



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

*2023 9-Month Business Results*

Investor Presentation

November 2023



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Overview

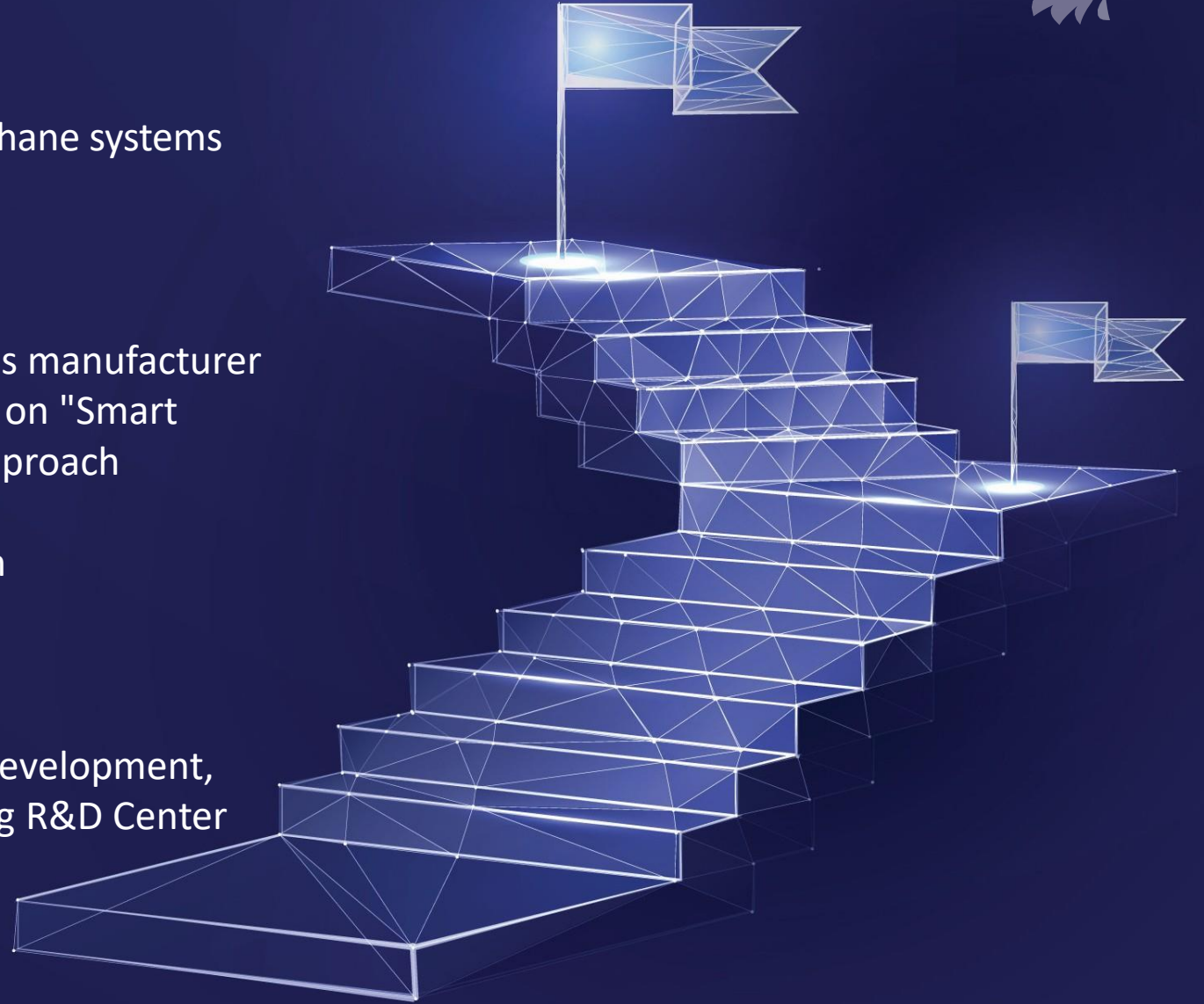
# WHY KIMPUR?



## OUR VISION

Becoming 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**<sup>®</sup>  
AYAKKABI SİSTEMLERİ



**kim FLEX**<sup>®</sup>  
ESNEK KÖPÜK SİSTEMLERİ



**kim RIGID**<sup>®</sup>  
SERT KÖPÜK SİTEMLERİ



**kim CASE**<sup>®</sup>  
ÖZEL ÜRÜNLER



**kim POL**<sup>®</sup>  
POLYESTER POLİOLLER



**kim RAW**<sup>®</sup>  
HAMMADDELER



**kim PLUS**<sup>®</sup>  
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

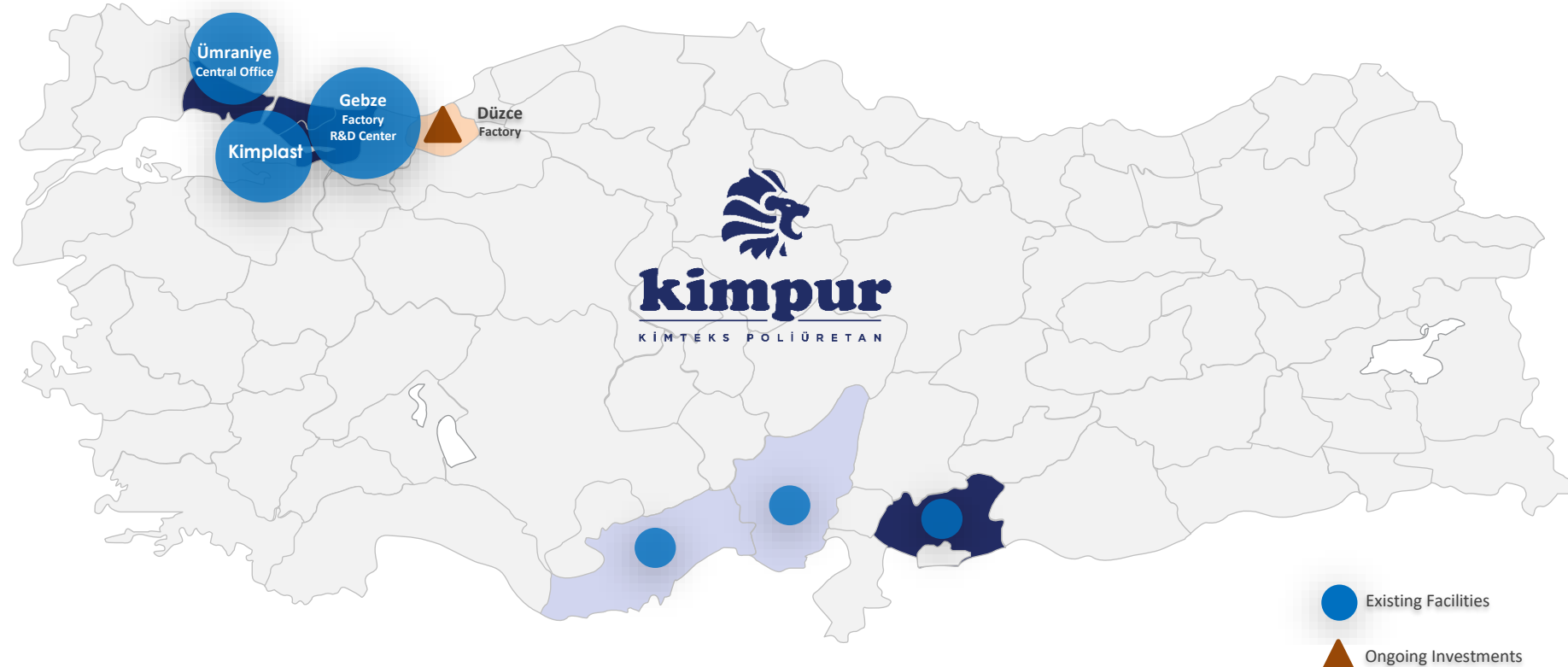
Over  
600  
Systems

Wide  
Product  
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

- 20 kton PU
- 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

**50+**

EXPORTS TO COUNTRY

**288**

EMPLOYEE (32 R&D)

