

SASA

POLYESTER SAN. A.Ş.

SASA IS AN



ERDEMOĞLU
HOLDİNG

ESTABLISHMENT

June 2022

Disclaimer

This presentation (“**Presentation**”) was prepared exclusively by Sasa Polyester San. A.S (“**Sasa**”) solely for informational purposes and has not been independently verified and no representation or warranty, express or implied, is made or given by or on behalf of Sasa. This Presentation contains selected information about the activities of Sasa and its subsidiaries and affiliates (together the “**Group**”). It does not purport to be a comprehensive overview of the Group or contain all information necessary to evaluate an investment in the Group. As this Presentation only contains general, summary and selected information about the Group, it may omit material information about the Group and is not a complete description of the Group’s business and the risks relating to it. Nothing in this Presentation is, or should be relied upon as, a promise or representation as to the future. This Presentation is being communicated to selected persons who have professional experience in matters relating to investments for discussion purposes only and is incomplete without reference to, and should be viewed solely in conjunction with, any other publicly available information and discussions with Sasa. Neither this Presentation nor any of its contents may be used for any other purpose without the prior written consent of Sasa.

This Presentation does not constitute or form part of, and should not be construed as, an offer or invitation or inducement to subscribe for, underwrite or otherwise acquire, any securities of Sasa, nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of Sasa, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever.

This Presentation is not an advertisement and not a prospectus for the purposes of Regulation (EU) 2017/1129 or Regulation (EU) 2017/1129 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018.

Certain statements in this Presentation are forward-looking statements. These statements may be identified by words such as "expectation", "belief", "estimate", "plan", "target" or "forecast" and similar expressions, or by their context. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions affecting the industry, intense competition in the markets in which Sasa operates, costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting Sasa’s markets, and other factors beyond the control of Sasa).

Neither Sasa nor any of its directors, officers, employees, advisors, or any other person is under any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak of the date of this Presentation. Statements contained in this Presentation regarding past trends or events should not be taken as a representation that such trends or events will continue in the future. No obligation is assumed to update any forward-looking statements. The information contained in this Presentation is provided as at the date of this document and is subject to change without notice.

[This Presentation contains data sourced from and the views of independent third parties. In placing such data in this document, Sasa makes no representation, whether expressed or implied, as to the accuracy of such data. The replication of third party views in this Presentation should not necessarily be treated as an indication that Sasa agrees or concurs with such views.]

Neither Sasa nor any of its directors, officers, employees or advisors, nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the fairness, accuracy or completeness of the information contained in the Presentation or of the views given or implied. Neither Sasa nor any of its directors, officers, employees or advisors nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of or reliance on any information contained in or omitted from or otherwise arising in connection with this Presentation. It should be noted that certain financial information relating to Sasa contained in this document has not been audited and in some cases is based on management information and estimates.

This Presentation is intended to provide a general overview of Sasa’s business and does not purport to include all aspects and details regarding Sasa. This Presentation is furnished solely for your information, should not be treated as giving investment advice and may not be printed or otherwise copied or distributed. Subject to limited exceptions described below, the information contained in this Presentation is not to be viewed from nor for publication or distribution in nor taken or transmitted into the United States of America (“**United States**”) or any jurisdiction where such distribution is unlawful and this Presentation does not constitute an offer of securities for sale in any of these jurisdictions.

This Presentation does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person or in any jurisdiction to whom or in which such offer or solicitation is unlawful.

In particular, any securities offered by Sasa have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state or other jurisdiction of the United States and such securities may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

By receiving this Presentation, you agree to be bound by the foregoing limitations. This Presentation does not constitute investment, legal, accounting, regulatory, taxation or other advice and does not take into account your individual investment objectives. No recommendation is made as to how investors should exercise any investment decision. Any investor that intends to deal in any existing or prospective securities of the Group is required to make its own independent investigation and appraisal of the business and financial condition of the Group and the nature of the securities at the time of such dealing.

