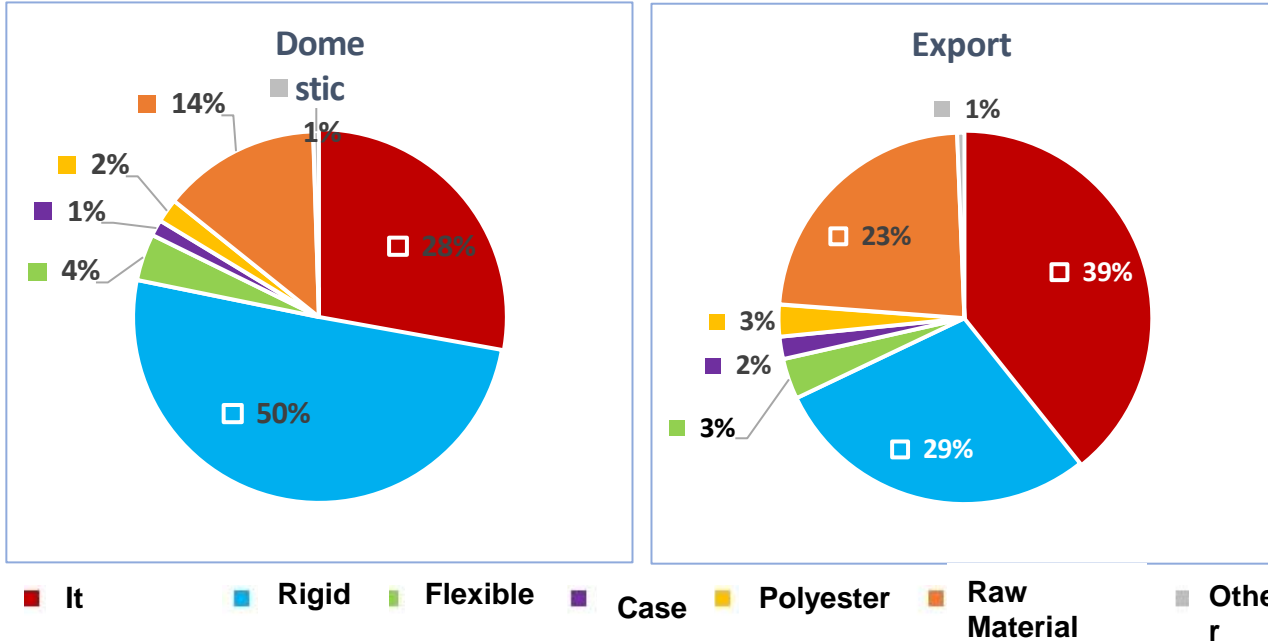
(Shoe market is included in the elastomer product group).

- ✓ 2022 Turkish Market growth: 3.4% / Kimpur Domestic Market growth: 10%
- ✓ 2023 Turkey Market growth forecast: ~% 3
 - Rigid growth linked to earthquake container production at the forefront
- ✓ Kimpur Total Share ~20
- ✓ ~ +30% of exports from TR to Kimpur



STRONG POSITIONING IN DIFFERENT SECTORS WITH DIVERSIFIED REVENUES

2023 1Q SALES BREAKDOWN



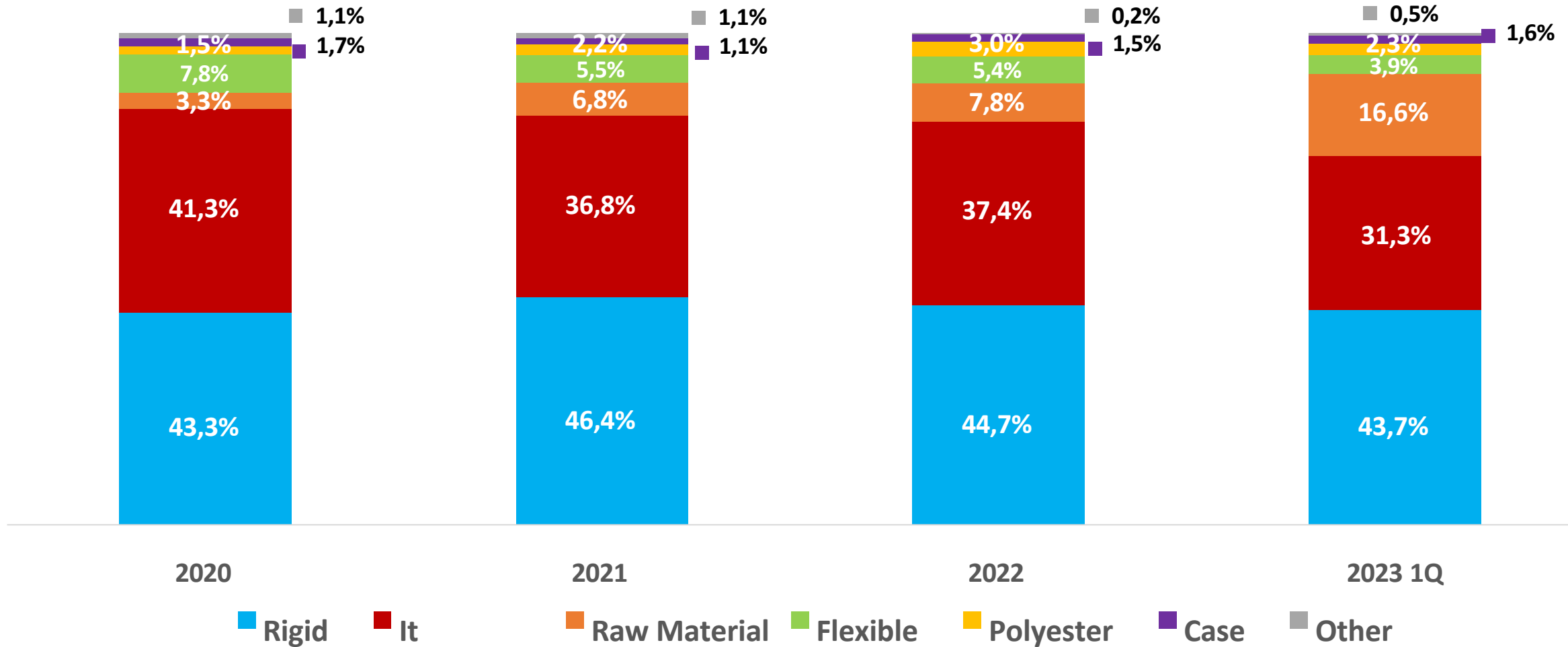
- Increasing share of rigid segment due to domestic container production after the earthquake
- Maximum flexibility against volatility, seasonality effects & economic recessions with sectoral diversity
- Maximum protection from export & global trade risks thanks to strong positioning in all main domestic polyurethane sectors