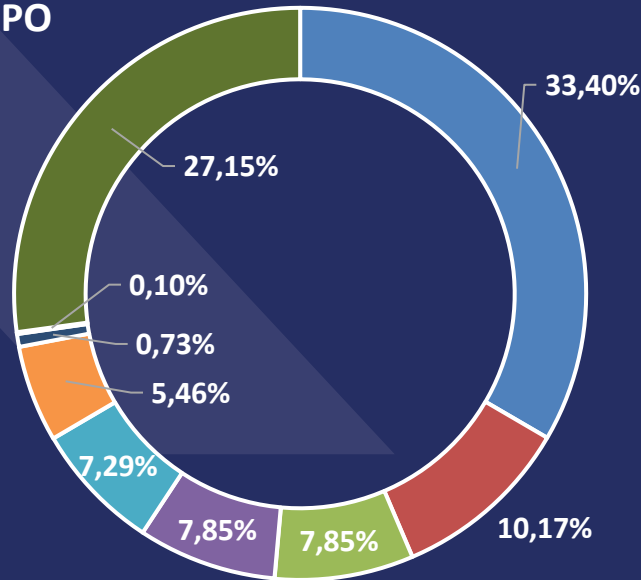
**%26**

EXPORTS / TOTAL TONNAGE

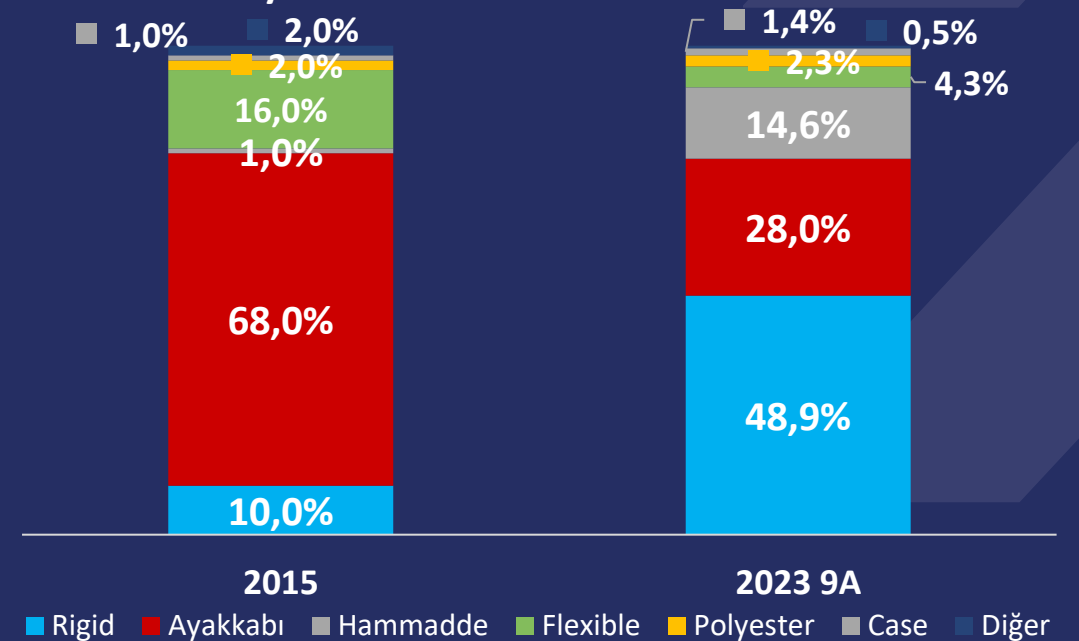
**600+**

PRODUCT DIVERSITY

## Shareholding Structure After IPO



## Product Diversity

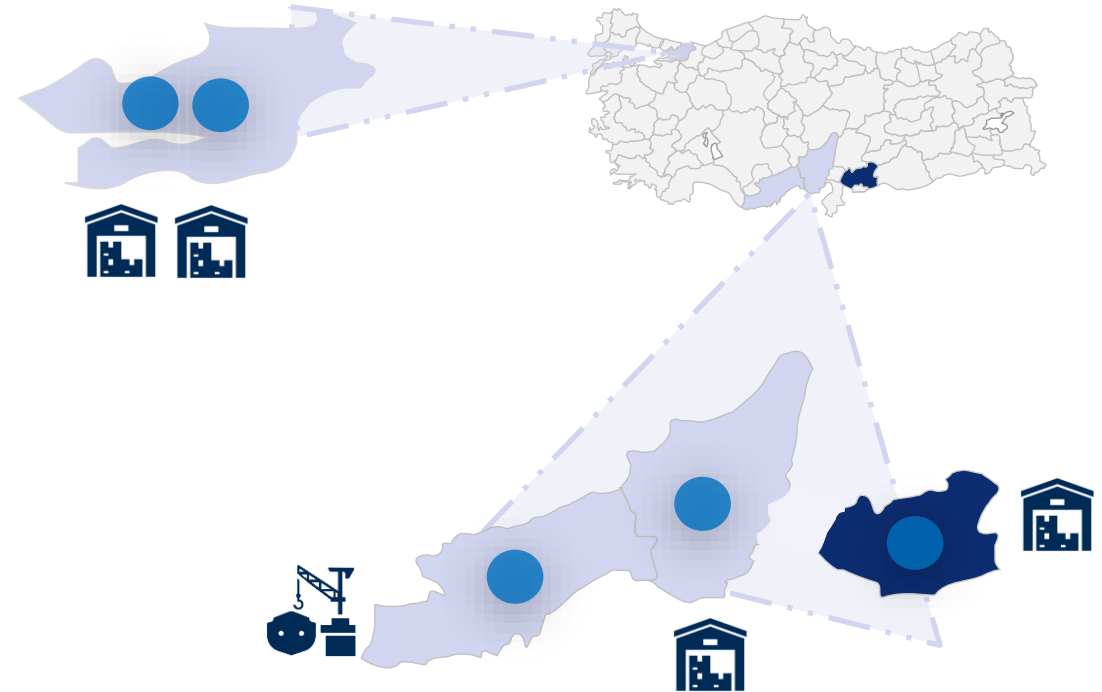


# SUPPLY CHAIN & LOGISTICS MANAGEMENT



- 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 Industry**



**Strong Domestic & Export Growth Strategy with Wide Product Range**



**Our Strategic Projects**



**Environmental and Social Sustainability**



**Sustainable Enlargement Policies**



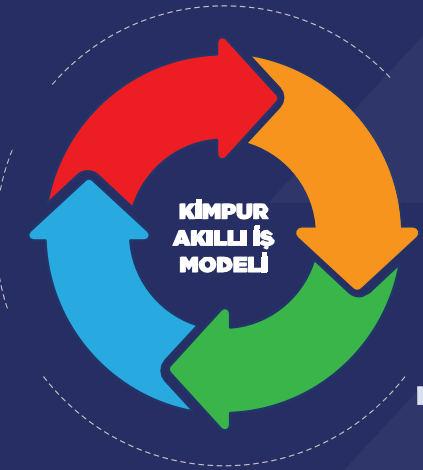
**Strong Financial Performance**





## 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
- ❖ Automated 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 Power

Soles, Slippers, Boots, etc. for Footwear Industry 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



- Ministry of Science, Industry and Technology - 80%

Investment Incentive Rate

- Projects to Increase Price/Performance Ratio
- 32 Employees with an Average of 10 Years of Industry

Experience

- Innovative Product Developments

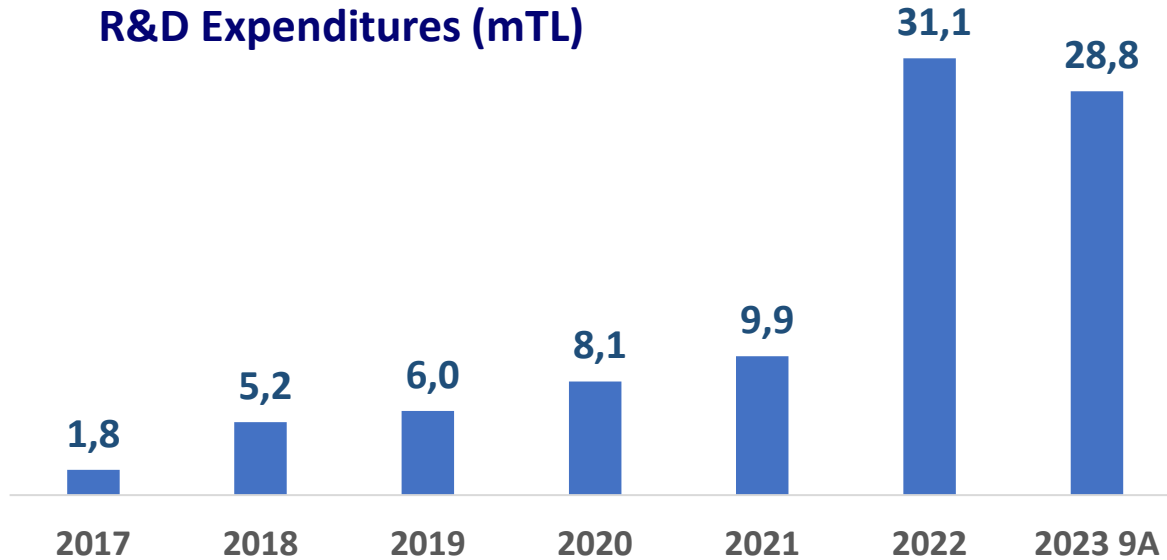
# PIONEER IN THE SECTOR WITH ITS R&D CENTER