SASA – Executive Summary

1

SASA is a pioneer in the polyester sector with more than 55 years market presence, #1 in Turkey and ranks among the leading global producers for specialty polyester polymers, staple fibers and filament yarns

2

SASA's significant incessant investments serve its vision to "become the largest supplier of high-value added polyester in the region and beyond"

3

SASA has been listed at the BIST since 1996 and is majority owned by anchor shareholder Erdemoğlu Holding while being managed by a highly experienced, long-serving management team

4

SASA's planned investments in capacity addition (+2,200 ktons) to support creating a vertically integrated specialty polyester manufacturer in Turkey serving both high domestic and international demand

5

The Turkish polyester market is expected to outgrow the global market with c. 10% (vs. 5% global market) until 2030 driven by domestic secular growth trends additionally fueled by COVID-19

6

Promising Turkish market fundamentals with strong GDP growth and stock market recovery expectations while Lira exchange rate to follow mean reversion in the medium term

I

Company Profile

II

Financial Indicators

III

Market Outlook

IV

Turkey Macroeconomic Outlook

V

Appendix

SASA – Mission, Vision and Values



Mission

*SASA has identified the polyester market as its key area of focus for investment. Its strategic target is to be one of the world's largest, fully integrated polyester companies by 2030 and «**to make Turkey the largest polyester producing country**» after China and India*

Vision

*By increasing sales and production capacity as well as developing new products, SASA **aims at creating a strong brand value, protecting its leadership position in Turkey and strengthening it's position as a global player in EMEA region***

Values

*SASA carries on its activities with **highest safety standards by adopting the principle of working in compliance** with global and local ethic values, fulfilling social responsibilities with an environmental consciousness and making customer satisfaction it's first priority*

“Becoming the largest supplier of high-value added polyester in the region and beyond”



Business Description

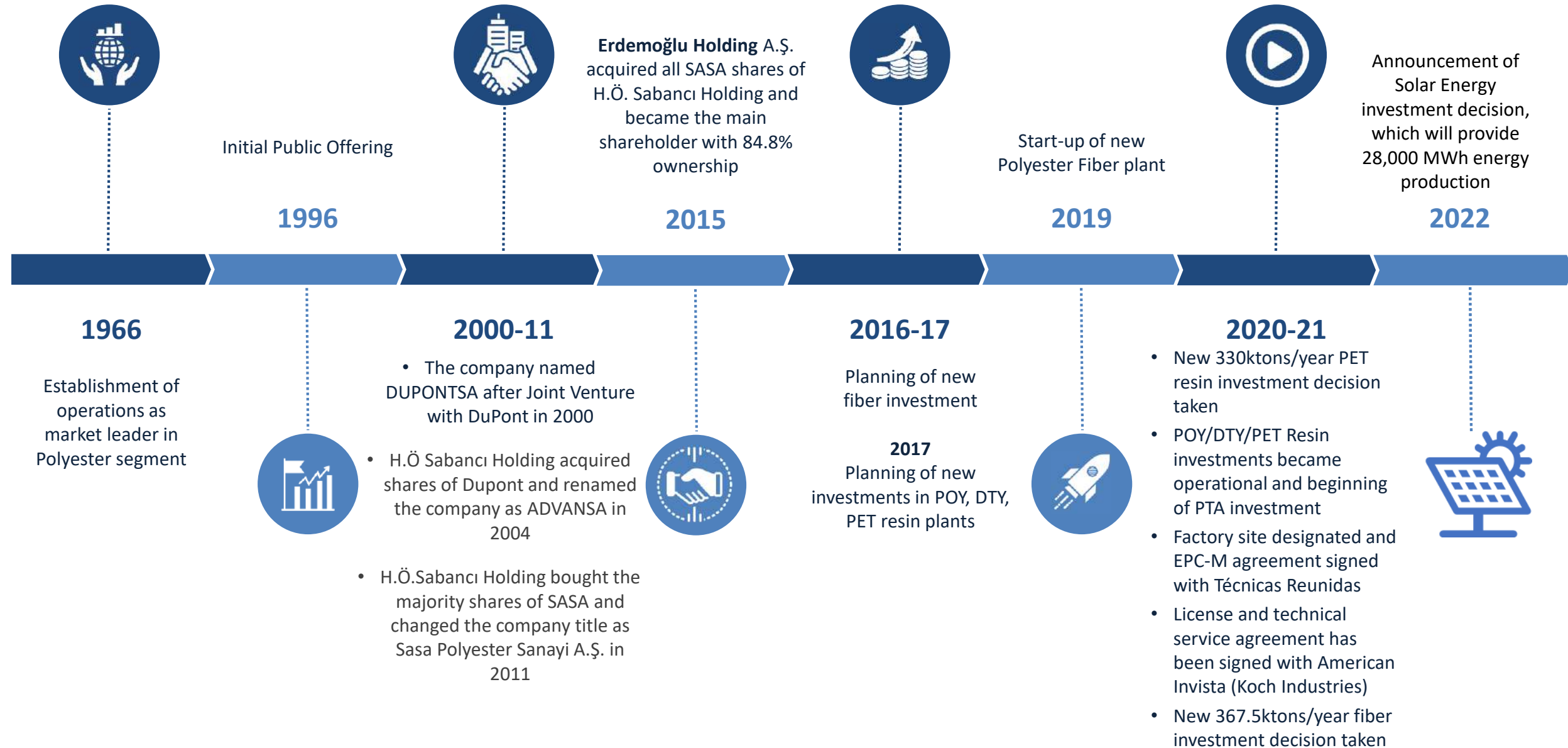
- Leading producer in the world for polyester staple fibers, filament yarns, polyester-based and specialty polymers and intermediates
- Combining and blending a powerful technical inheritance and innovation culture with a high production capacity
- Fully integrated operations from design to production and distribution
- Investment oriented high growth, especially in high value-added product range
- ESG are determining priority in business model