Sales (Thousand Tons)	2021	2022	22/21 %	2022 1Q	2023 1Q	Difference %
Domestic	64.7	71.5	10,5%	17.7	24.6	39%
It	20.0	24.2	21,4%	6.6	6.8	4%
Rigid	33.6	34.0	1,0%	7.6	12.4	63%
Flexible	3.1	3.5	11,9%	0.8	1.0	29%
Case	0.90	0.91	1,2%	0.16	0.34	112%
Polyester	1.5	2.3	55,8%	0.5	0.5	9%
Raw Material	5.0	6.4	27,4%	2.1	3.4	63%
Other	0.6	0.2	-73,0%	0.0	0.1	281%
Export	23.4	33.2	41,6%	6.6	10.8	64%
It	12.5	14.9	19,4%	3.8	4.2	13%
Rigid	7.6	12.8	67,6%	1.6	3.1	92%
Flexible	1.8	2.2	22,3%	0.8	0.4	-51%
Case	0.1	0.7	567,1%	0.1	0.2	173%
Polyester	0.4	0.8	94,8%	0.1	0.3	125%
Raw Material	1.0	1.7	79,4%	0.2	2.5	1128%
Other	0.0	0.0	43,5%	0.0	0.1	-
General Total	88.2	104.7	18,7%	24.2	35.3	46%

KIMPUR PRODUCT GROUPS



Sales Breakdown of Product Groups by Year, Quantity (%)



*Other: Consists of Eva, TPU, Artificial Leather and Other Merchandise products

RIGID FOAM SYSTEMS (RIGID)



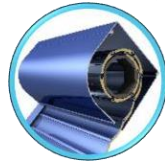
kim RIGID

SERT KÖPÜK SİSTEMLERİ

- Two-component rigid foam systems for insulation purposes for insulation panel and White Goods sectors
 - The first component is a physical mixture of polyether polyols, catalyst, surfactant, water and/or blowing agents called Polymix.
 - The second component is Polymeric MDI, sourced from global suppliers and served to customers as a component of the system.



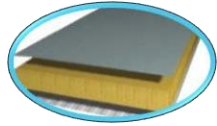
Spray Systems



Roller Shutter Systems



Pipe Insulation Systems



Continuous / Discontinuous Sandwich Panel Systems



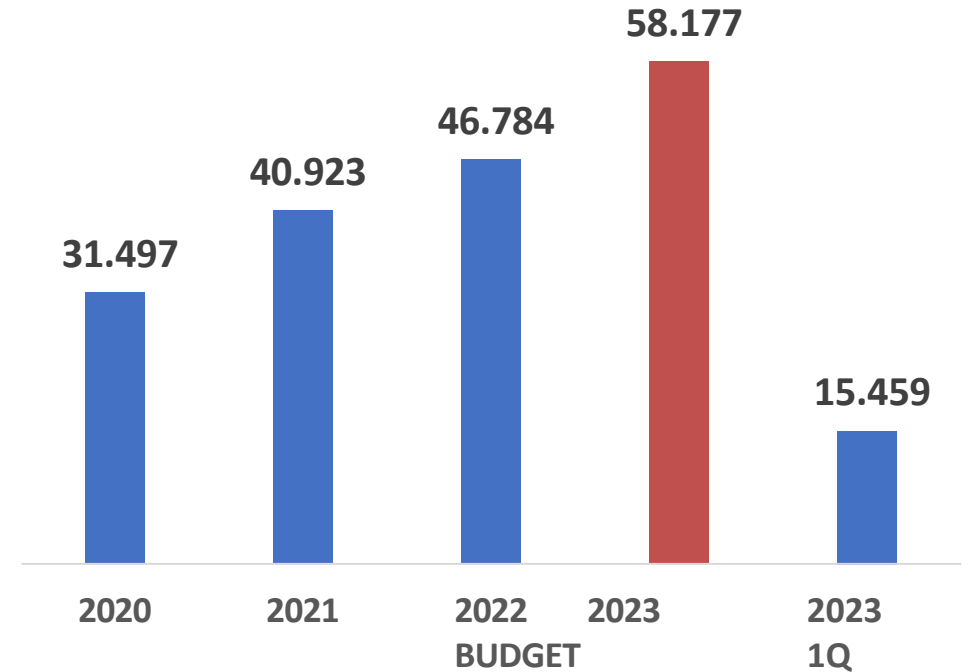
Wood Imitation and Furniture Decorative Systems



Solar Panels and Solar Energy Systems



Rigid Foam Systems Sales Amount (Ton)



SHOE & SLIPPER SYSTEMS



kim FOOT
AYAKKABI SİSTEMLERİ

- Expanded microcellular foams in both ester and ether form for all types of footwear soles, from occupational safety to sports and everyday products
- KIMfoot® are 3-component Polyester systems:
 - First component Polyester Polyol and/or Polyester Polyol blends
 - The second component is a physical mixture of glycols, catalyst, surfactant, performance additives and water called crosslinker.
 - The third component is the pre-polymers formed by the reaction of polyester polyols and MDIs.



Occupational Safety Systems



Slipper Systems

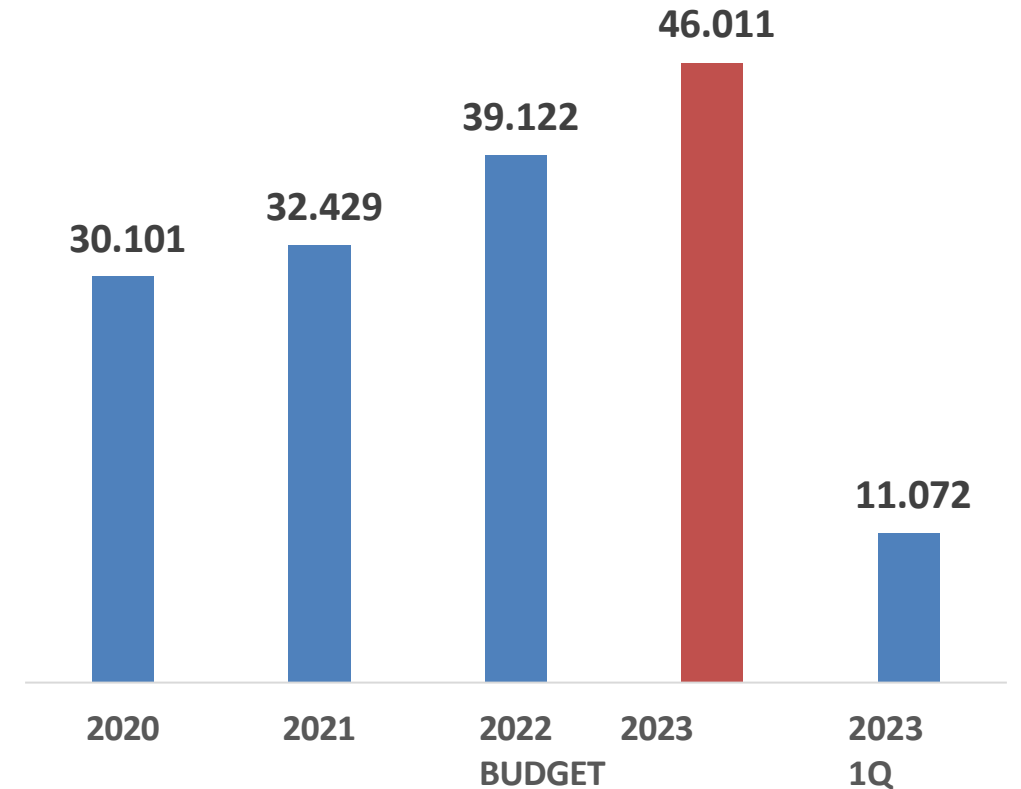


Spring, Summer and Winter Base Systems



Boots Systems

Sales Quantity of Shoe Systems (Ton)