## Kimpur Turkey's Polyurethane R&D Power

 Among the 250 companies with the highest R&D expenditures

R&D Expenditures (mTL)



**19** Registered Trademark



Participation in European Union and SAYEM Projects on Bio, Recycling and Sustainability with leading companies and universities in the field



Defense Industry Projects  
Teydeb Projects:  
7 Completed Project



R&D Projects:  
49 Completed  
11 Ongoing



Patents related to polyurethane system and polyurethane rigid foam\*

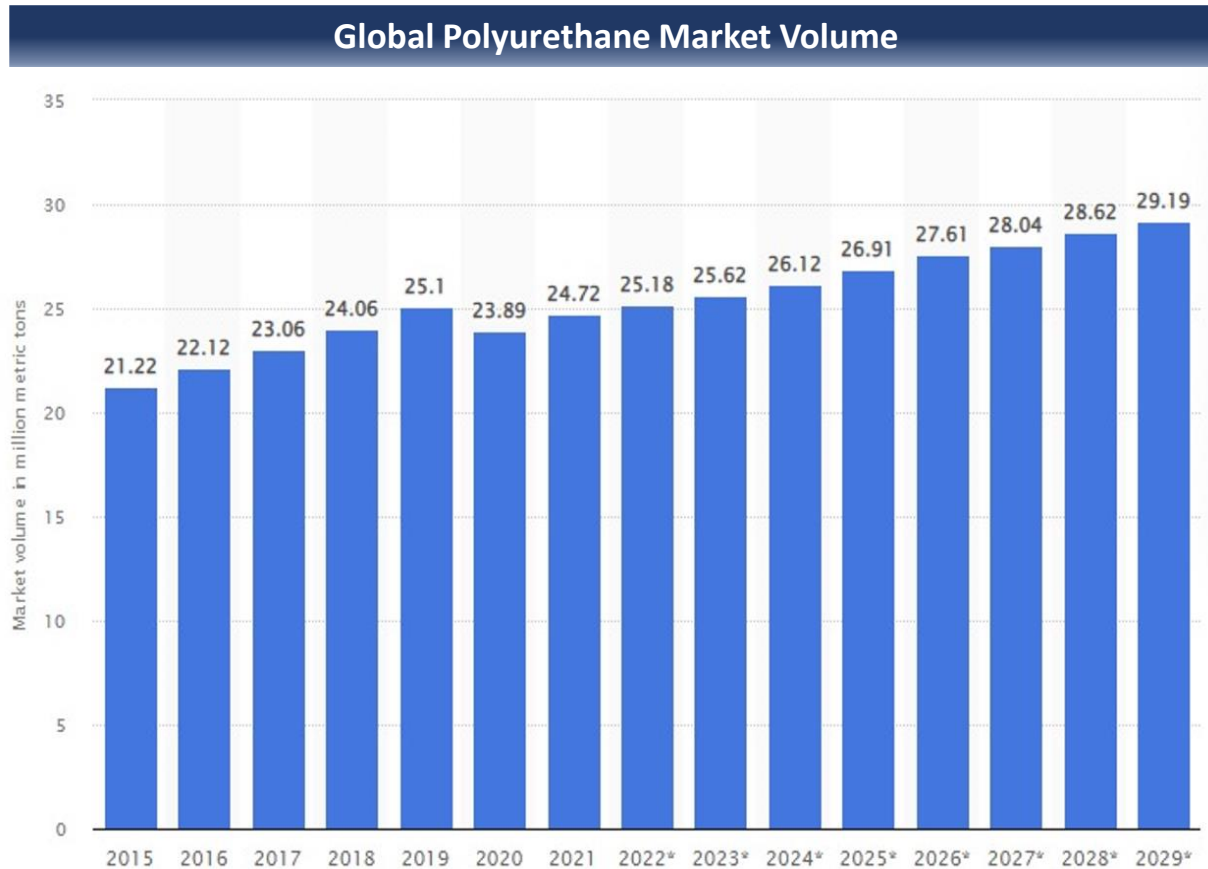
\*Patents owned by the company:

- 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 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

YURT İÇİ PU KAPASİTESİ	2018	2019	2020	2021	2022	2023 T
<b>Rigid</b>	215.490	215.420	207.110	216.210	223.980	240.000
<b>Flexible</b>	149.130	143.800	138.100	144.890	149.980	147.000
<b>Elastomers</b>	101.105	110.822	119.665	126.284	130.519	128.000
<b>Coatings</b>	62.590	63.290	62.200	64.709	66.561	68.500
<b>Adhesive &amp; Sealants</b>	8.601	8.720	8.570	8.886	9.158	9.400
<b>Binders</b>	1.545	1.560	1.540	1.583	1.616	1.656
<b>TOPLAM</b>	<b>538.461</b>	<b>543.612</b>	<b>537.185</b>	<b>562.562</b>	<b>581.814</b>	<b>594.556</b>

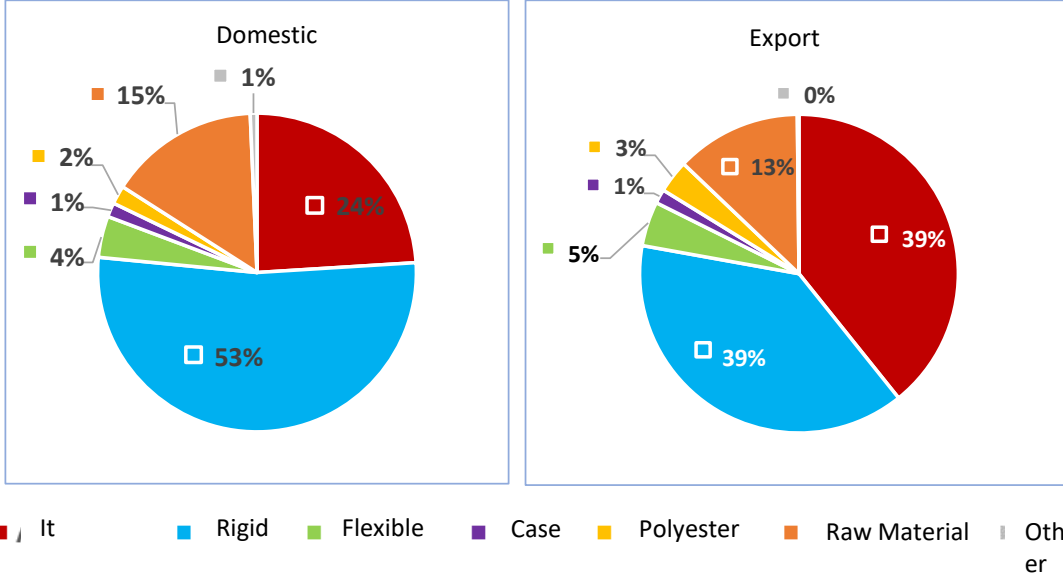
(Shoe market is included in the elastomer product group).

- ✓ 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 - +10% in a shrinking market
- ✓ ~ +30% of exports from TR to Kimpur



