



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

*2023 1. Semester
Business Results*

Investor Presentation

August 2023



1

Overview

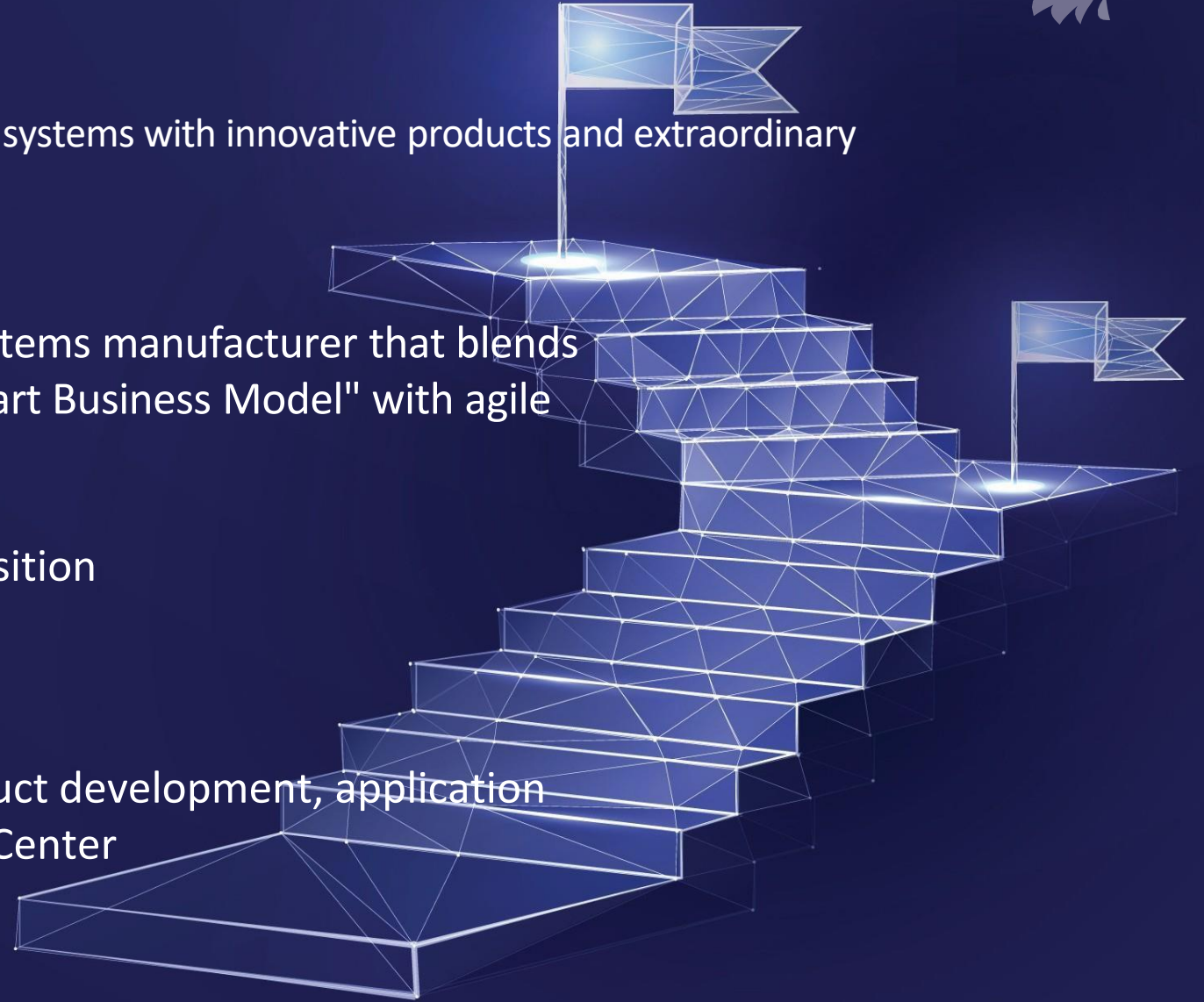
WHY KIMPUR?



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 Center



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[®]
HAMMADDELER



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)

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

CHAIR LEG (Wood Imitation)

Over
600
System
s

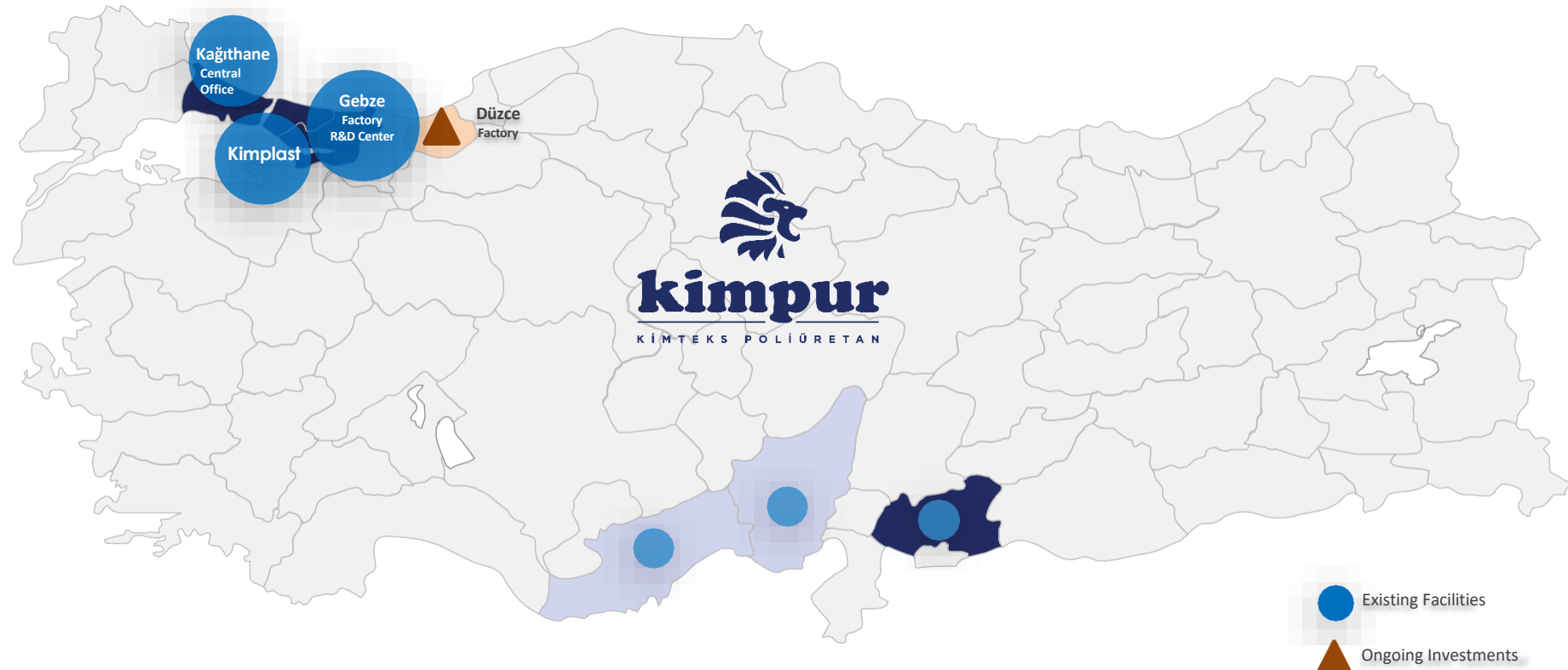
Wide
Produ
ct
Range



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

185 kton

PRODUCTION CAPACITY

- 130 kton Gebze
- 25 kton Latvia
- 30 kton Düzce

35 kton

ONGOING INVESTMENT IN DÜZCE

- 10 kton EVA
- 5 kton PET recycling

10

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

EXPO

RT

TO 50 COUNTRIES

271

EMPLOYEE (28 R&D)