FLEXIBLE FOAM SYSTEMS



kim FLEX

ESNEK KÖPÜK SİSTEMLERİ

- MDI based KIMflex® Flexible Foam Systems produced by Kimpur;
 - HR foam systems,
 - Viscoelastic systems,
 - Integral systems
 - They are classified as filter systems.
- Systems for flexible foam and integral production used in the transport industry, such as seats, steering wheels, headrests, control panels, etc.
- Systems for the production of integral leather and flexible foams, such as steering wheels, headrests and dashboards used in the furniture industry and the transport industry, components molded with RIM (Reaction Injection Molding) technology.



HR Foams



Filter Systems

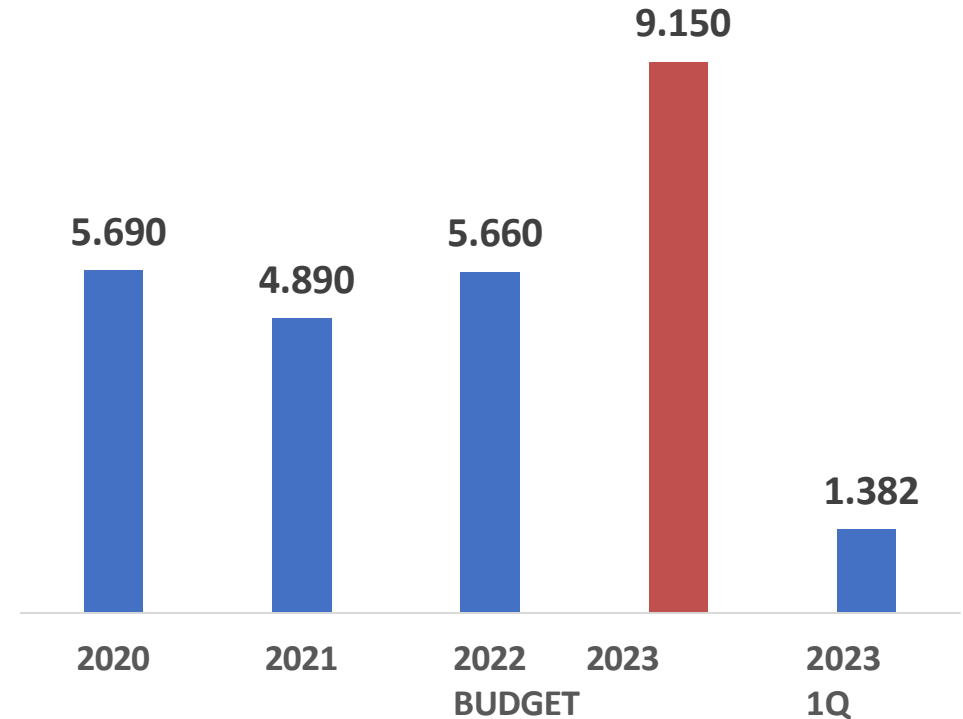


Viscoelastic Systems



Integral Systems

Flexible Foam Systems Sales Amount (Ton)



SPECIAL PRODUCTS

kim CASE

ÖZEL ÜRÜNLER

- Expanded foams and non-foamy applications in expanded foams and non-foam structures.
- Reaction Injection Moulding (RIM), Micro-cellular Structural Foam RIM, Molding (RIM), Micro-cellular Structural Foam RIM, SRIM (Structural RIM Composites) and low-density RRIM (Reinforced RIM) systems.
- Cast Elastomer systems for the automotive, engineering and composites industries.
- One or two component Adhesives and Binders for Re-Rubber Bonding, Re-Foam Bonding, Re-Cork Bonding, Bonding and Lamination.
- Systems for elastomers and moulding resins for electronic and electrical insulation.



Reaction Injection Molding



Adhesives and Binders



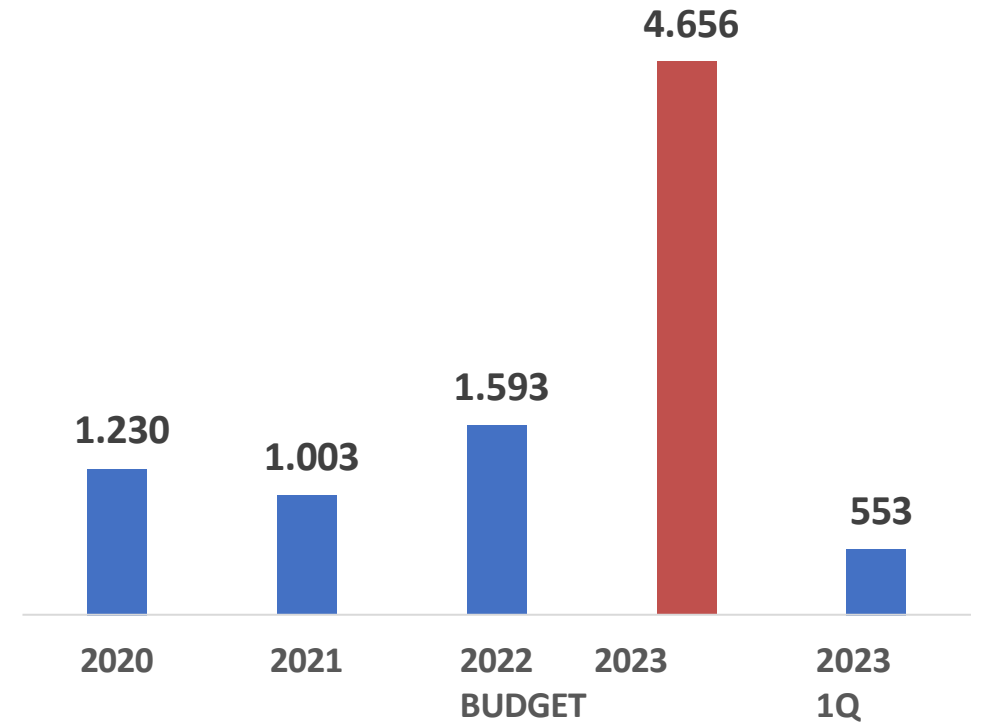
Two Component Cast Elastomers



Electrical Insulation Systems



Special Products Sales Amount (Tons)