Key Facts

- **Financial profile:** USD 1,656 m with a 19% EBITDA Margin in 2021
- **FTE:** 4,552 employees (by March 2022) (6,500+ employees post envisaged investments)
- **Customers/end-markets:** Strong and blue chip customer base and well diverse market penetration
- **Technology:** State-of-art technology investment and manufacturing setup in every production line
- **Transformation:** At the edge of transforming to a global specialty player

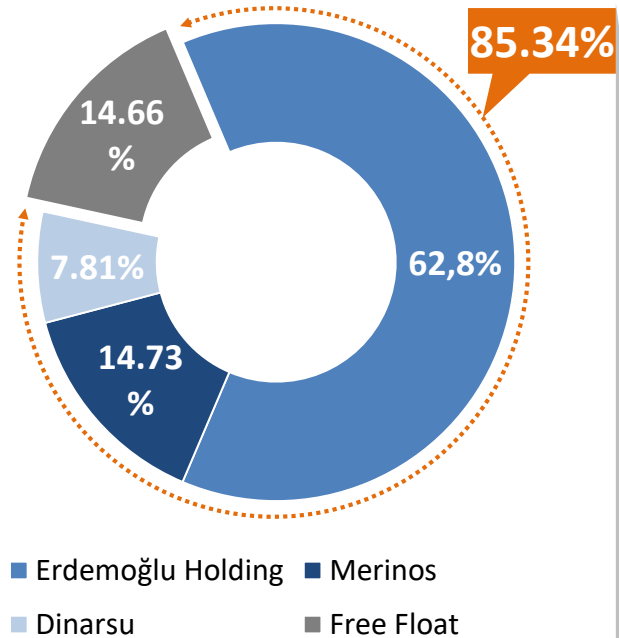
With its proven business model and its distinct, winning features, SASA has all the necessary ingredients to deliver up on our vision: "Becoming the largest supplier of high-value added polyester in the region and beyond"

SASA – Key Milestones



SASA – Shareholder Structure

SASA Shareholder Structure



Anchor Shareholder Base

Erdemoğlu Holding A.Ş. and subsidiaries (Merinos Halı Sanayi ve Ticaret A.Ş. and Dinarsu İmalat ve Ticaret T.A.Ş.) together own 85.34% of SASA total shares

Source: Company information

Deep dive into Erdemoğlu Holding (2021)



- Erdemoğlu Holding, operates in different sectors including machinery carpet, specialty polymers and chemicals, home textile and yarn with 50 years of experience
- Erdemoğlu Holding became the main shareholder of SASA, by acquiring the shares of H.O. Sabancı Holding in 2015