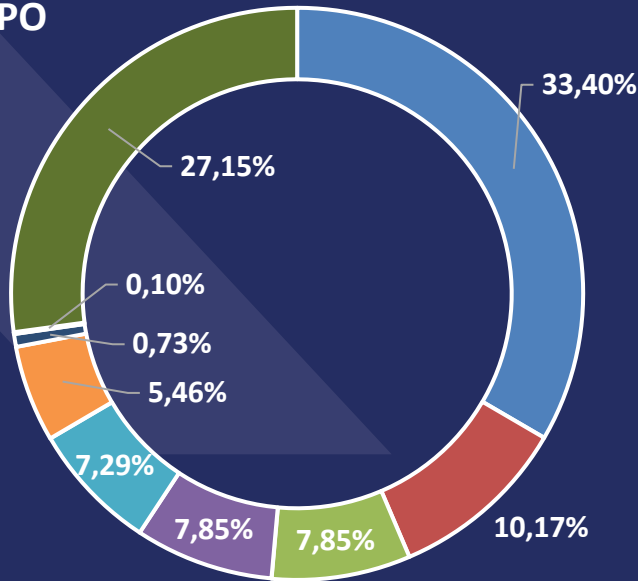
%28

EXPORTS / TOTAL TONNAGE

600+

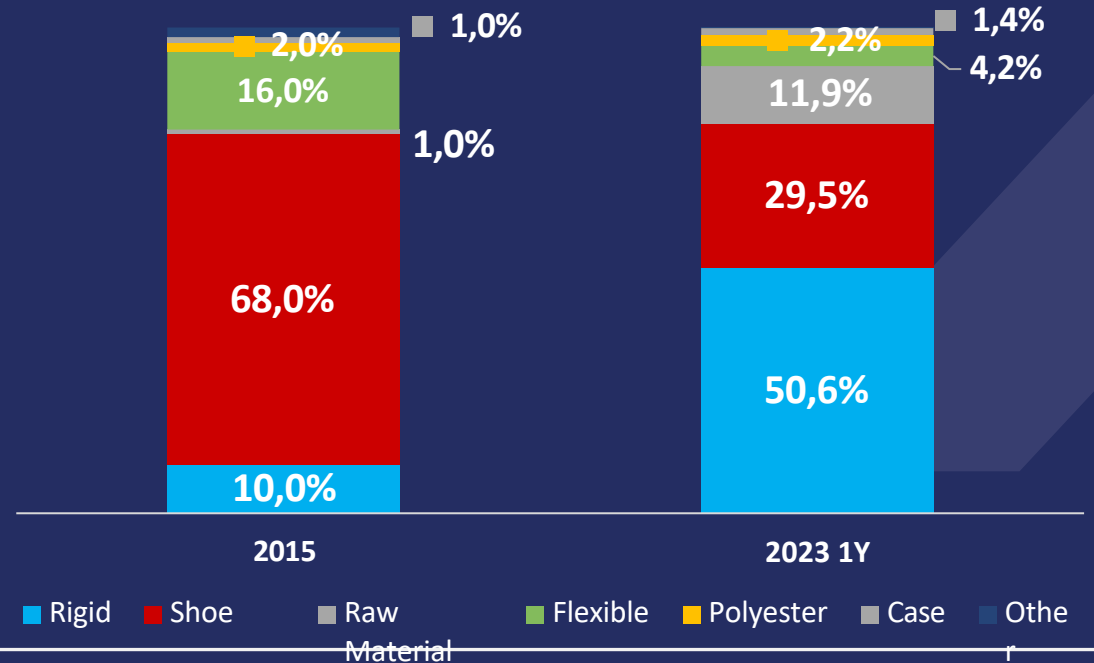
PRODUCT DIVERSITY

Shareholding Structure After IPO



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

Product Diversity

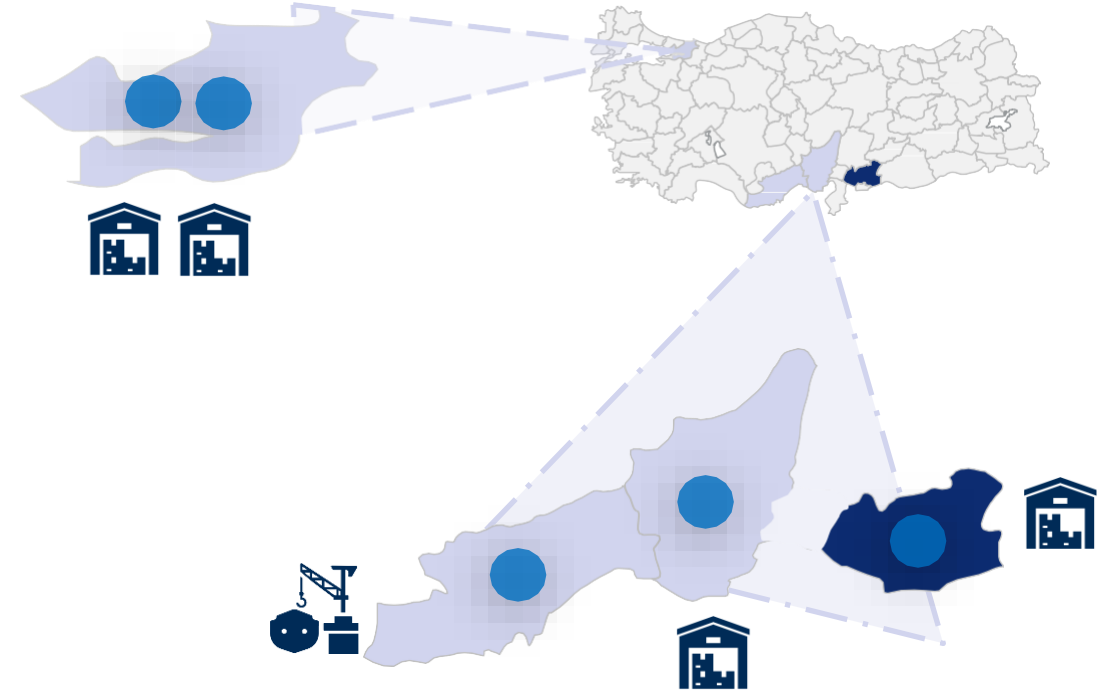


SUPPLY CHAIN & LOGISTICS MANAGEMENT



- 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 stock turnover (30 days for raw materials / 15 days for products / 7 days after order delivery time)
- 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 Applications Leading the Sector