POLYESTER POLYOLS

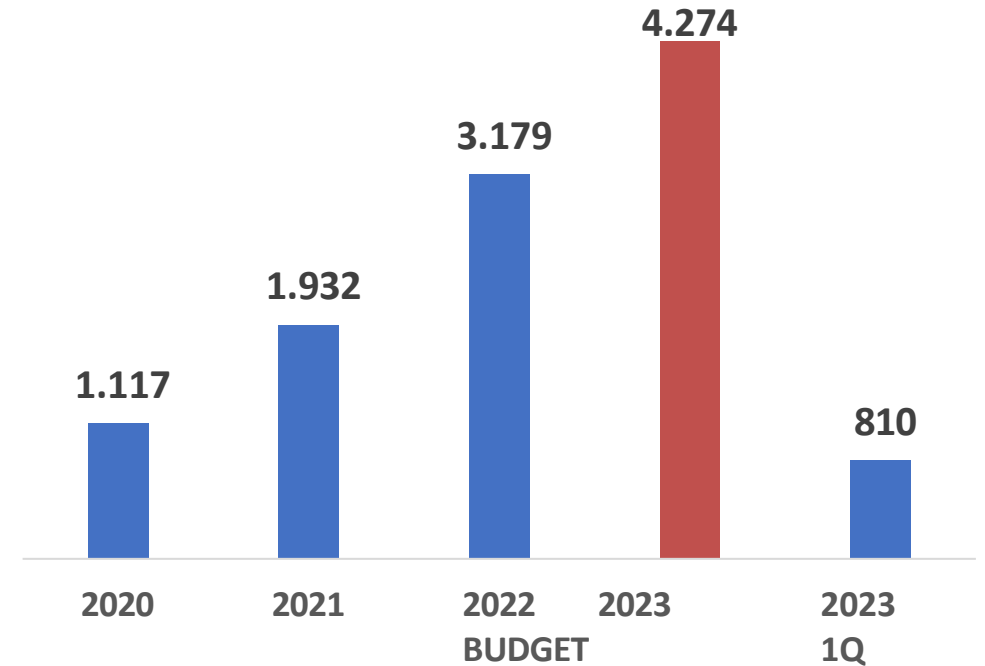


kim POL
POLYESTER POLIOLLER

- It manufactures KIMpol® Polyester Polyols consisting of multifunctional combinations of carboxylic acids and polyhydric alcohols with various functionalities to offer the best solutions to industries such as the footwear industry (system component), paint industry, foam, elastomer and insulation industries (rigid foam applications).
- Kimpur is able to produce tailor-made polyester polyols in line with the specifications demanded by its customers.



Sales Amount of Polyester Polyols (Tonnes)



RAW MATERIALS

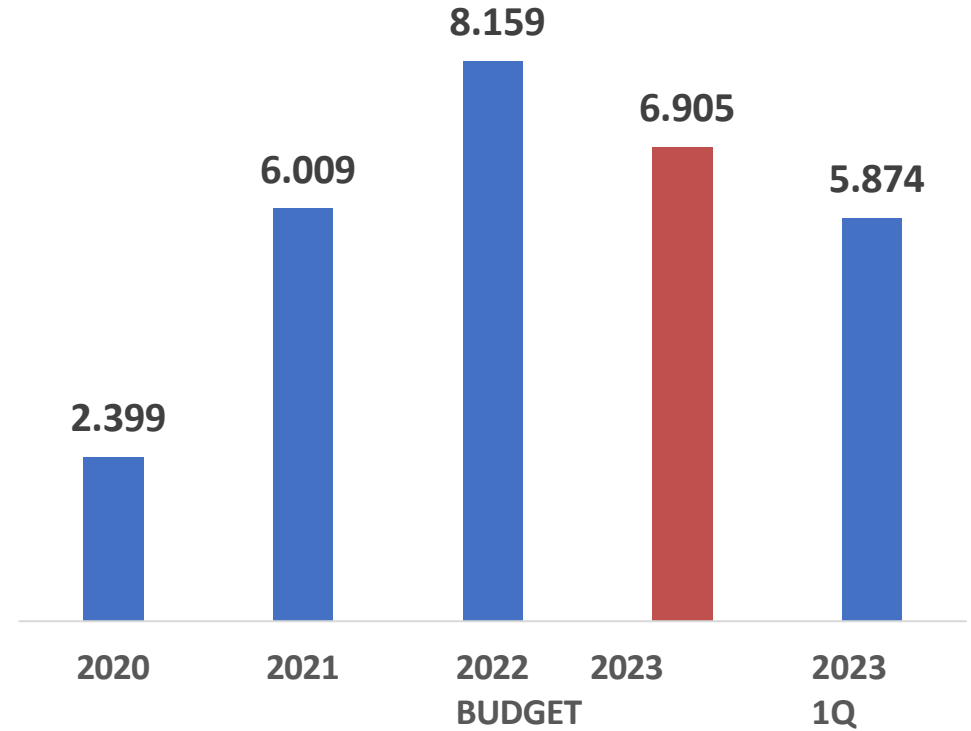
kim RAW[®]
HAMMADELER



- The raw materials supplied by Kimpur are collected under Kimraw[®] product group and used in many different fields such as plasticisers, adhesives, construction chemicals and paints, especially polyurethane systems.



Raw Material Sales Amount (Ton)



STRONG EXPORT GROWTH STRATEGY (50+ COUNTRIES)

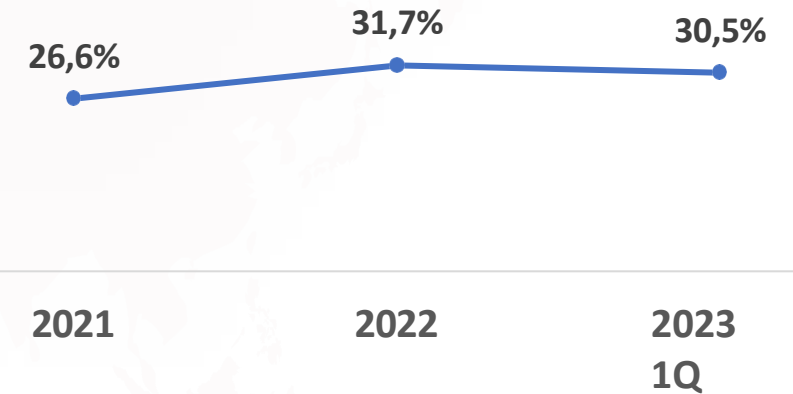


STRONG EXPORT GROWTH STRATEGY



COUNTRY GROUPS (tons)	2021	2021 %	2022	2022 %	2022 1Q	2022 1Q%	2023 1Q	2023 1Q%
CIS Countries	3.250	13,9%	10.870	32,8%	1.125	17,1%	3.062	28,4%
African Countries	6.208	26,5%	6.536	19,7%	1.939	29,5%	1.801	16,7%
Middle East and Gulf Countries	10.714	45,7%	10.120	30,5%	2.724	41,4%	2.218	20,6%
European Countries	2.709	11,6%	4.897	14,8%	696	10,6%	3.426	31,7%
Asian Countries	432	1,8%	413	1,2%	32	0,5%	92	0,9%
American Continent	117	0,5%	340	1,0%	59	0,9%	191	1,8%
General Total	23.430	100,0%	33.175	100,0%	6.575	100,0%	10.791	100,0%

Share of Exports in Total Sales (tons %)



- Sales to more than 1,000 current customers with a sales team based in Turkey & abroad
- 50+ countries
- In 1Q2023, exports reached **509 million TL**, up **44%** compared to 2022
- America and the UK's rising share in exports



iv. Environmental & Social Sustainability

SUSTAINABILITY FUTURE WITH KIMPUR



*For a Sustainable Future
We Create Values!*

At Kimpur, we believe that sustainable growth is not possible without creating environmental and social value. We focus on using our resources with rational approaches that do not harm the environment with this awareness, and we support social development and economic growth that will bring prosperity to societies.