Key Group Indicators:

- USD 2.7 b total asset size
- USD 2.5 b sales
- USD 592 m EBITDA

Carpet

- Among the 5 largest carpet manufacturers of the world with 68 million m²
- Exports to 61 countries
- 87% of revenues is generated from export markets

Brands



Market Share

5%
in Global

30%
in Local

Home Textile

- In the sector since 2007
- Facility in Uşak with 18.000 tons production capacity

Product Range

- | | |
|-----------------|--------------------|
| i. Rugs | v. Towel |
| ii. Duvet sets | vi. Bathrobe sets |
| iii. Sleep sets | vii. Bathroom sets |
| iv. Quilts | |

Market Share

1%
in Global

20%
in Local

Yarn

- In the sector since 1992
- Facility in Gaziantep and Tekirdağ with 172.000 tons production capacity

Brands

- Ak-Al iplik joined the Holding in 2011, operates under Dinarsu
- Production plant in Zonguldak

Market Share

5%
in Global

30%
in Local

Board of Directors

	Name	Title	Total Experience	With SASA
1	İbrahim ERDEMOĞLU	Chairperson	39 Years	7 Years
2	Ali ERDEMOĞLU	Deputy Chairperson	51 Years	7 Years
3	Mustafa Kemal ÖZ	Board Member	26 Years	23 Years
4	Mehmet ERDEMOĞLU	Board Member	12 Years	7 Years
5	Mehmet ŞEKER	Board Member	19 Years	5 Years
6	Güven KAYA	Board Member	30 Years	26 Years
7	İrfan BAŞKIR	Board Member	29 Years	29 Years
8	Kadir BAL	Independent Board Member	21 Years	2 Years
9	Hacı Ahmet KULAK	Independent Board Member	26 Years	4 Years
10	Ayten TOPALKARA	Independent Board Member	26 Years	1 Years
11	Servi SEBE	Independent Board Member	21 Years	1 Years
			>300 Years	>112 Years

Advisors to Board of Directors

Prof.Dr. İbrahim M. Turhan

- Holds PhD in Economics
- Previously Deputy Governor of CBRT, Chairman and CEO of Borsa Istanbul, Chairman of Turkish Settlement Bank
- Member of Global Agenda Council , World Economic Forum

Dr. Ersin Acar

- Holds PhD in Chemistry
- Previously researcher of General Electric R&D Center in US, Albany for 5 years
- Owns more than 12 patents

SASA – Experienced Management & Strong Track-record

Management Board



CEO

Dr. Mustafa Kemal ÖZ

- 23 years with SASA
- Holds PhD in Chemistry

>111
years

Market Capitalization Evolution since 2017



CFO

Şakir S. YENER

- Responsible for financial operations and reporting
- 30 years with SASA
- Holds BA degree in Business Administration

CIO

Güven KAYA

- Responsible for investments and technical coordination
- 26 years with SASA
- Holds MS in Chemistry

COO

Alper SÖĞÜT

- Responsible for Polymers & Chemicals Businesses
- 20 years with SASA
- Holds BS in mechanical engineering

COO

Sivakumar NATARAJAN

- Responsible for Filament Business Units
- 2 years with SASA
- Holds BS in textile technology

COO

Ersay NİSANOĞLU

- Responsible for Fiber Business Units
- 10 year with SASA
- Holds MS in Chemistry



SASA – Product Portfolio and End-markets Served

Key products (FYE 2021)



- Polyethylene Terephthalate
- Dimethyl Terephthalate
- Polybutylene Terephthalate
- Thermoplastic Elastomers
- Dioctyl Terephthalate
- Differentiated Co-Polymers



- Fiberfill
- Nonwoven
- Textile



- Drawn Textured Yarn
- Partially oriented yarn

End-markets served (FYE 2021)



Fiber is rendered as pillow, padding into toys, quilt, all kind of coats, furniture padding, bed, decorative toss pillows after the paddings are combed, rendered in bead form or fiber tying.



We create value with special solutions and special products (such as high-viscosity and hydrolysis resistant PET's) for our customers in textile sector providing services for very different and wider sectors.