# STRONG POSITIONING IN DIFFERENT SECTORS WITH DIVERSIFIED REVENUES

2023 BREAKDOWN OF 3Q SALES



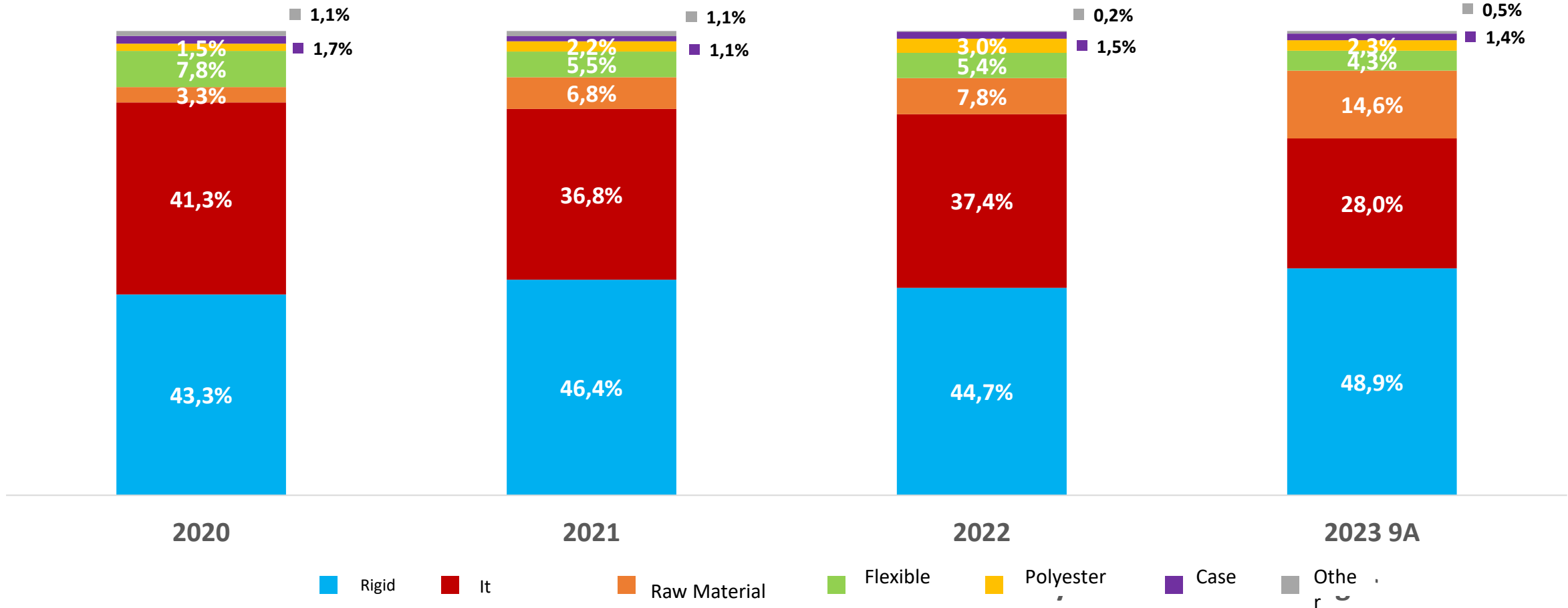
Satışlar (Bin Ton)	2021	2022	22/21 %	2022 3Ç	2023 3Ç	Fark %	2022 9A	2023 9A	Fark %
<b>Yurt İçi</b>	<b>64,7</b>	<b>71,5</b>	<b>10,5%</b>	<b>15,5</b>	<b>27,3</b>	<b>76,6%</b>	<b>50,5</b>	<b>79,3</b>	<b>57,2%</b>
Ayakkabı	20,0	24,2	21,4%	5,0	6,2	24,5%	17,2	19,1	10,6%
Rigid	33,6	34,0	1,0%	7,3	11,9	64,4%	22,6	41,7	84,6%
Flexible	3,1	3,5	11,9%	0,8	1,1	33,1%	2,5	3,3	32,1%
Case	0,90	0,91	1,2%	0,2	0,4	94,4%	0,5	1,1	121,9%
Polyester	1,5	2,3	55,8%	0,5	0,5	-2,8%	1,6	1,5	-6,7%
Hammadde	5,0	6,4	27,4%	1,6	6,7	311,0%	5,9	12,1	104,5%
Diğer	0,6	0,2	-73,0%	0,0	0,4	1574,3%	0,1	0,5	384,1%
<b>İhracat</b>	<b>23,4</b>	<b>33,2</b>	<b>41,6%</b>	<b>8,7</b>	<b>8,4</b>	<b>-3,1%</b>	<b>24,2</b>	<b>28,3</b>	<b>17,0%</b>
Ayakkabı	12,5	14,9	19,4%	3,3	2,7	-17,9%	11,2	11,1	-0,7%
Rigid	7,6	12,8	67,6%	4,4	4,3	-2,5%	9,7	10,9	13,0%
Flexible	1,8	2,2	22,3%	0,3	0,5	75,3%	1,5	1,3	-15,5%
Case	0,1	0,7	567,1%	0,3	0,1	-53,4%	0,5	0,4	-13,7%
Polyester	0,4	0,8	94,8%	0,1	0,3	119,3%	0,6	0,9	59,5%
Hammadde	1,0	1,7	79,4%	0,3	0,4	57,8%	0,7	3,6	383,3%
Diğer	0,0	0,0	43,5%	0,0	0,0	414,1%	0,0	0,0	560,1%
<b>Genel Toplam</b>	<b>88,2</b>	<b>104,7</b>	<b>18,7%</b>	<b>24,2</b>	<b>35,8</b>	<b>47,9%</b>	<b>74,6</b>	<b>107,6</b>	<b>44,2%</b>

- +100% increase in the panel sector for the production of earthquake containers compared to 9A in 2022, as well as +50% 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)