Strong Domestic & Export Growth Strategy with Wide Product



Range Strategic Projects



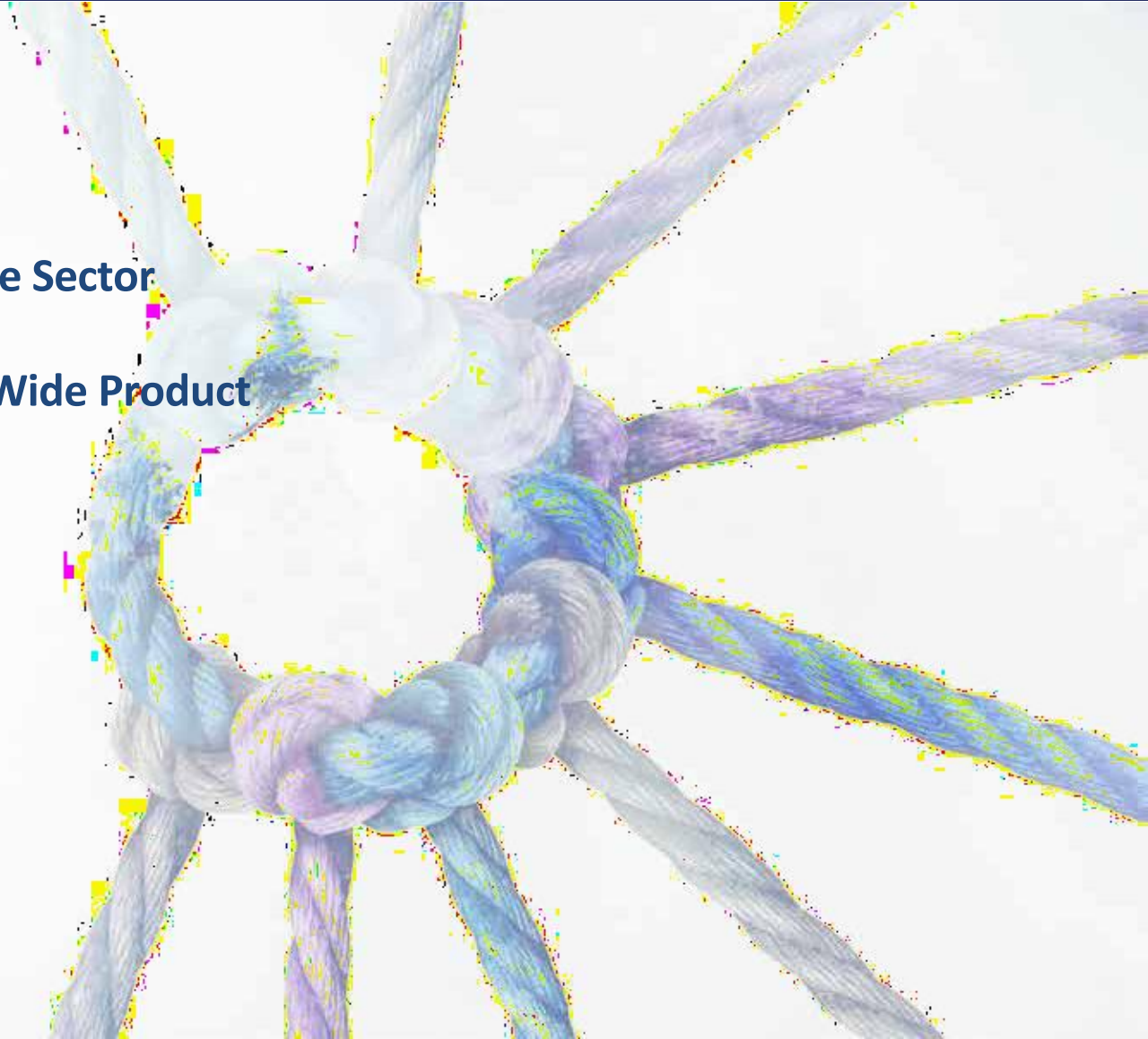
Environmental and Social



Sustainability Sustainable Expansion



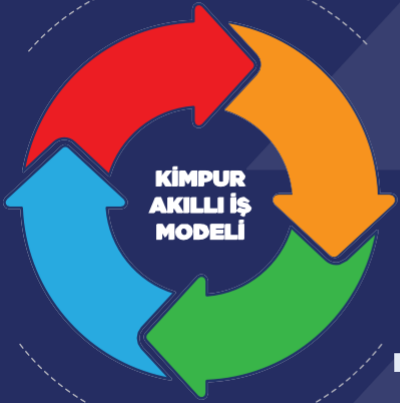
Policies Strong Financial Performance





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

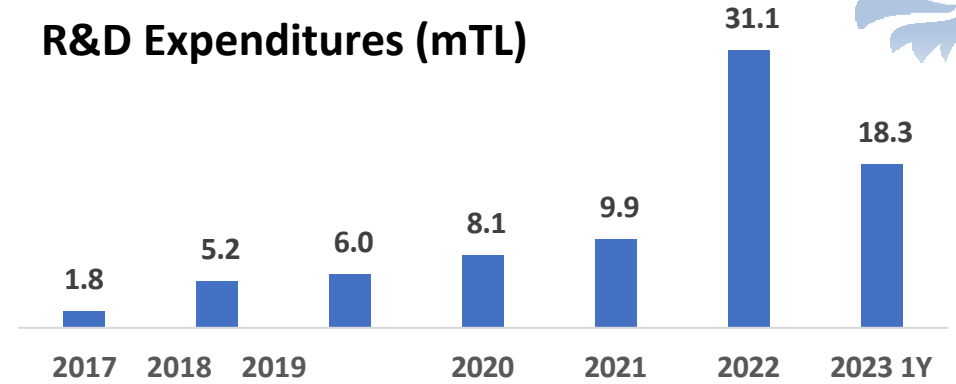


PIONEER IN THE SECTOR WITH ITS R&D CENTER

Kimpur Turkey's Polyurethane R&D

 Among the 250 companies with the highest R&D expenditures

R&D Expenditures (mTL)



- Science, Industry and Technology Ministry - 80% Investment Incentive Rate
- Product Development
- Price/Performance Ratio Improvement
- New Products and Applications
- 28 Employees with an Average Industry Experience of 10 Years

- Development of Raw Materials for Soles, Slippers, Boots etc. for Footwear Industry **kim FOOT**
- Development of Insulation Raw Materials for White Goods, Building-Construction and Insulation Industries **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**



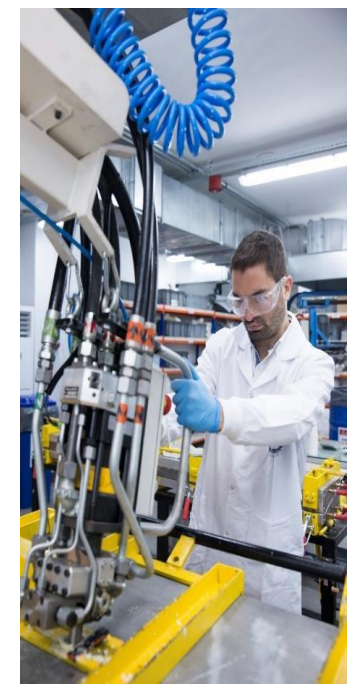
Patents related to polyurethane system and polyurethane rigid foam*

19 Registered Trademark

Defense Industry

Projects Teydeb Projects: 7 Completed Project

R&D Projects: 48 Completed 12 Ongoing



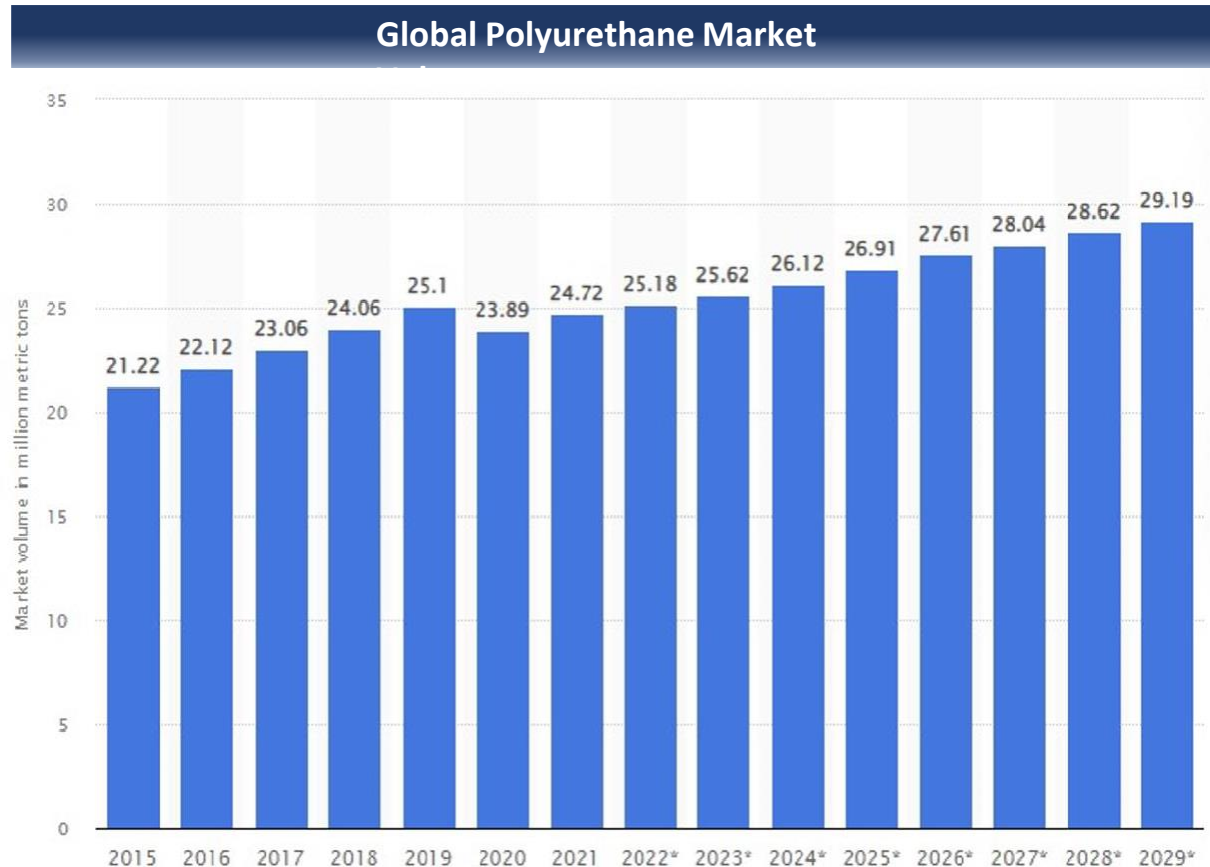
*Patents owned by the company:

- 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. Strong Domestic &
Export Growth
Strategy
with Wide Product
Range

GLOBAL POLYURETHANE MARKET



Factors/Trends Affecting Global Market Volume

- ✓ Polyurethane has become an important part of many sectors around 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 understanding 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

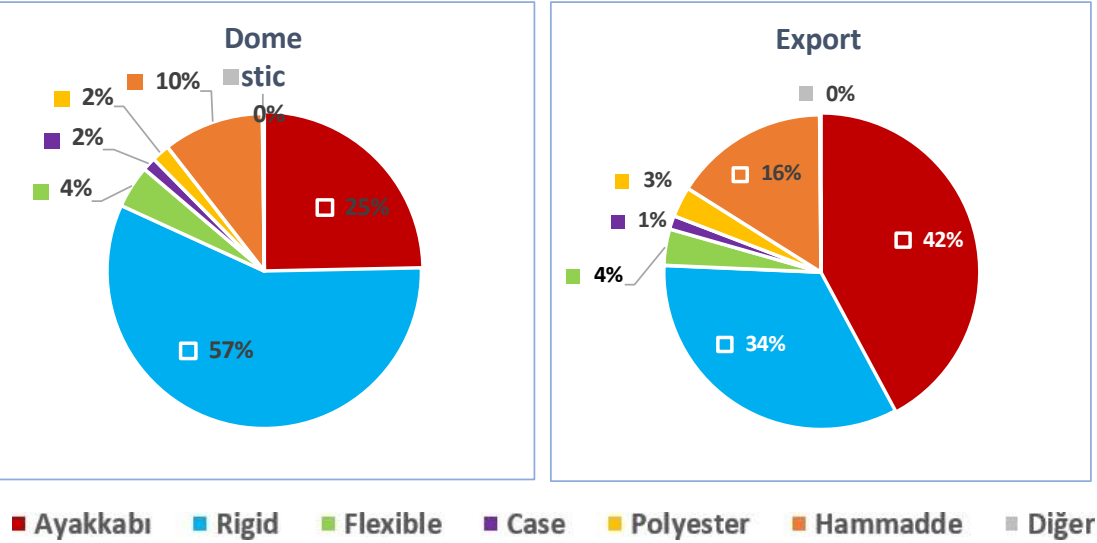
(Shoe market is included in the elastomer product group).

- ✓ **2022 Turkish Market growth: 3.4% / Kimpur Domestic Market growth: 10%**
- ✓ **2023 Turkey total market growth forecast: ~% 3**
 - **Rigid growth driven by earthquake container production at the forefront (Rigid sector growth of 7.2%)**
- ✓ **Kimpur Total Share ~20**
 - **Growth in footwear - +5% in a shrinking market**
- ✓ **~ +30% of exports from TR to Kimpur**



STRONG POSITIONING IN DIFFERENT SECTORS WITH DIVERSIFIED REVENUES

2023 1Y SALES BREAKDOWN



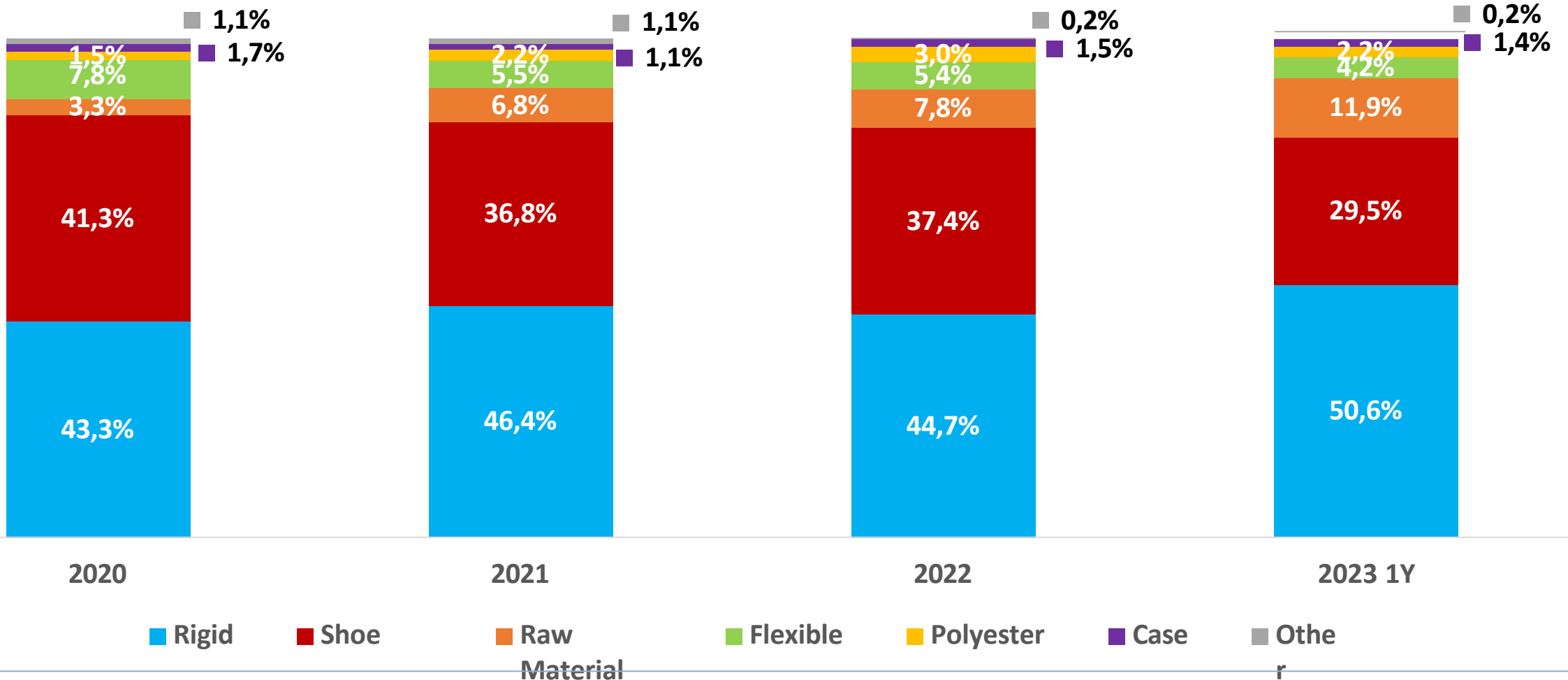
| Sales (Thousand Tons) | 2021 | 2022 | 22/21% | 2022 2Q | 2023 2Q | Difference % | 2022 2Q | 2023 2Q | Difference % |
|-----------------------|-------------|-------------|--------------|-------------|-------------|--------------|-------------|-------------|--------------|
| Domestic | 64.7 | 71.5 | 10,5% | 17.4 | 27.9 | 61% | 35.0 | 52.0 | 48% |
| Shoe | 20.0 | 24.2 | 21,4% | 5.7 | 6.1 | 7% | 12.2 | 12.2 | 0% |
| Rigid | 33.6 | 34.0 | 1,0% | 7.6 | 16.7 | 119% | 15.3 | 15.3 | 0% |
| Flexible | 3.1 | 3.5 | 11,9% | 0.9 | 1.3 | 35% | 0.9 | 1.3 | 44% |
| Case | 0.90 | 0.91 | 1,2% | 0.1 | 0.4 | 178% | 0.1 | 0.4 | 300% |
| Polyester | 1.5 | 2.3 | 55,8% | 0.6 | 0.5 | -17% | 0.6 | 0.5 | -17% |
| Raw Material | 5.0 | 6.4 | 27,4% | 2.3 | 2 | -13% | 2.3 | 2 | -13% |
| Other | 0.6 | 0.2 | -73,0% | 0.1 | 0 | -100% | 0.1 | 0 | -100% |
| Export | 23.4 | 33.2 | 41,6% | | | | | | |
| Shoe | 12.5 | 14.9 | 19,4% | | | | | | |
| Rigid | 7.6 | 12.8 | 168% | | | | | | |
| Flexible | 1.8 | 2.2 | 22,2% | | | | | | |
| Case | 0.1 | 0.1 | 0% | | | | | | |
| Polyester | 0.4 | 0.4 | 0% | | | | | | |
| Raw Material | 0 | 0 | 0% | | | | | | |
| Other | 0 | 0 | 0% | | | | | | |
| Gen | | | | | | | | | |

- +120% increase in the panel sector for the production of earthquake containers compared to 1H 2022; as well as +57% increase in other rigid categories such as white goods etc.
- Maximum flexibility against volatility, seasonality effects & economic recessions through sectoral diversification
- Maximum protection from export & global trade risks thanks to strong positioning in all main domestic polyurethane sectors

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)



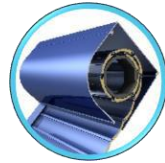
kim RIGID

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.