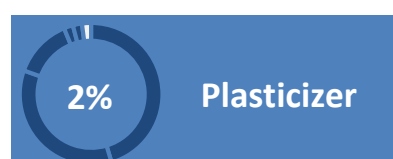
Our film type PET products are used in the production of film and packaging materials which shall or shall not be in contact with food.



Our high viscosity polyester polymer products are used in industrial applications requiring higher strength by depending on their final use places.



Our polymer, fiber and filament products are used in the production of automotive parts.



The phthalate-free product called SASA Plus 88 is used as a plasticizer in PVC production.

Core offering

***Differentiated
and high
value-added
polyester
solutions for
targeted
end-markets***

SASA – Key Strength Factors



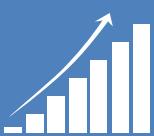
Operating in the industry of ***polyester polymers, staple fibers and filament yarns***, SASA constitutes a major share of **global production capacity with its polymerization capacity of 1,365,000 t/year in 2020** based on both DMT⁽¹⁾ and PTA⁽²⁾ technology



As largest polyester producer in Turkey, **SASA provides highly tailored and specialty polyester solutions for demanding, resilient end-markets both domestic and international**. Its plan to become a fully vertical integrated polyester producers will provide SASA with an additional competitive edge vs. peers cementing its leadership position



SASA's R&D Department was formed in 2000 and certified as «R&D Centre» by The Ministry of Industry and Technology in 2018. With 30+ employees headed by a very experienced advisor and with USD 1.3 m+ budget in 2022, ***SASA plans to add additional patents/IP and expertise to its existing product pipeline***

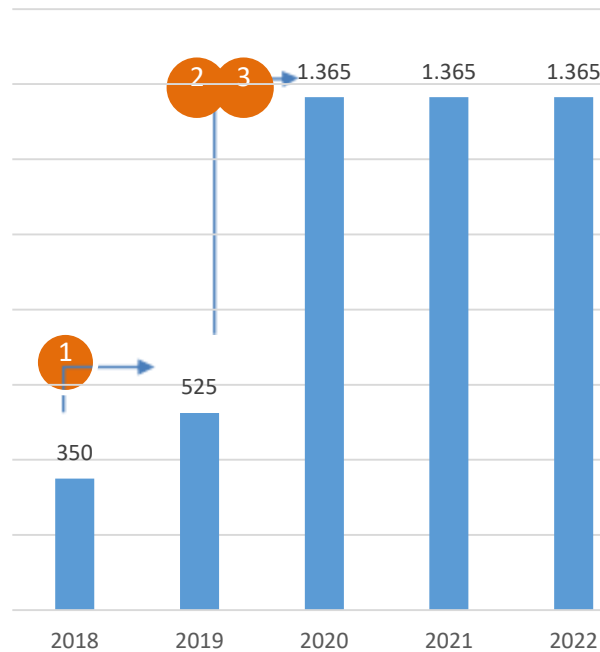


SASA activities in polyester production dates back to 1966. Since its establishment, ***the company has been one of the pioneer corporations in its field, demonstrating rapid growth thanks to the incessant investments***

Source: Company information, Notes: (1) DMT = dimethyl terephthalate, (2) PTA = purified terephthalic acid

SASA – Recent Capital Expenditure

SASA's total capacity (tons p.a.)



Rationale

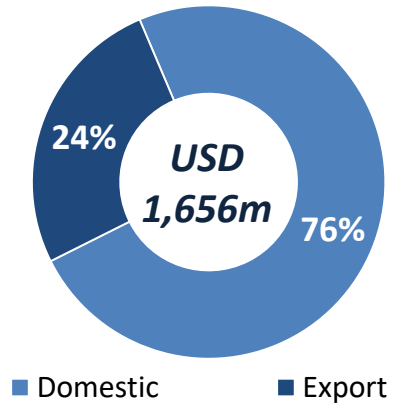
- **Regional strategy of SASA:** Rank among top producer and become production base in MENA region
- **International vision of SASA:** Be the biggest polyester producer after China and India