With this belief, we carry out our activities within the scope of our committed policies.

- Sustainability Policy
- Environmental Policy
- Energy Policy
- Quality Policy
- Occupational Health and Safety Policy
- Kimpur Ethics Policy
- Social Responsibility Policy
- Information Security Policy

kimpur.com/en/our-policies

OUR JOURNEY
OF ADDING
VALUE
TO OUR NATURE
Our Environmental
Approach

ENVIRONMENTAL
MANAGEMENT SYSTEM
SOLUTIONS FROM
RENEWABLE
RESOURCES
ENERGY OPTIMIZATION
WASTE MANAGEMENT
COMBATING PLASTIC
POLLUTION
WATER AND CARBON
FOOTPRINT

OUR JOURNEY
OF ADDING VALUE
TO OUR LIFE
Our Social
Approach

KIMPUR ETHICAL BUSINESS
CODE OF CONDUCT
OCCUPATIONAL HEALTH AND
SAFETY
GENDER EQUALITY
EQUAL OPPORTUNITY
AND DIVERSITY
EMPLOYEE TRAINING AND
DEVELOPMENT
SOCIAL RESPONSIBILITY
PROJECTS

OUR JOURNEY
OF ADDING VALUE
TO OUR JOB
Our
Economic
Approach

SMART BUSINESS MODEL
INNOVATION
EFFECTIVE RISK
MANAGEMENT
SUPPLY CHAIN
MANAGEMENT
INVESTMENT PROJECTS
R&D PROJECTS

SUSTAINABILITY FUTURE WITH KIMPUR



Corporate Governance Structure

Kimpur has a corporate governance structure that embraces the interests of all stakeholders within the framework of transparency, fairness, accountability and responsibility.

Kimpur reflects corporate governance to all fields of activity with its deep-rooted corporate values, ethical understanding, compliance with laws and regulations.

As a publicly traded company, Kimpur applies the Corporate Governance Principles published by the CMB.

Disclosure within the Framework of Transparency and Accuracy

Developments related to the Company, financial reports and special circumstances disclosure

It is announced on the Public Disclosure Platform and on our website.

Management Committees

There are nine committees within the Company's management structure. All committees operate in coordination with the Company's Board of Directors.

1. Audit Committee

- To monitor and evaluate whether the internal processes for risk management are working effectively

- Following processes with other committees and conducting studies

9. Occupational Health and Safety Committee

- assessing possible risks and measures related to occupational health and safety, determining measures and reporting to the Executive Board

8. Sustainability Committee

- To identify priorities, assess nsk and opportunities related to economic, environmental and social sustainability
- Determining the sustainability strategy and carrying out projects to realize the goals

7. Social Responsibility Committee

- To take the necessary measures within the company within the framework of the rules and procedures in accordance with the social responsibility activities of our organisation, to take part in the processes related to these measures and to lead by raising awareness of their teams in this regard
- To determine the social responsibility projects planned to be carried out during the year and to carry out activities in this direction

2. Ethics and Compliance Committee

- To conduct **an effective**ethics and compliance program
- To determine the basic principles of the program
- to continuously promote a corporate culture that conducts our business ethically and in compliance with the law

3. Early Detection of Risk Committee

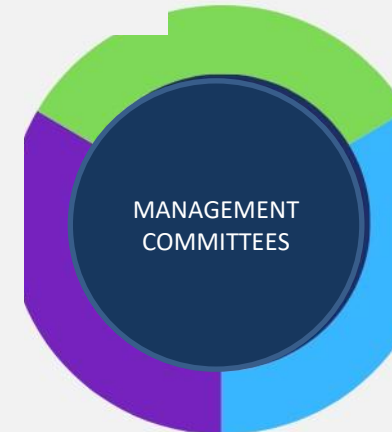
- Early identification of Kimpur's organisational risks
- Taking necessary actions against identified risks
- Managing risks

4. Energy Management Committee

- Preparing energy reports and making efficiency calculations in accordance with ISO 5001 Energy Management System standards

5. Corporate Governance Committee

- To ensure that the activities of our organisation are based on ethical principles, responsibilities towards internal or external stakeholders, transparency and sustainable management
- To make assessments and recommendations to the Board of Directors for the determination of corporate governance principles in line with the corporate governance principles of the Capital Markets Board and international best practices



6. Information Security Management System Committee

- Following Information Security Risk Management policies and procedures
- Carrying out monitoring and measurement activities

SUSTAINABILITY FUTURE WITH KIMPUR



Our Commitments



As a signatory to the Global Principles Compact, the world's largest voluntary corporate responsibility initiative, Kimpur is committed to 10 universal principles under the main headings of human rights, labour, environment and anti-corruption.



As a signatory of the Triple Responsibility Charter supported by the European Chemical Industry Council at the European level and the International Council of Chemical Associations at the global level, Kimpur is committed to the six key elements of the charter (Corporate Leadership Culture, Protecting People and the Environment, Strengthening Chemical Management Systems, Influencing Business Partners, Engaging Stakeholders, Contributing to Sustainability).



Kimpur is a signatory of the Business World Plastics Initiative (BPG), which was established to encourage concrete actions of private sector organisations towards the plastics issue; to bring together existing studies in line with the Sustainable Development Goals; to increase awareness and cooperation. Kimpur, which determines its commitments in this context, will share its work with the public every year. In this regard, Kimpur has determined its commitments and will share its work with the public every year.

International Standards

As Kimpur, we aim to carry out activities that benefit the environment and society in all areas we operate. For this purpose, we carry out our work in compliance with certain quality standards.



ISO 14001- ENVIRONMENTAL MANAGEMENT SYSTEM



ISO 50001- ENERGY MANAGEMENT SYSTEM



ISO 27001- INFORMATION SECURITY MANAGEMENT SYSTEM



ISO 9001- QUALITY MANAGEMENT SYSTEM



ISO 9001- QUALITY MANAGEMENT SYSTEM



EU APPROVAL OF ENVIRONMENTAL AND HEALTH REQUIREMENTS FOR CHEMICAL SUBSTANCES



CE CERTIFICATE
Products conforming to EU Technical Structure Health and Safety Marking



ERROR PRODUCTS AND EFFECTS ANALYSIS
Risk Analysis Involving Foreseeing and Preventing Problems That May Occur in the System



SIX SIGMA METHODOLOGY
Management System Using Effective Statistical Tools to Ensure Operational Excellence



5S METHODOLOGY
Technique Developed to Create and Maintain a Quality Working Environment



Kimpur received an A 'Excellent Sustainability' record from the Synesgy survey prepared to measure the Sustainability performance of Fortune 500 Companies!