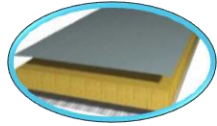
Spray Systems



Roller Shutter Systems



Pipe Insulation Systems



Continuous / Discontinuous Sandwich Panel Systems



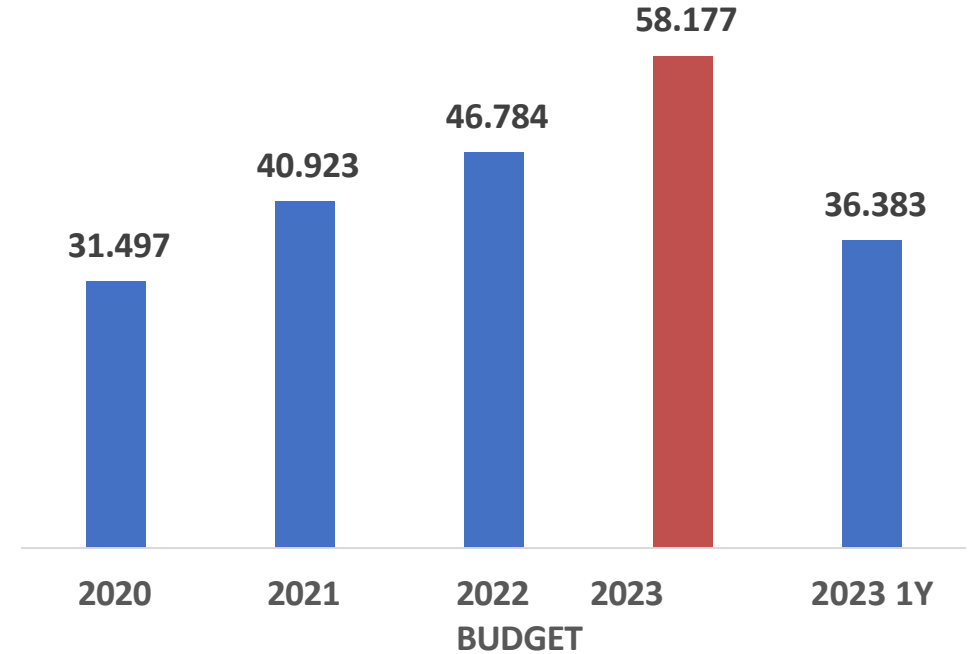
Wood Imitation and Furniture Decorative Systems



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

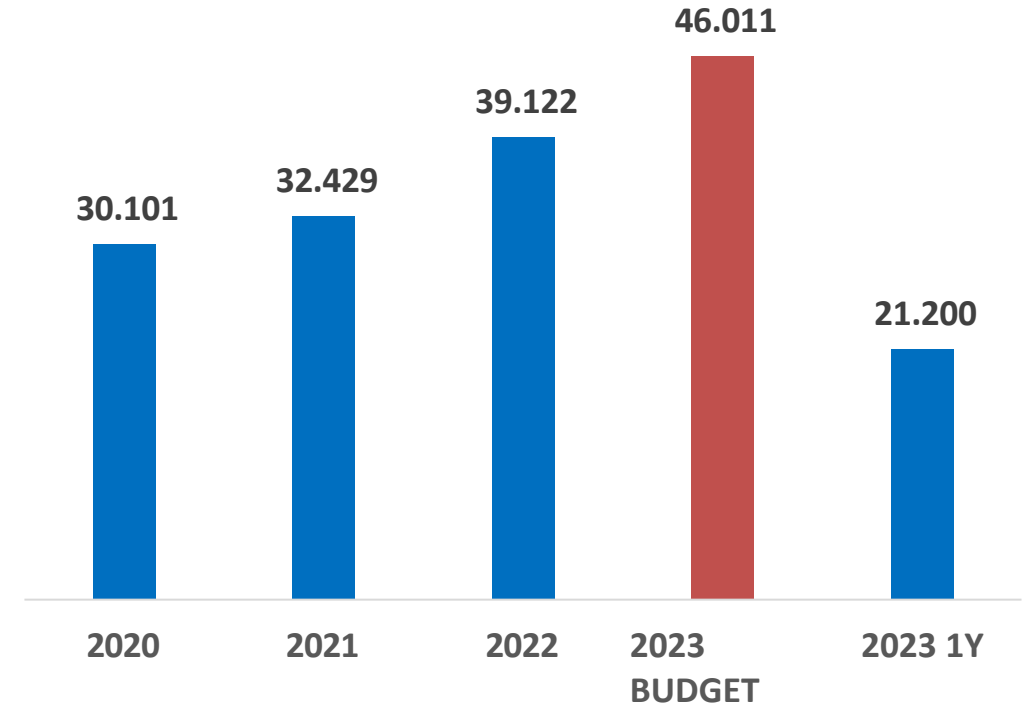


Spring, Summer and Winter Base Systems



Boot 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 the production of flexible foam and integrals used in the transportation 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

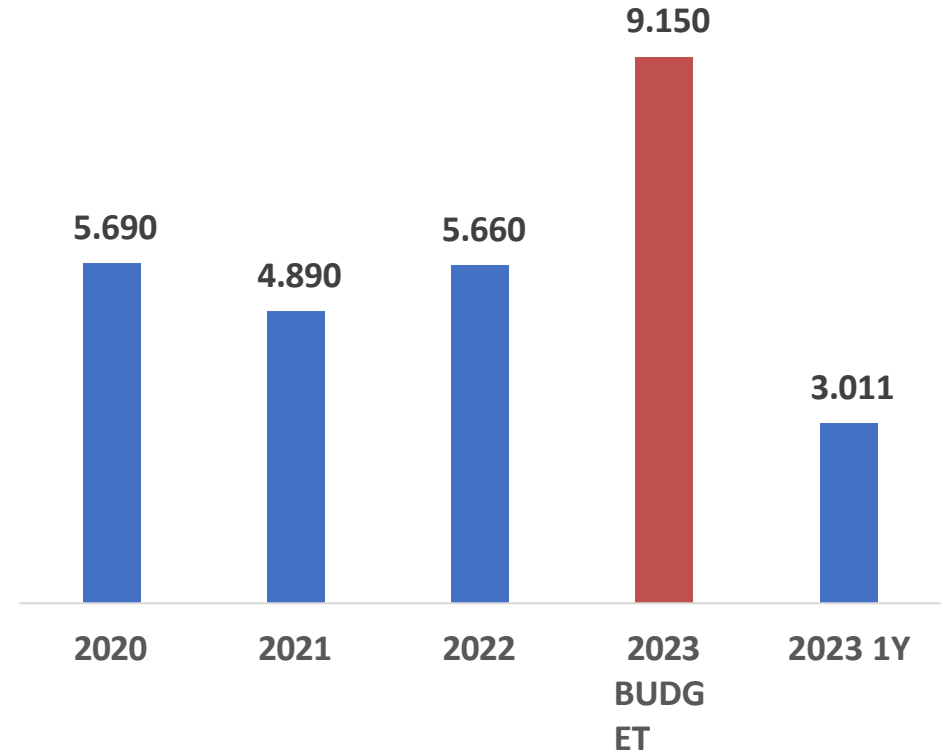


Viscoelastic Systems



Integral Systems

Flexible Foam Systems Sales Amount (Ton)



SPECIAL PRODUCTS

kim CASE

ÖZEL ÜRÜNLER

- Polyurethane Systems for elastomeric applications in expanded foams and non-foam structures.
- Reaction Injection Molding (RIM), Micro-cellular Structural Foam RIM, SRIM (Structural RIM Composites) and low density RRIM (Reinforced RIM) systems for the automotive and composites industries.
- 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 molding resins for electronic and electrical insulation.