	1	2	3
	Fiber Investment	POY/TEXTURIZE	MTR
Rationale	Commitment of new shareholder to deliver upon SASA's mission		
Investment Amount	EUR 210 M	EUR 315 M	EUR 65 M
Contribution to Capacity (p.a.)	350K tons	350K tons	315K tons
Completion Date	2019 – 2Q	2020 – 2Q	2020 – 3Q
Completion Time	3 years after public disclosure announcements of investments	3 years after public disclosure announcements of investments	3 years after public disclosure announcements of investments
Contribution to Sales (2021)	USD 400 M	USD 480 M	USD 330 M
Financing Details	<ul style="list-style-type: none"> • 15% Capital, 85% Debt • ECA Credit - 10 years maturity with 2 years grace period • Other investment loans with 3 to 10 years maturity 	<ul style="list-style-type: none"> • 25% Capital, 75% Debt • 10 years maturity with 2 years grace period • Other investment loans with 3 to 10 years maturity 	<ul style="list-style-type: none"> • 25% Capital, 75% Debt • ECA Credit, 10 years maturity with 2 years grace period • Other investment loans with 3 to 10 years maturity
Breakdown of Loans	EUR 60 M - 2+6 Years – 4.84% - Commercial Loan EUR 60 M - 2+10 Years – 3.16% - ECA EUR 20 M - 2+8.5 Years – 2.85% - ECA EUR 20 M – 10 Years – 4.74% - EXIM Investment Loan EUR 20 M – 5 Years – 5.68% - Investment Loan EUR 30 M Equity	EUR 220 M - 2+10 Years - 2.50% - ECA Loan EUR 35 M - 2+3 Years - 4.95% - EXIM Investment Loan EUR 10 M - 3 to 10 Years - 1.80% - Loans from various financial institution TL 150 M - 3 to 10 Years - 17.50% - Loans from various financial institution EUR 90 M Equity	
Loan Amount Repaid	EUR 85 M (41% of total)	EUR 98.5 M (26% of total)	

Source: Company information, KPMG report, Deloitte Audit Report

SASA – Customer Base

SASA Sales Split⁽¹⁾ (2021)



Selected customers



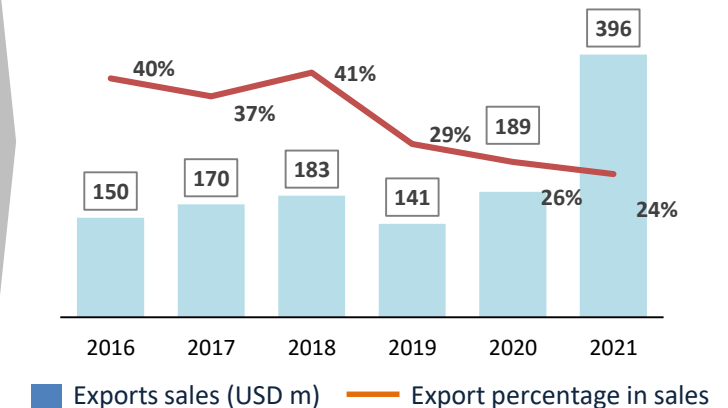
Well diversified and loyal customer base both domestically and internationally reduces concentration risk

Domestic	Customer	Weight in Sales	Product
	1	13.3%	Fiber-Yarn-POY
	2	4.7%	Textile Chips
	3	3.8%	Fiber-POY
	4	2.7%	Textile Chips-Yarn-POY
	5	2.6%	Textile Chips
	6	2.5%	Yarn-POY
	7	2.3%	Textile Chips-Yarn-POY
	8	2.2%	Textile Chips
	9	2.2%	Textile Chips
	10	2.0%	Yarn- POY
	Sum top 10	40.9%	

Export	Customer	Country	Weight in Sales	Weight in Export ⁽¹⁾	Product
	1	Germany	2.6%	10.8%	Textile Chips
	2	Germany	1.4%	6.0%	Textile Chips
	3	Germany	1.0%	4.2%	Fiber
	4	Germany	0.9%	3.8%	Fiber
	5	Italy	0.9%	3.6%	Fiber
	6	Israel	0.8%	3.4%	Textile Chips
	7	Finland	0.8%	3.2%	Textile Chips
	8	Germany	0.6%	2.7%	Textile Chips
	9	Israel	0.6%	2.5%	Textile Chips
	10	France	0.6%	2.5%	Fiber
	Sum top 10		10.2%	42.7%	