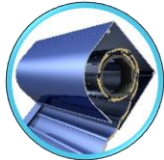
## **kim** RIGID

### 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.



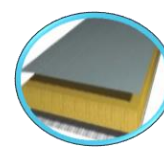
**SpraySystems**



**Roller Shutter Systems**



**Domestic and Industrial Refrigerator Systems**



**Continuous / Discontinuous Sandwich Panel Systems**



**Wood Imitation and Furniture Decorative Systems**

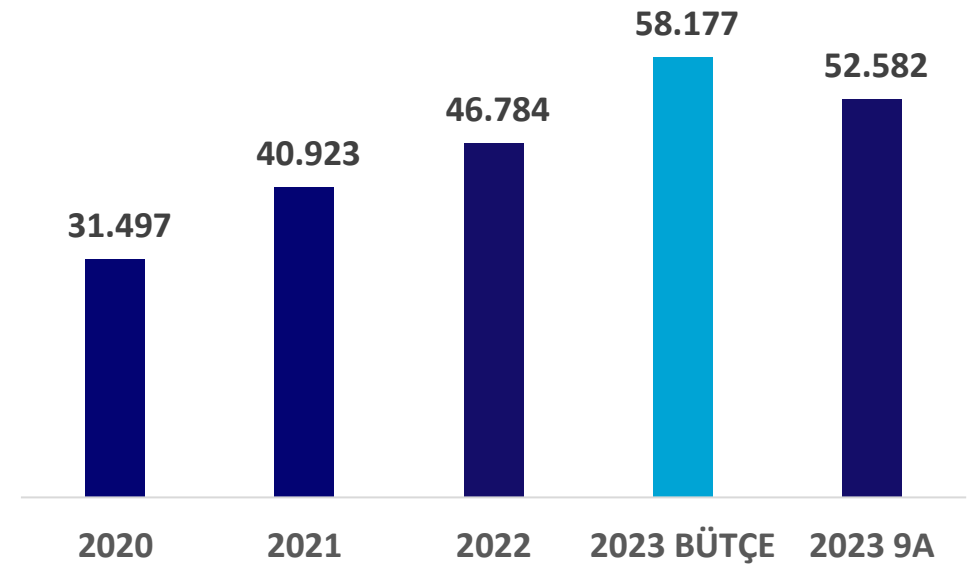


**Solar Panels and Solar Energy Systems**



**Pipe Insulation 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**

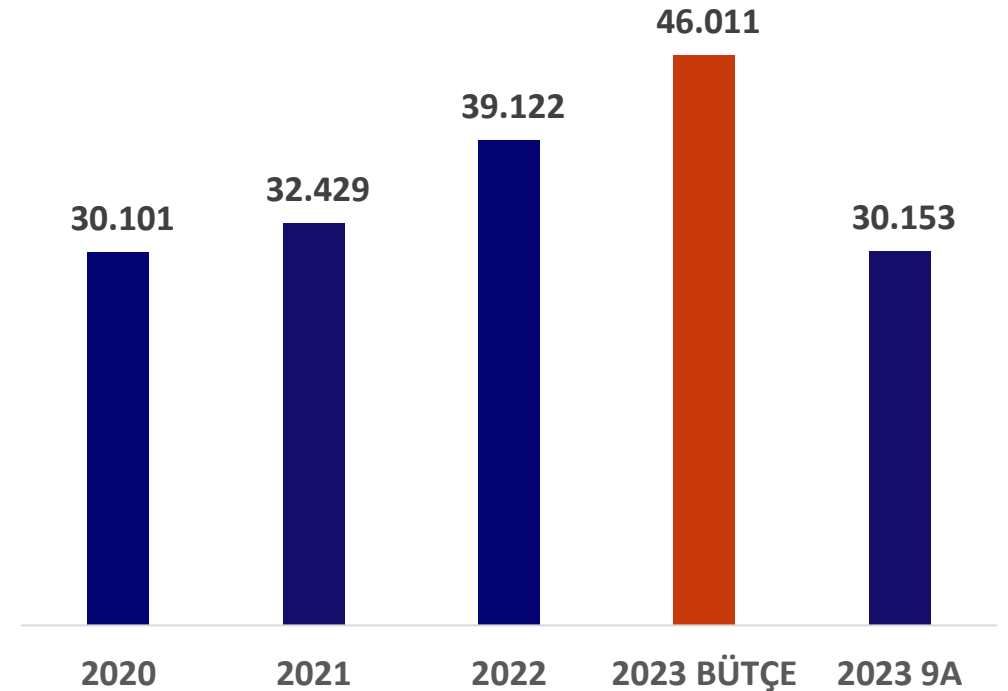


**Spring, Summer and Winter Base Systems**



**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 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**

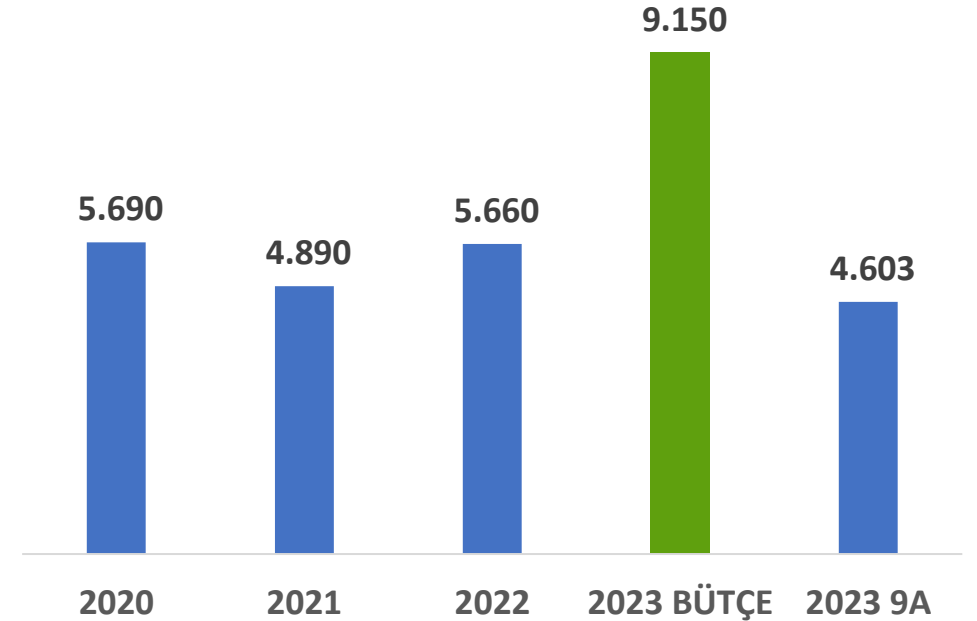


**Viscoelastic Systems**



**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**

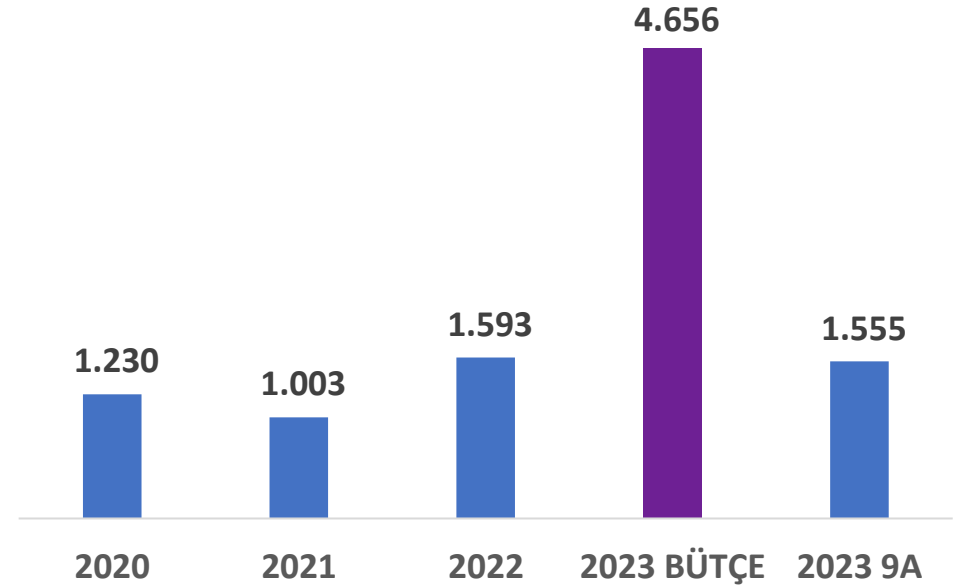


**Two Component  
Cast Elastomers**



**Electrical  
Insulation  
Systems**

## Special Products Sales Amount (Tons)



# POLYESTER POLYOLS



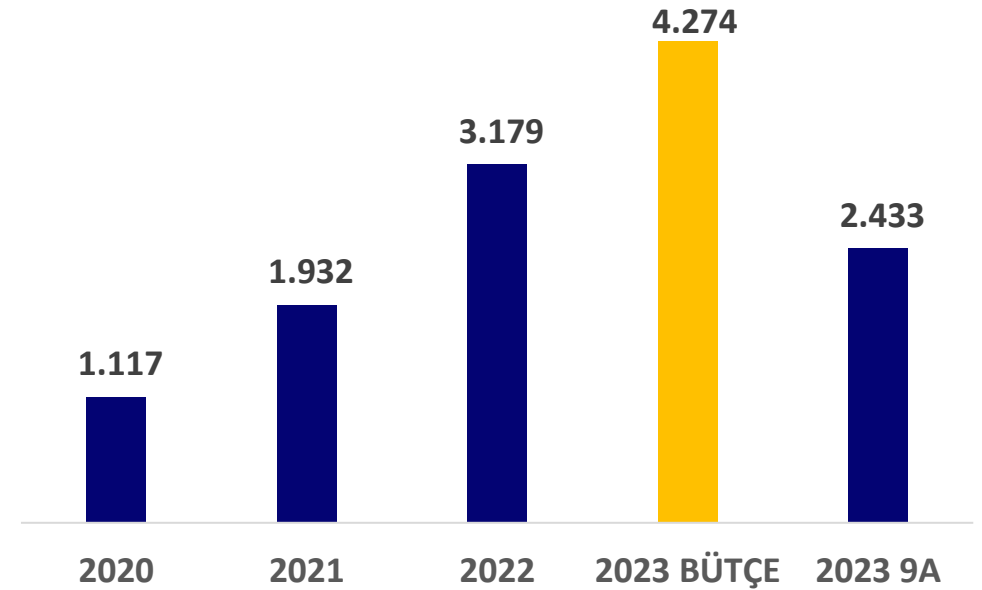
## **kim** POL POLYESTER POLIOLLER

- 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.



The sales activities of our polyester polyols with a company in India - potential 7000 tons!

## Sales Amount of Polyester Polyols (Tonnes)



Cooperation with a company in Spain to expand the sale of our polyester polyols in Europe: Potential 6000 tons!