Reaction Injection Molding



Adhesives and Binders



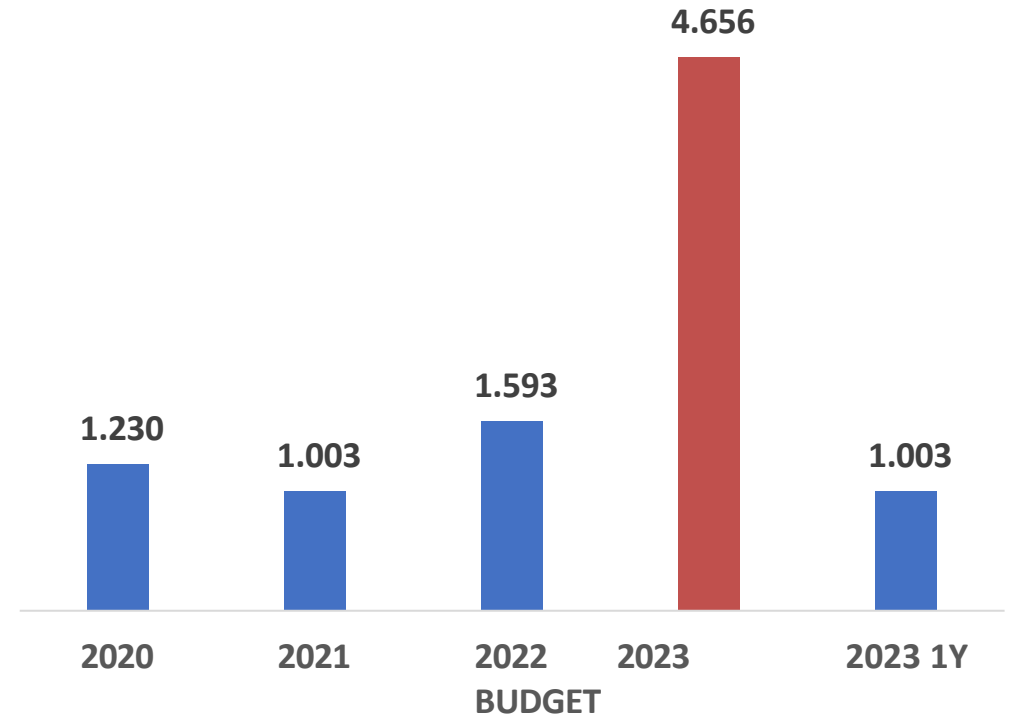
Two Component Cast Elastomers



Electrical Insulation Systems



Special Products Sales Amount (Tons)



POLYESTER POLYOLS

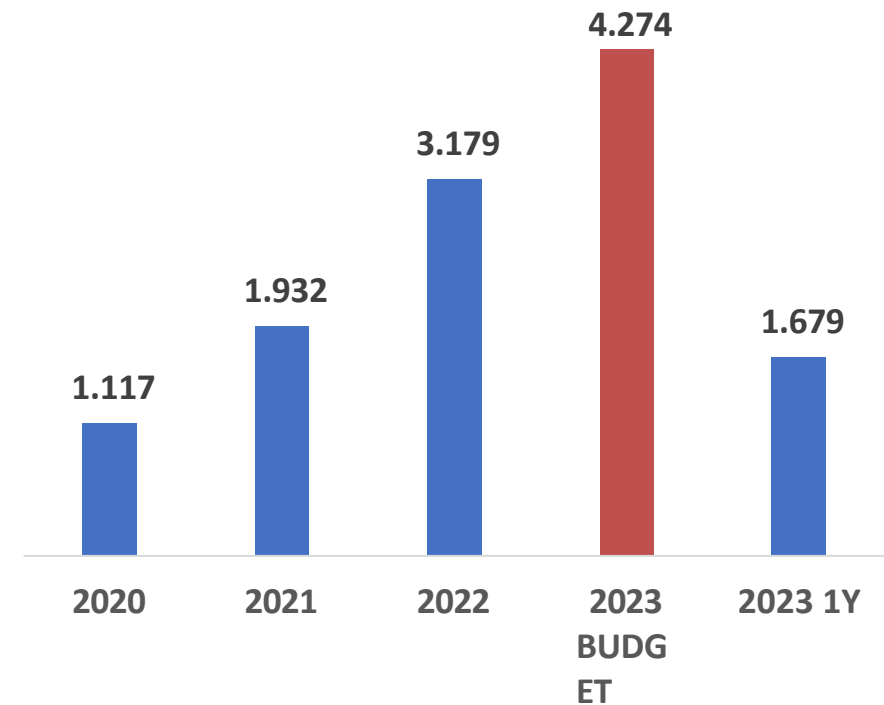


kim POL
POLYESTER POLIOLLER

- 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

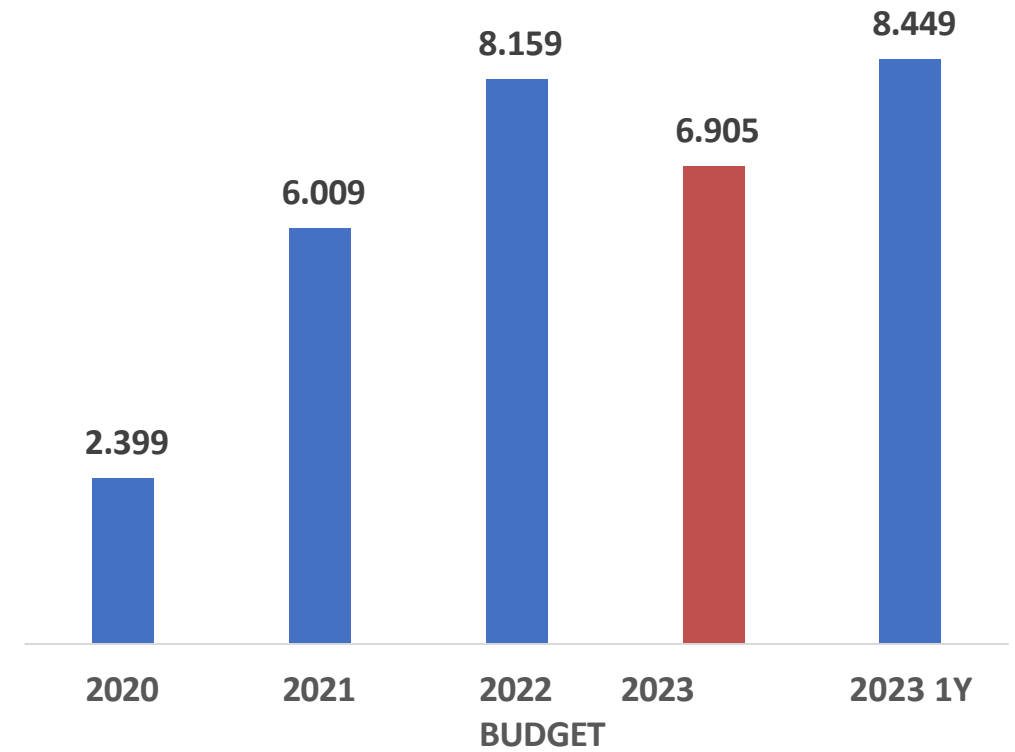
kim RAW[®]
HAMMADELER



- 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)



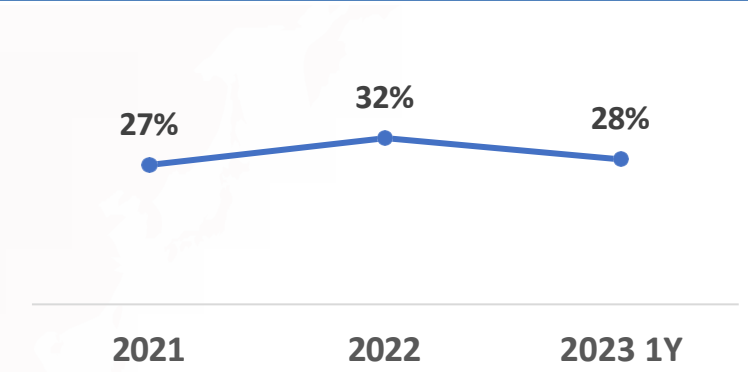
 **Ihracat Yapılan Ülkeler**

STRONG EXPORT GROWTH STRATEGY



| COUNTRY GROUPS (tons) | 2021 | 2021 % | 2022 | 2022 % | 2022 1Y | 2022 1Y % | 2023 1Y | 2023 1Y % |
|--------------------------------|--------|--------|--------|--------|---------|-----------|---------|-----------|
| CIS Countries | 3.250 | 13,9% | 10.870 | 32,8% | | | | |
| African Countries | 6.208 | 26,5% | 6.53 | | | | | |
| Middle East and Gulf Countries | 10.714 | 45,7% | | | | | | |
| European Countries | 2.7 | | | | | | | |
| Asian Countries | | | | | | | | |
| American Continent | | | | | | | | |
| <u>Grand Total</u> | | | | | | | | |