COMPLETED PROJECTS



- 11.6% in 2020 - 7.1% in 2021 Energy Savings
- 11.6% in 2020 - 7.1% in 2021 Energy Savings
- Target of approximately 20% clean energy and 200-250 tons/year carbon emission reduction with the SPP investment
- Business Plastics Initiative (IPG) Commitments
- Carbon and Water Footprint Measurement
- Waste Disposal in compliance with Legal Requirements
- Ultra-low density sneaker sole system and slipper system operation with 20% weight advantage
- Switching to the use of bio-based raw materials in the production of KIMrigid® Sandwich Panel and Refrigerator systems and achieving 3.5% utilisation rate
- System study that provides 2-7% weight advantage in the final product in the refrigerator sector and the use of bio-based raw materials
- Completion of the 3% energy saving system study with the transition from CP 70 to CP 95 in the refrigerator sector
- Polyester Polyol synthesis from PET waste (approximately 20% from PET waste and 17% from bio-based raw materials) and its use in slipper production
- 65% improvement in sound absorption by using Graphene obtained from the recycling of automotive tyre waste in sound insulation systems
- The use of Graphene obtained from the recycling of automotive tyre waste in KIMflex® HR Foam Systems used in the production of automotive and office chairs
- Obtaining ISO 14001 Environmental Management System certification
- Number of Reach audit certified products 56



**2018 Energy Management system, ISO50001 certificate was obtained in 2021.*

***It is based on ISO 14064 and ISO 14046 standards.*



SUSTAINABLE EXPANSION / DÜZCE



March 2022:
Construction Start Date

End of April 2023:
Construction Completion Date

May 2023:
Phase 1 Production Start



Production factory investment on 17.015^{m2} land in Gümüşova OSB



USD 15 million investment size

Kimpur Duzce Factory

Investment

- An additional polyurethane system capacity of 50 thousand tonnes will be commissioned with the Kimpur Düzce Plant.
- A PET recycling plant with a capacity of 5 thousand tonnes will be commissioned with the Kimpur Düzce Plant. The waste raw material to be recovered from this plant will be used instead of the 'polyether polyol' used in production, thus reducing imports and enabling sales at the same time.
- The 'eva granule raw material' production capacity with a capacity of 10 thousand tonnes will be commissioned with the Kimpur Düzce Plant. This product is a 'Polyurethane raw material alternative' in footwear and will complete the product range.
- 55% of the energy needed will be provided by the Solar Power Plant investment to be commissioned with the factory.
- The 12.188 m² of land next to the factory building has been purchased for potential investment projects and to be used for efficiency improvement projects due to its location next to the ongoing investment.
- Investment incentive certificates were obtained.



v. Strong Financial Performance

(2023 Q1 - Critical Financial
Indicators)



Zafer Demirel



2022 Kimpur – CFO

2018 Anadolu Isuzu – Head of Finance, Reporting & IR

2015 Sūtaş - Financial Control & Business
Development

2013 Anadolu Efes - Financial Reporting & Budgeting

2009 Borusan Holding - Financial Control & Reporting

2006 Deloitte - Audit

Middle East Technical University - Economics

KMPUR's Successful Progress After IPO



April 2022

➤ **Yıldız Pazar:**

- 3rd largest IPO of 2022 with 957mTL

August 2022

➤ **Corporate Governance (CG) Index:**

- Kimpur included in the KY Index (our KY rating: 92.48)

November 2022

➤ **BIST 100:**

- Kimpur became one of the 100 largest stocks according to the criteria of 'market capitalisation of shares in actual circulation' & 'average trading volume for the last 6 months'

December 2022

➤ **Dividend Index:**

- Kimpur was included in the index consisting of the shares of companies that distributed cash dividends in the last 3 years

December 2022

➤ **London FTSE Index:**

- Kimpur was included in the 'FTSE Global Mid Cap' index prepared by FTSE (Financial Times Stock Exchange) Group on the London Stock Exchange