# RAW MATERIALS

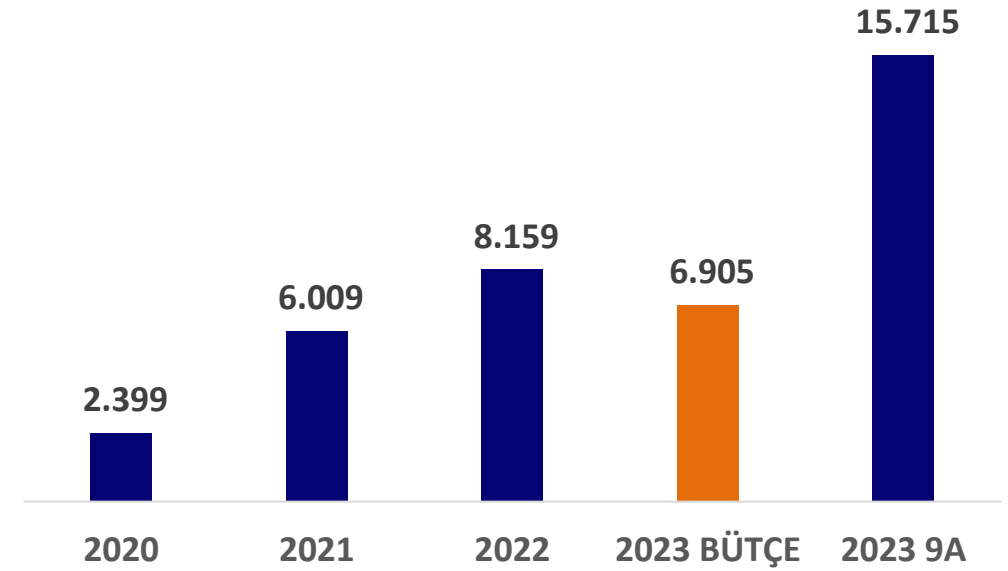


**kim RAW**<sup>®</sup>  
**HAMMADELER**

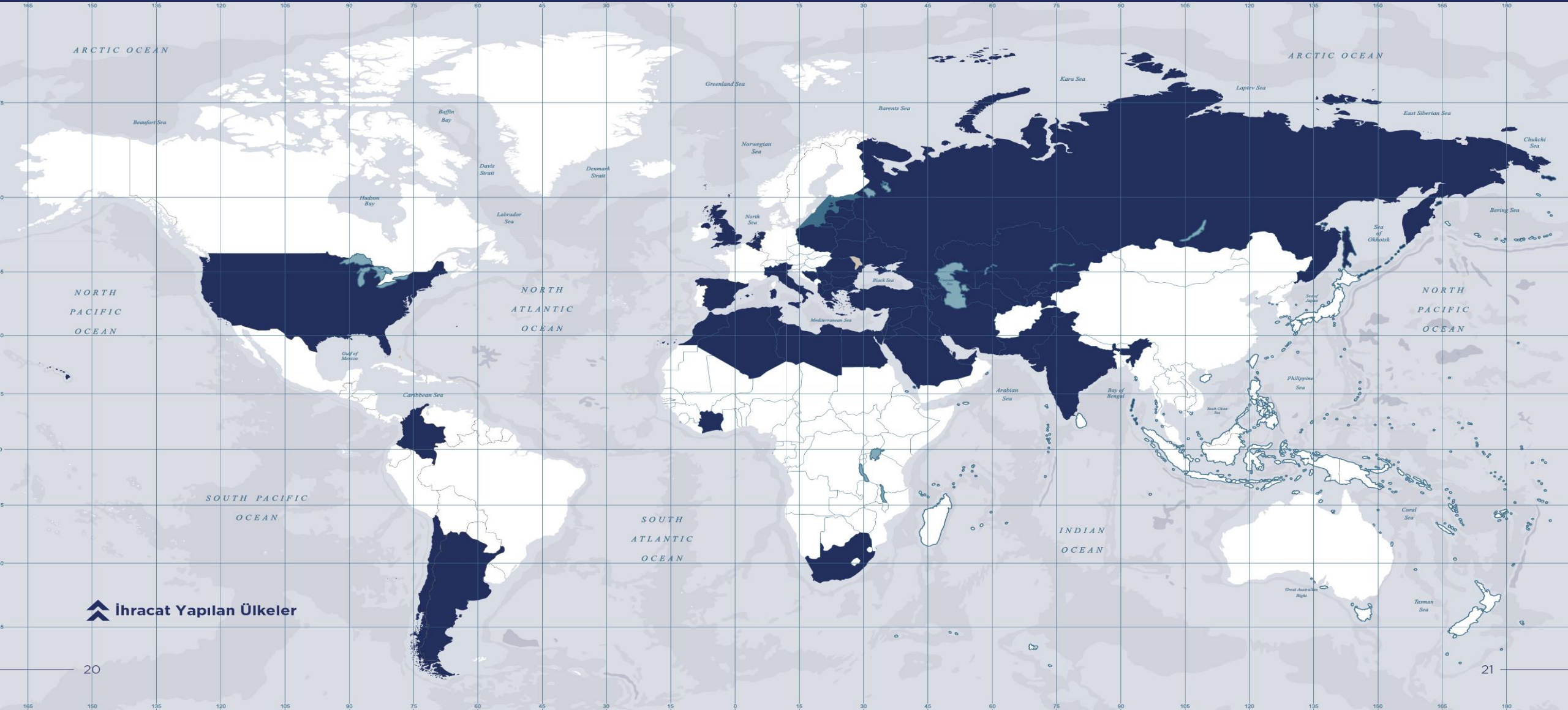
- The raw materials supplied by Kimpur are collected under Kimraw<sup>®</sup> product group and used in many different fields such as plasticisers, adhesives, construction chemicals and paints, especially polyurethane systems.



## Raw Material Sales Amount (Ton)



# STRONG EXPORT GROWTH STRATEGY (50+ COUNTRIES)



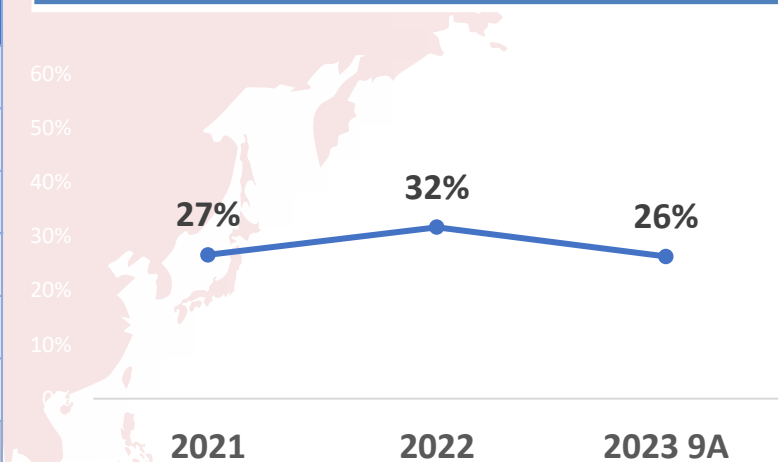
 **Ihracat Yapılan Ülkeler**

# STRONG EXPORT GROWTH STRATEGY



COUNTRY GROUPS (tons)	2021	2021 %	2022	2022 %	2022 9A	2022 9A %	2023 9A	2023 9A %
CIS Countries	3.250	13,9%	10.870	32,8%	9.012	37,3%	7.830	27,6%
African Countries	6.208	26,5%	6.536	19,7%	6.411	26,5%	7.006	24,7%
Middle East and Gulf Countries	10.714	45,7%	10.120	30,5%	5.359	22,2%	5.202	18,4%
European Countries	2.709	11,6%	4.897	14,8%	2.901	12,0%	7.567	26,7%
Asian Countries	432	1,8%	413	1,2%	266	1,1%	351	1,2%
American Continent	117	0,5%	340	1,0%	217	0,9%	381	1,3%
Grand Total	<u>23.430</u>	<u>100,0%</u>	<u>33.175</u>	<u>100,0%</u>	<u>24.166</u>	<u>100,0%</u>	<u>28.337</u>	<u>100,0%</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 TL 1,516 million in 2023 9M, up 35% 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  
Environment  
al 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
- [kimpur.com/en/our policies](http://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

Company developments, financial reports and material event disclosures are 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

### 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 risks 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 Society).



Kimpur is a signatory of the Business Plastics Initiative (BIPI), which was created to encourage concrete actions of private sector organisations towards the plastics issue; to bring together existing efforts in line with the Sustainable Development Goals; and to increase awareness and cooperation. 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 Prediction and Prevention of 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 Level of 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
- Approximately **55%** clean energy and **679 tons** of carbon dioxide emission reduction target with the SPP investment in Düzce
- 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<sup>®</sup> 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 tire waste in sound insulation systems
- Use of Graphene obtained from the recycling of automotive tyre waste in KIMflex<sup>®</sup> HR Foam Systems used in automotive and office chair production
- Obtaining ISO 14001 Environmental Management System certification
- Number of Reach audit certified products 56
- **We moved to our new green office with Leed Certificate!**



\*2018 Energy Management system, ISO50001 certificate was obtained in 2021  
\*\*It is based on ISO 14064 and ISO 14046 standards.



# ONGOING PROJECTS



- Energy-saving special system studies (2%)
- Recycling of polyurethane waste in refrigerator systems and reuse in rigid polyurethane systems
- Completion of 30% bio-based system studies in the refrigerator
- Recycling of shoe waste and its utilization in shoe polyurethane systems
- Recycling of sponge waste and utilization in flexible polyurethane systems
- Testing graphene from waste tires in footwear systems
- Continuous monitoring of European Union Projects and making relevant applications
- Obtaining IATF 16949 certification - 2024
- Product Life Cycle -LCA Reporting - 2026





# SUSTAINABLE EXPANSION / DÜZCE INVESTMENT



**March 2022:**  
Construction Start Date

**End of April  
2023:**

**July 2023:**  
Phase 1 Production  
Started



**17.015<sup>m2</sup> in Gümüşova OSB  
on 17.015 m2 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 m<sup>2</sup> 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.