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
- Exports reaching **927 million TL** in 1H 2023, up **47%** compared to 2022
- America and the UK's rising share in exports



iv. Environmental & Social Sustainability

SUSTAINABILITY FUTURE WITH KIMPUR



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

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

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 in all its 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

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

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 risk 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



6. Information Security Management System Committee

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

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

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
- Target of reducing approximately 20% clean energy and 200-250 tons/year carbon emission reduction with the SPP investment
- Target of approximately 55% clean energy and 679 tonnes of carbon dioxide emission reduction with the SPP investment in Düzce
- Business Plastics Initiative (IPG) Commitments
- Carbon and Water Footprint Measurement ➤ **We moved to our new green office with Leed Certificate!**
- Waste Disposal in compliance with Legal Requirements
- Ultra-low density sports shoe sole system and slipper system operation providing 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% utilization 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
- Use of Graphene obtained from the recycling of automotive tyre waste in KIMflex® HR Foam Systems used in automotive and office chair production
- Obtaining ISO 14001 Environmental Management System certification



**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

July 2023:
Phase 1 Production



**Production factory investment
on 17.015m² land in Gümüşova
OSB**



**USD 15 million
investment size**

Kimpur Duzce Factory Investment

- Additional polyurethane system capacity of Kimpur Düzce Plant is 50 thousand tonnes. In July, the infrastructure works enabling the production of approximately 30 thousand tonnes of polyurethane systems in the first phase were completed and production was started from this facility.
- 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 required will be provided by the Solar Power Plant investment, which was commissioned with the start of production.
- The 12,188 m² of land next to the factory building was purchased to be utilized in potential investment projects and to be used in efficiency improvement projects due to its location next to the ongoing investment.
- Investment incentive certificates were obtained.



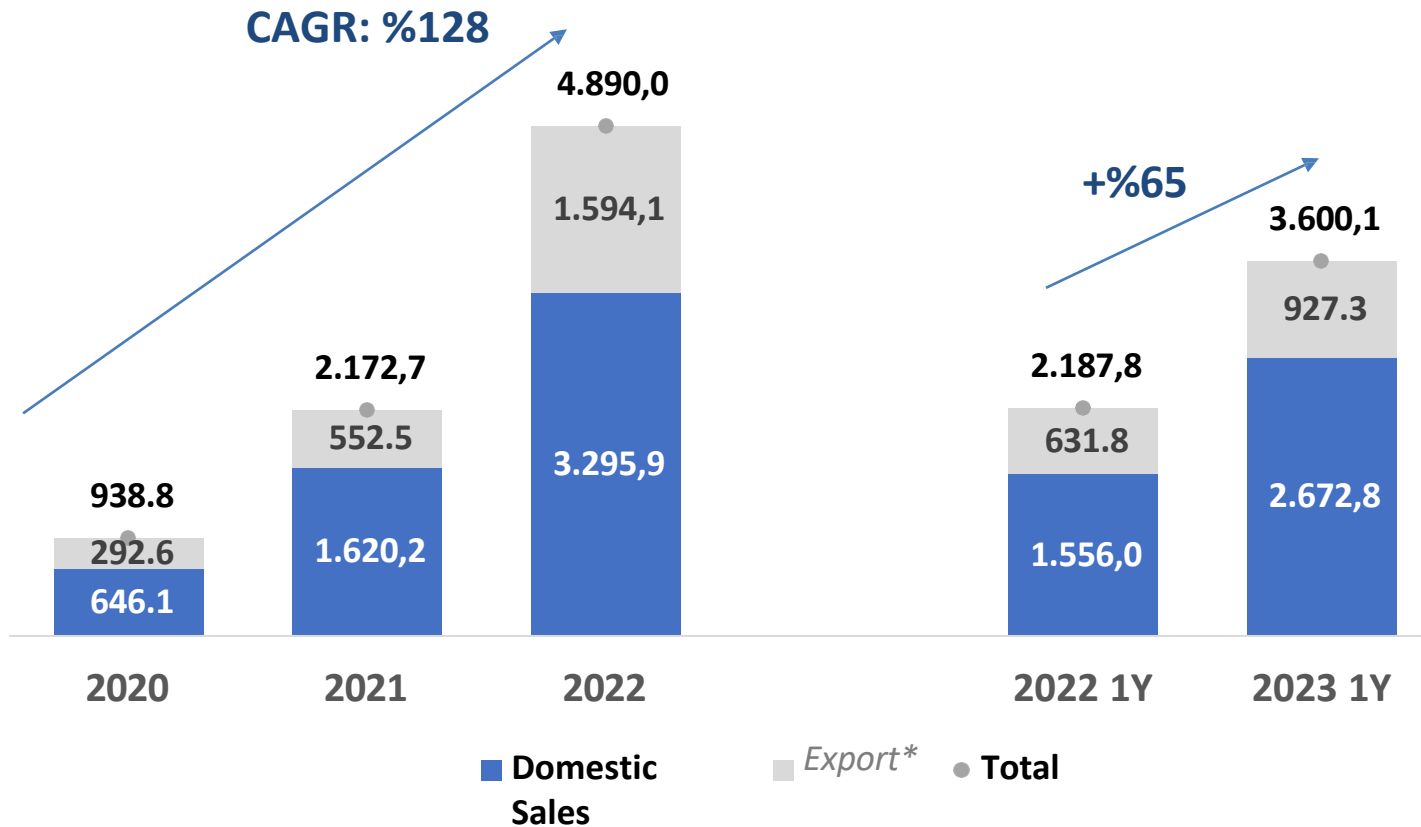
v. Record Profitability & Strong Financial Performance

(2023 1Y - Critical Financial
Indicators)

2023: INCREASED EXPORTS & STABLE GROWTH



Net Sales (Million TL)

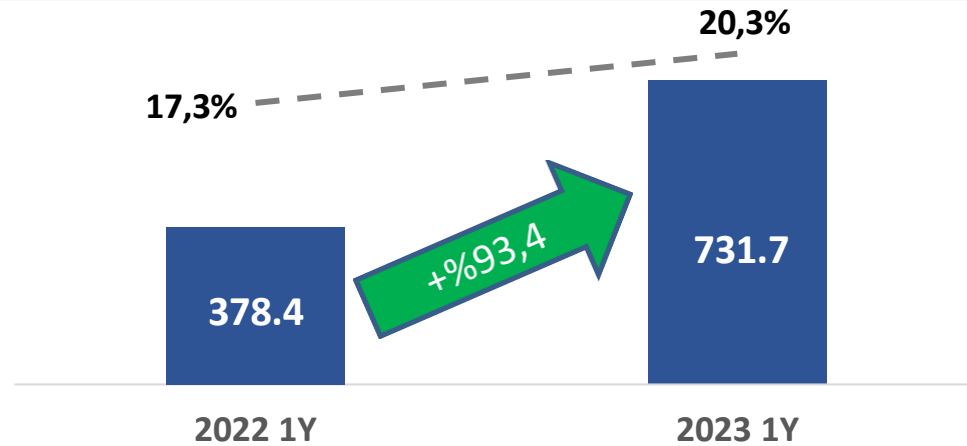


* Registered exports and exports to free zones have been added.