January 2023

➤ **NYSE MSCI Index:**

- Kimpur included in the MSCI Small Cap index under the New York Stock Exchange

April 2023

➤ **Participation Index:**

- Kimpur included in BIST Participation 100 Index

May 2023

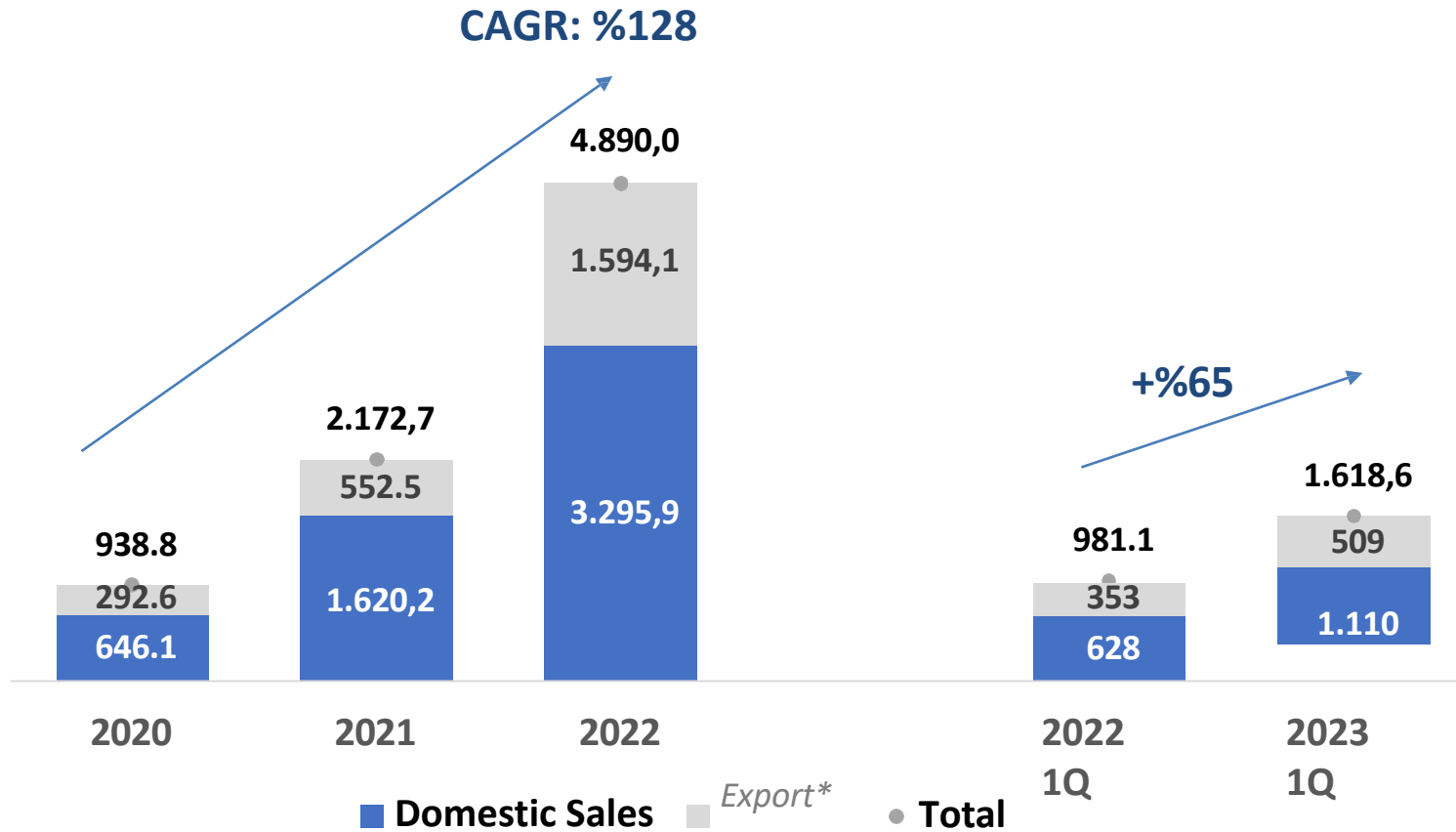
➤ **Sustainability Index:**

- Documentation work is being completed, we aim to enter this index in May 2023

2023: INCREASED EXPORTS & STABLE GROWTH



Net Sales (Million TL)

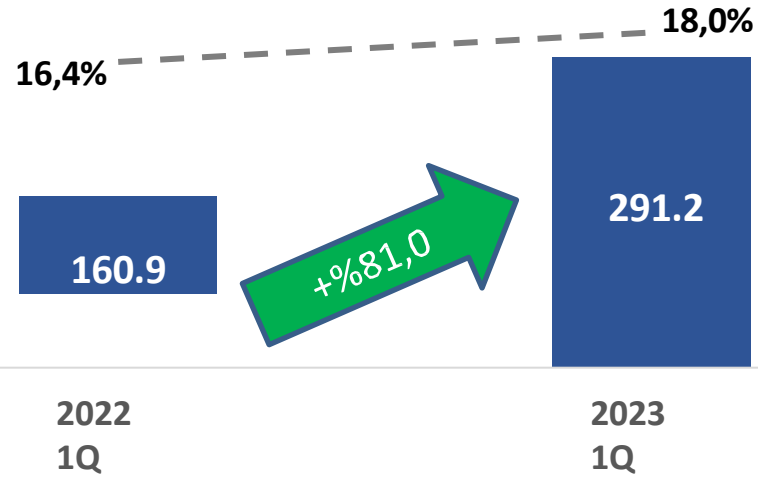


* Registered exports and exports to free zones have been added.

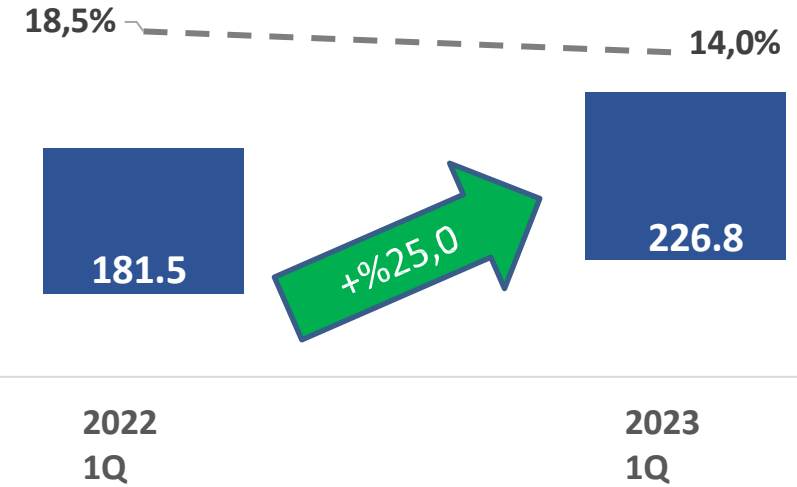
2023: GROWTH IN OPERATIONAL PROFITABILITY



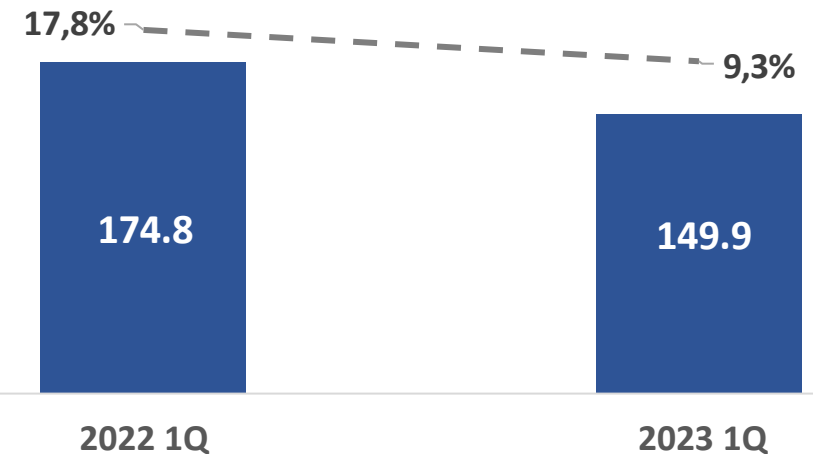
Gross Profit (Million TL)



EBITDA (Million TL)



Net Profit (Million TL)



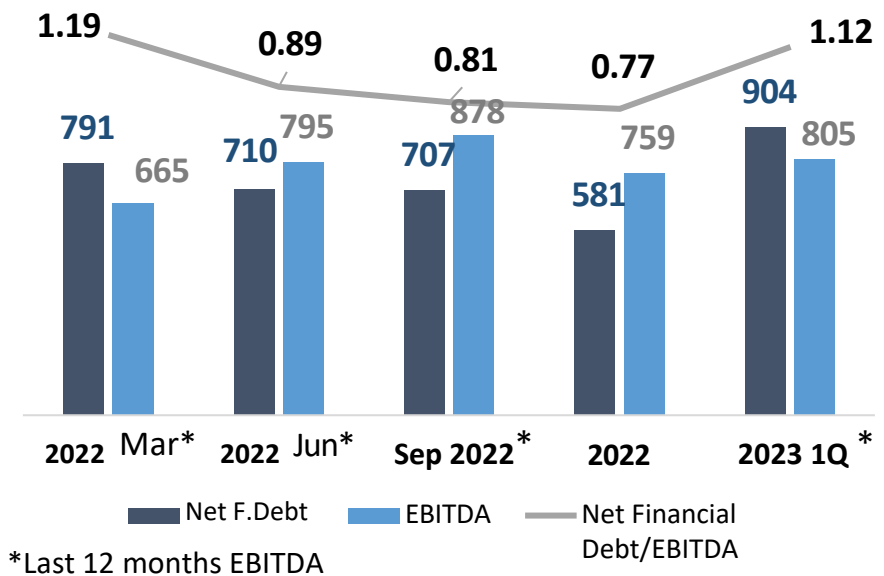
'22 Q1 vs '23 Q1 Net Profit:

- Operational FX impact: -56mTL
- Deferred tax income impact: -21mTL
- MTM impact of currency hedged deposits: -9mTL

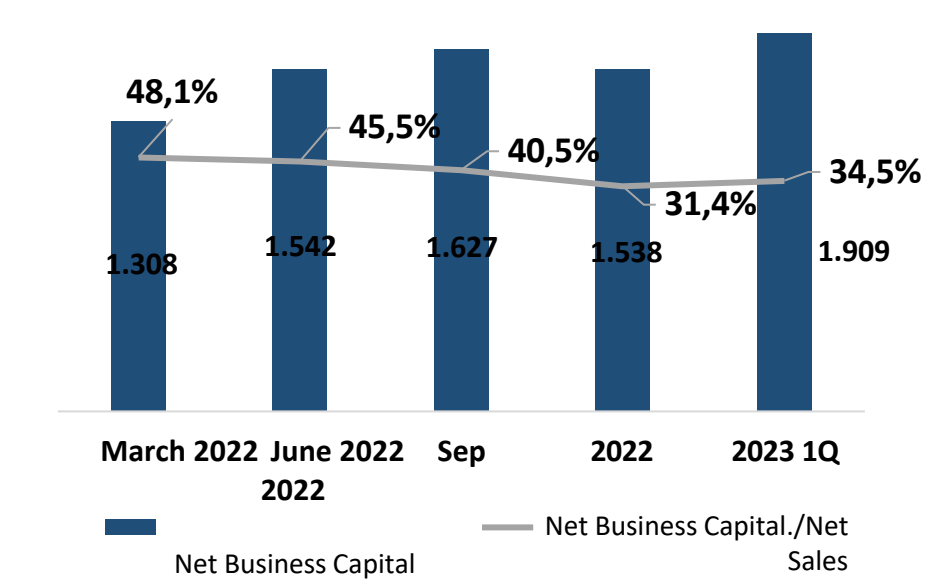


STRICT BALANCE SHEET MANAGEMENT & HEALTHY FINANCIAL INDEBTEDNESS RATIOS

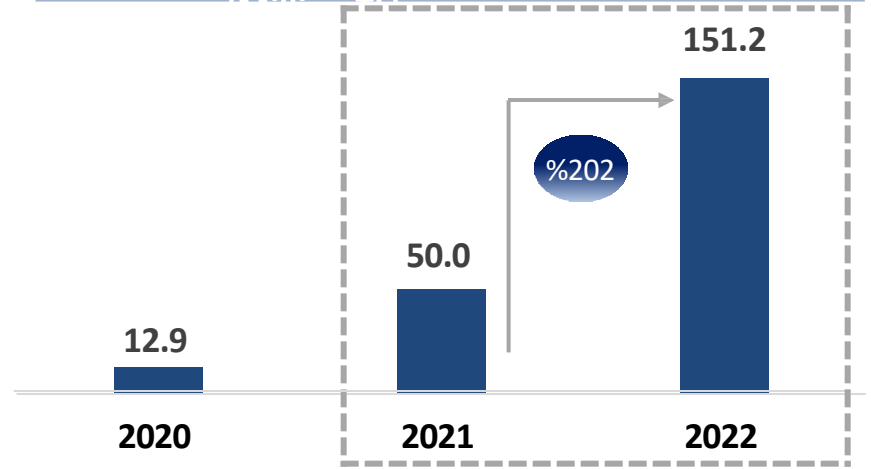
Net Financial Debt (Million TL)



Net Business Capital (Million TL)



Dividend Development



2023 1. Quarter

Highlights 1.619 billion TL

Net
Revenue
%18

Gross Profit Margin
%14

EBITDA Margin

%34

Net Business
Capital / Sales

1.12

EBITDA / Sales

- Strong Q1 net revenue growth
- 2022 Stronger gross profit compared to Q4 & main activity profit and net income (Net Profit %: 22 Q4: 4.3 vs 23 Q1: 9.3)
- Strong balance sheet ratios



Strong Net Revenue growth of +65% vs 22 Q1: 981 mTL



2022 Q1 and 2022 Q4 gross margin (23 Q1: 18.0% vs 22 Q1: 16.4% / 22 Q4: 15.8%) & 22 81% growth compared to Q1



Operational FX spread & mark to market impact of currency hedged deposits excluding operating profitability: 23 1Ç: 196mTL, 12.1% / 22 Q1: 89mTL, 9.0%



Cash cycle with strict balance sheet management: 121 days vs 2022: 110 days (N.I.S./Net Sales: 34.5% vs 22 Dec: 31.4% / 22 Q1: 48,1)



Net Debt / EBITDA ratio at 1 despite increased Working Capital requirements (23 Q1: 1.12 / 22: 0.77 / 22 Q1: 1.19)



2023 1Ç: STRONG PROFITABILITY & BALANCE SHEET RATIOS



1,619 mTL Net Sales, +65 vs 2022

- Domestic: +77
- Exports*: +44

1,110 mTL Domestic Sales, +77 vs 2022

- Wide customer portfolio in 6 different sectors

509 mTL Exports*, +44 vs 2022

- Export to 52 countries

291 mTL Gross Profit, +81% vs 2022

- Cost from being the polyurethane system house with the highest production capacity (130 kT) in a single facility
efficiency impact (RO%: 18.0 vs 16.4%)

227 mTL EBITDA, +25 vs 2022

- Cost reduction effect from increased volume, new products, new & nish markets, improved profitability effect from increased export share
- 4.2pp negative impact on operational FX differential vs. 2022: EBITDA % '22 Q1: 14.0 vs '22: 18.5

150 mTL Net Profit

- Higher operational profitability
- Incentives (R&D & Medium and High Technology Investments, 4. Regional Incentives etc.) maximized utilization & significant tax advantages

904 mTL Net Financial Debt

- Net Financial Indebtedness/ EBITDA at 1, despite increasing net debt in line with business volume: 1,12 (December '22: 0.77/ March '23: 1.19)

Net Business Capital 1.909 mTL

- Strict balance sheet management
- Net Business Capital/Net Sales: 34.5% vs. December '22: 31.4% & March '22: 48.1%

Optimum FX Position

- Optimized FX position with increasing export volume and proactive hedging policy management

* Registered exports and exports to free zones have been added.

FINANCIAL PRIORITIES



- ✓ Sustainable profitability growth
- ✓ Strict balance sheet & business capital management
- ✓ Positive Free Cash Flow Priority
- ✓ Proactive currency risk management
- ✓ Effective financial debt management
- ✓ Maximum dividend yield



2023 Prospects & Opportunities



- ✓ Impact of the European energy crisis
- ✓ Differences in Europe - Far East raw material prices
- ✓ Increase in demand due to container production after the earthquake
- ✓ Russian market - opportunities
- ✓ Newly commissioned R&D projects
- ✓ New products to be commissioned
- ✓ Latvian factory ~ 2 thousand tons 2023 sales target
- ✓ ~20%+ tonnage increase target in line with the price determination report





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