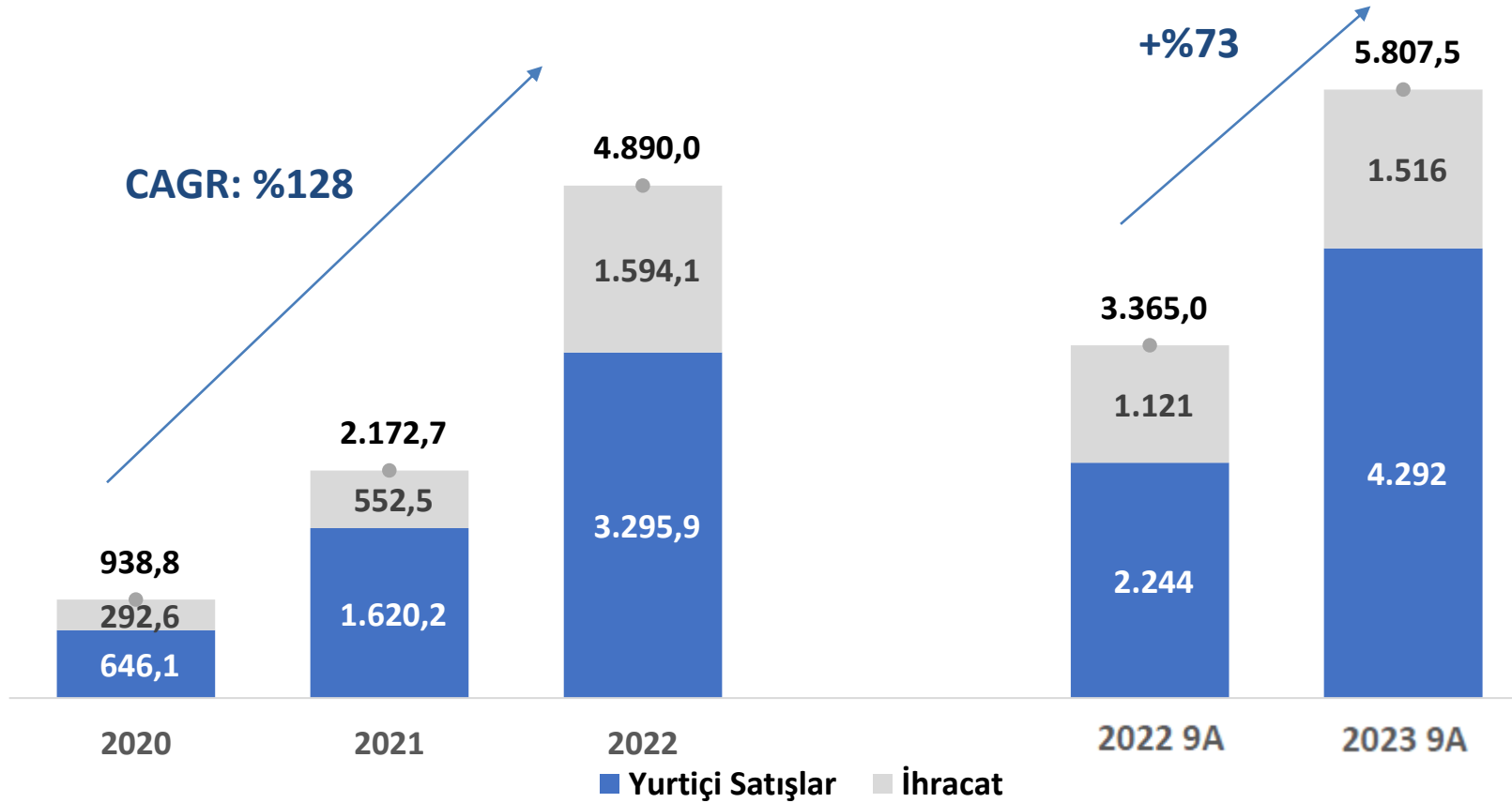
# **v. Record Profitability & Strong Financial Performance**

**(2023 9A - Critical Financial Indicators)**

# 2023: INCREASED EXPORTS & STABLE GROWTH



## Net Sales (Million TL)

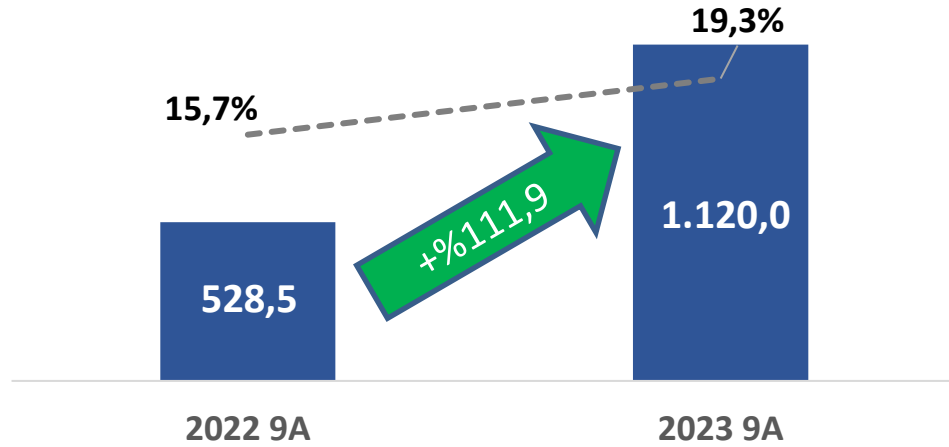


\* Registered exports and exports to free zones have been added.

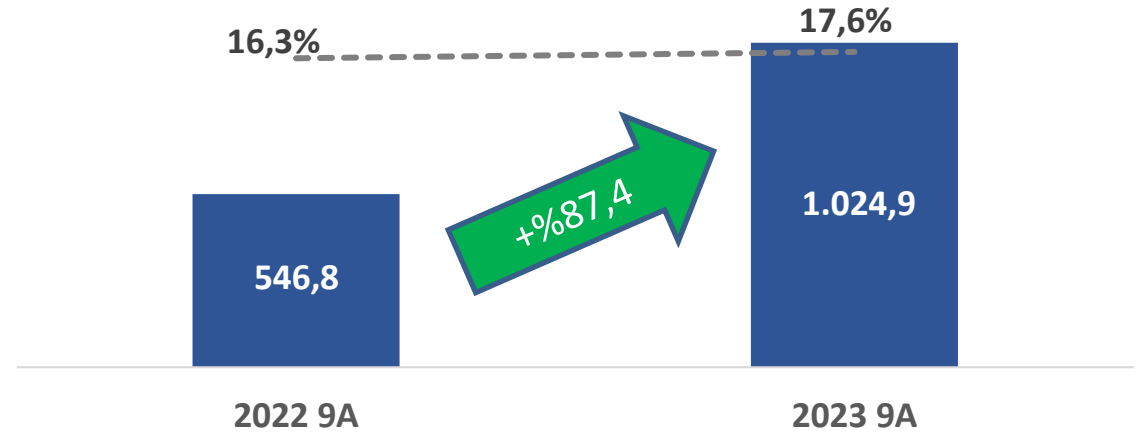
# 2023 RECORD PROFIT IN THE FIRST 9 MONTHS



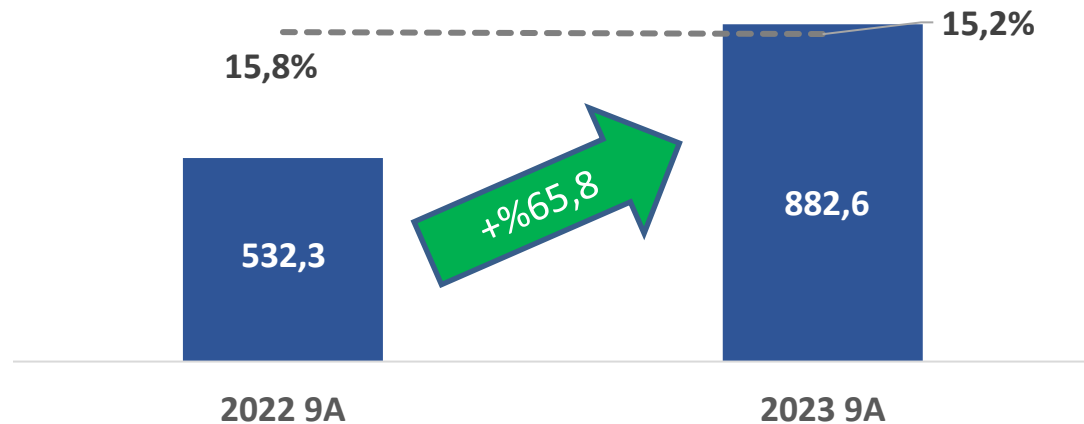
## Gross Profit (Million TL)