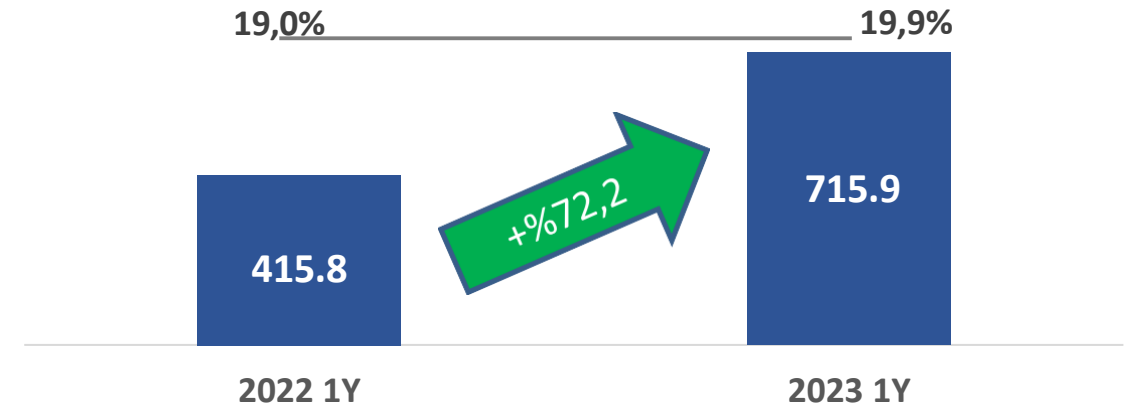
2023 RECORD PROFITABILITY LEVEL IN THE FIRST 6 MONTHS



Gross Profit (Million TL)



EBITDA (Million TL)



Net Profit (Million TL)



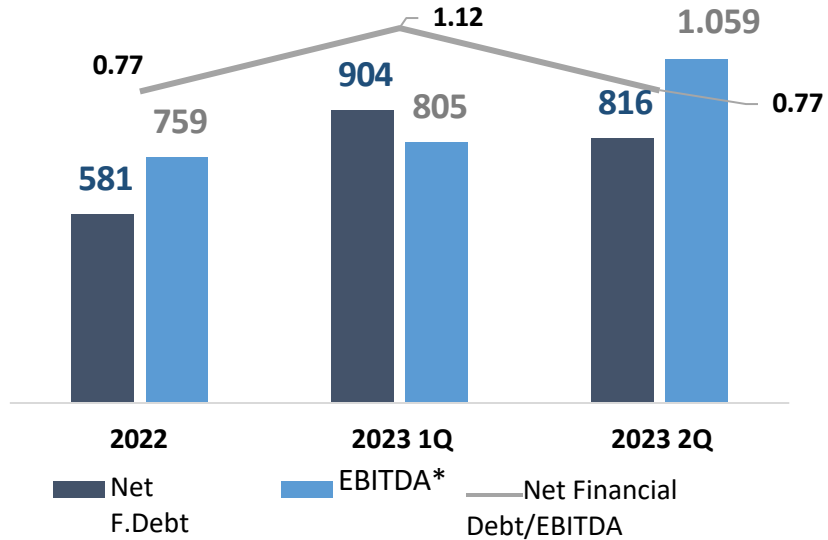
'22 1Y vs '23 1Y Net Profit:

- Additional tax expense effect after earthquake: -38.8mTL
 - Change in Net Profit excluding tax effect: '22 1Y: 355,8mTL vs '23 1Y: 636,6mTTL →%79 increase



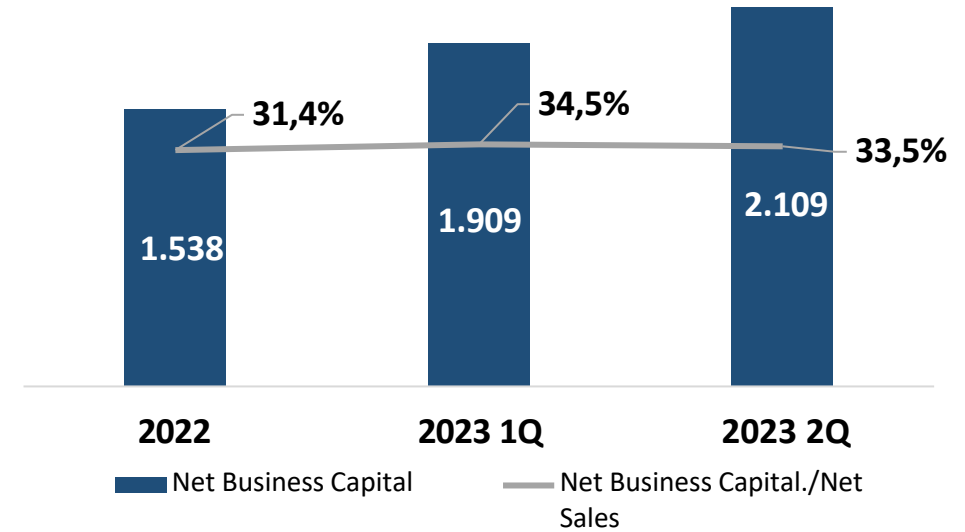
STRICT BALANCE SHEET MANAGEMENT & HEALTHY FINANCIAL INDEBTEDNESS RATIOS

Net Financial Debt (Million TL)

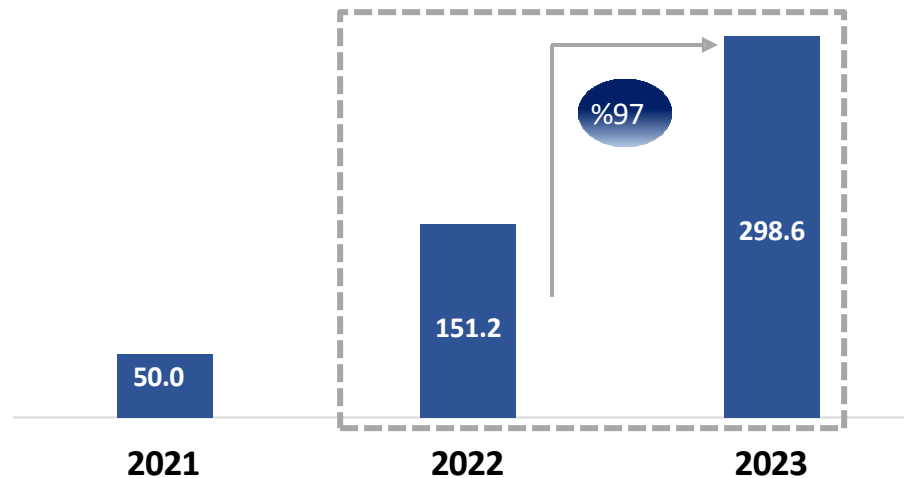


*Last 12 months
EBITDA

Net Working Capital (Million TL)



Dividend Development



2023 2.

Quarter

Highlights

1.982 billion TL

Net
Revenue
%22,2

Gross Profit Margin

%24,7

EBITDA Margin

%33,5

Net Business
Capital / Sales

0.77

EBITDA / Sales

- Strong net revenue growth
- Record gross, operating & net profit levels
- Strong balance sheet ratios



+64% **strong** Net Revenue growth vs 22 Q2: 1,207 mTL



Record over 2022 Q2 and 2023 Q1 **Gross Profit** (23 Q2: 22.2% vs 22 Q2: 18.0% / 23 Q1: 18.0%) & +102.6% growth vs same period last year



Record Core Operating Profitability: 23 2Ç: 513mTL, 25.9% / 22 Q2: 230.0mTL, %19,1



Improved cash cycle with strict balance sheet management: 110 days vs. March 2023: 121 days (Net Operating. Capital/Net Sales: 33.5% vs 23 Mar: 34.5% / 22 Dec: 31.4%)



Net Debt / EBITDA below 1 despite increasing working capital requirement ratio (June 23: 0.77 / March 23: 1.12 / December 22: 0.77)

2023 1Y: RECORD PROFITABILITY & STRONG BALANCE



SHEET RATIOS

**3,600 mTL Net Sales, +65%
vs 2022**

- Domestic: +72
- Exports*: +47

**2,673 mTL Domestic Sales, +72
vs 2022**

- Wide customer portfolio in 6 different sectors

**927 mTL Exports*, +47
vs 2022**

- Export to 52 countries

**732 mTL Gross Profit, +93
vs 2022**

- Cost efficiency impact from being the polyurethane system house with the highest production capacity (130 kT) in a single plant (RO%: 20.3 vs 17.3)

**716 mTL EBITDA, +72
vs 2022**

- Cost reduction effect from increased volume, new products, new & nish markets, improved profitability effect from increased export share
- EBITDA % '23 H1: 19.9% vs '22 H1: 19.0%

598 mTL Net Profit

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

816 mTL Net Financial Debt

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

Net Business Capital 2.109 mTL

- Strict balance sheet management
- Net Business Capital/Net Sales: 33.5% vs. December '22: 31.4% & March '23: 34.5

Optimum FX Position

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

* 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
- ✓ We are working on the feasibility of new product groups and sales organization in new locations





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