## EBITDA (Million TL)



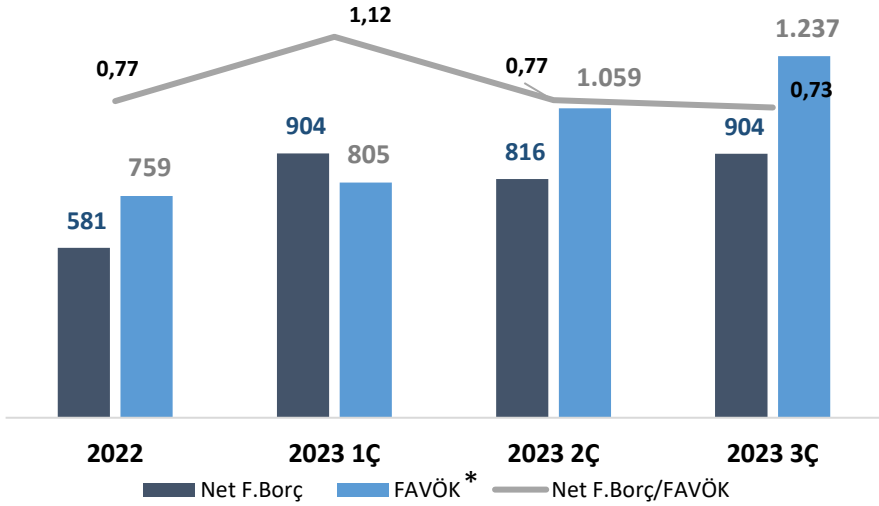
## Net Profit (Million TL)



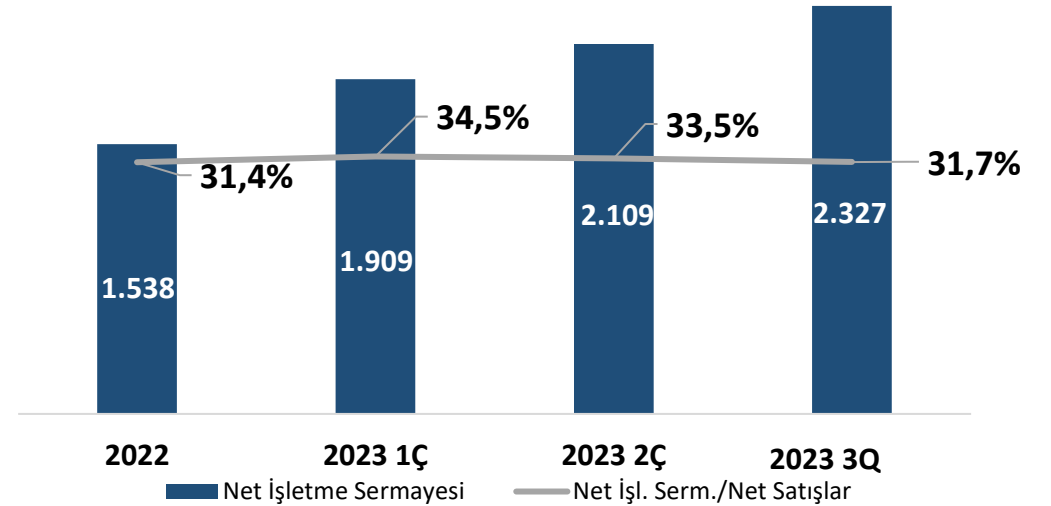
# STRICT BALANCE SHEET MANAGEMENT & HEALTHY FINANCIAL INDEBTEDNESS RATIOS



### Net Financial Debt (Million TL)

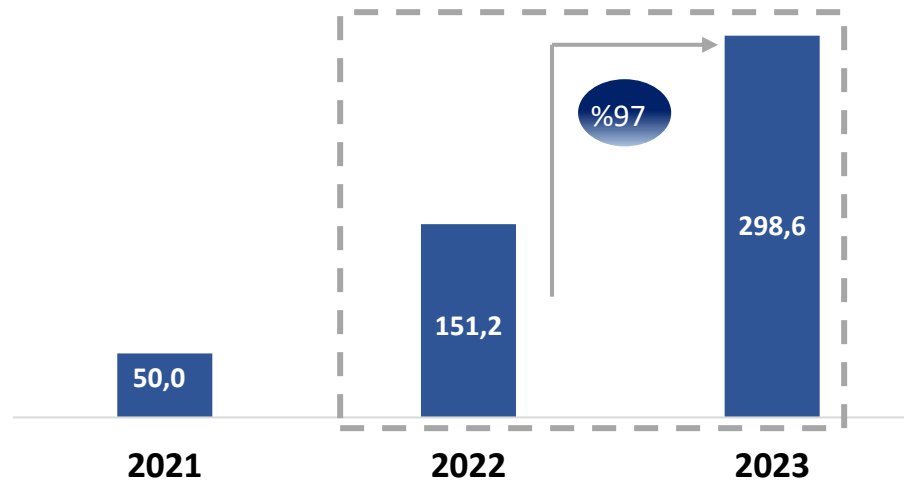


### Net Working Capital (Million TL)



\*Last 12 months EBITDA

### Dividend Development (Million TL)



# 2023 3. Quarter Highlights

2.207 billion TL

Net Revenue

%17,6

Gross Profit

Margin  
%136

EBITDA Growth

%31,7

Net Working Capital  
/ Sales

0.73

EBITDA / Sales

- Strong net revenue growth
- Significant growth levels in profitability
- Strong balance sheet ratios



+88% **strong** Net Revenue growth vs '22 Q2: 1,177 mTL



+159% growth in gross profit (388mTL vs 150mTL)



**285mTL Net Profit** (vs 176mTL); +61.4



Improved cash cycle with tight balance sheet management : 106 days vs June 2023: 110 days (Net Operating. Capital/Net Sales: 31.7% vs Jun 23: 33.5% / Dec 22: 31.4%)



Net Debt/EBITDA ratio **below 1** despite increasing working capital requirements ('23 September: 0.73 / '23 June: 0.77 / '22 December: 0.77)



# 2023 9A: RECORD PROFITABILITY & STRONG BALANCE SHEET



## RATIOS

<p><b>5,807 mTL Net Sales, +73% vs 2022</b></p> <ul style="list-style-type: none"> <li>• Domestic: +91</li> <li>• Exports*: +35</li> </ul>	<p><b>4,292 mTL Domestic Sales, +91 vs 2022</b></p> <ul style="list-style-type: none"> <li>• Wide customer portfolio in 6 different sectors</li> </ul>	<p><b>1,516 mTL Exports*, +35 vs 2022</b></p> <ul style="list-style-type: none"> <li>• Export to 50+ countries</li> </ul>
<p><b>1.120 mTL Gross Profit, +112 vs 2022</b></p> <ul style="list-style-type: none"> <li>• Cost efficiency impact from being the polyurethane system house with the highest production capacity (130 kT) in a single plant (RO%: 19.3 vs 15.7)</li> </ul>	<p><b>1.025 mTL EBITDA, +87 vs 2022</b></p> <ul style="list-style-type: none"> <li>• Cost reduction effect from increased volume, new products, new &amp; nish markets, improved profitability effect from increased export share</li> <li>• EBITDA % '23 9M: 17.6% vs '22 9M: 16.3</li> </ul>	<p><b>883 mTL Net Profit</b></p> <ul style="list-style-type: none"> <li>• Higher operational profitability</li> <li>• Incentives (R&amp;D &amp; Medium and High Technology Investments, 4. Regional Incentives etc.) maximized utilization &amp; significant tax advantages</li> </ul>
<p><b>904 mTL Net Financial Debt</b></p> <ul style="list-style-type: none"> <li>• Net Financial Indebtedness/EBITDA below 1 despite increasing net debt in line with business volume: 0.73 (Dec '22: 0.77/ Jun '23: 0.77)</li> </ul>	<p><b>Net Business Capital 2.326 mTL</b></p> <ul style="list-style-type: none"> <li>• Strict balance sheet management</li> <li>• Net Business Capital/Net Sales: 31.7% vs December '22: 31.4% &amp; June '23: 33.5%</li> </ul>	<p><b>Optimum FX Position</b></p> <ul style="list-style-type: none"> <li>• Optimal FX position management with increasing export volume and proactive hedging policy</li> </ul>

\* 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



# 2024 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
- ✓ 2024 tonnage growth target above 10% in line with price determination report
  - Export/Total Sales ratio > 30%
  - Decomposition of the impact of domestic market - rigid - earthquake containers





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