- Domestic clients are mostly export oriented producers
- 99% of all sales are priced in hard currency and this gives SASA a solid ground against FX fluctuations
- Geographical distribution of SASA sales ensures company's profitability against any kind of non-systematic risks

Exports sales and export percentage in sales (USD m)



Source: Company information, Notes: (1) including exports and sales subject to export

SASA – ESG Governance

Transparency and Accountability

All financial reports and material event disclosures are announced at Public Disclosure Forum and Website

www.sasa.com.tr

Management Board and Committees

Erdemoğlu Holding Internal Audit Unit is responsible for internal audit of SASA. Management structure is formed by related regulations and ESG policies



Sustainability Committee

- The Committee targets to increase the value generated by the Company's in environmental, social and corporate governance areas and to compose its sustainability strategy, to set its policies in the field of sustainability, its goals based on science, and to conduct, monitor and supervise its practices in this regard.



Audit Committee

- Disclose company's financial reports and oversight efficiency of internal audit and control systems
- Submits suggestions and evaluations to the SASA's Board of Directors within its capacity



Early Detection of Risk Committee

- Focus on strategic, operational and financial risks which could affect company's operations
- Committee directly reports to the Board of Directors its findings, risk management actions and suggestions



Corporate Governance Committee

- Make sure that SASA's operations are based on ethic principals, responsibility for internal or external stakeholders, transparency, and sustainable management
- Makes evaluations and suggestions to the Board of Directors in order to set corporate governance principals for SASA in line with Capital Markets Board of Turkey's corporate governance principals and international best practices



Policies and Regulatory Framework

Corporate governance is at the center of the management philosophy of SASA. As a requirement of being a listed company, SASA also fulfils the Capital Markets Board Corporate Governance Principles

Monitoring and Internal Control

All committees actively operate with the Company's Management Board

SASA – ESG Policies (1/2)

SASA’s initiative

- Our environmental management unit, approved by the Ministry of Environment, Urbanization and Climate Change, manages the **environmental management system** in accordance with the legislation.
- **Waste water treatment** facility has 6.945 tons of water treatment capacity
- **Recycling:** SASA /Uhde Inventa Fischer, to be recycled 20% polyester in PET chips production with 66k tons p.a. by 2023
- Consistent **emission measurements**
- **Greenhouse gas emissions** are uploaded to the system of the Ministry of Environment, Urbanization and Climate Change after being calculated within the scope of the Regulation on the Monitoring of Greenhouse Gas Emissions and verified by verifiers accredited by Turkish Accreditation Agency (TÜRKAK)⁽¹⁾
- **Temporary storage areas for hazardous wastes**
- **Zero Waste Commitment**⁽²⁾ certified by The Ministry of Environment, Urbanization and Climate Change

SASA ESG Risk Rating⁽³⁾



International Environmental Standards and Sustainability Assessment Organizations



“Our aim is to prevent all injuries, occupational illnesses, major incidents and environmental pollution. We believe in The Goal Of Zero and that it is achievable and sustainable. ESG is a fundamental component of SASA’s long-term business strategy. We consider ESG implications in the full spectrum with the intent to protect associates, neighbours, business assets, natural resources and the environment.”

SASA’s ESG mission



Notes: (1) In addition, our facility calculates the corporate carbon footprint within the scope of ISO 14064-1 and the calculations are verified by Bureau Veritas, (2) Qualified for “Zero Waste Certification” in Mar-2020 with validity up to 2025 and subject to periodic audits, (3) Results are based on the assessment by Sustainalytics as of March 2, 2022



Education projects

- Mehmet Erdemoğlu Foundation has financed 20 different education projects including faculties, dormitories and schools
- The Foundation has provided scholarships for over 18,000 students since 1998
- Total funds spent for education projects amounts to USD 35 M

Health projects

- Two Family Health Centers are built by Foundation in Adiyaman, South Eastern Turkey
- Total funds spent for health projects amounts to USD 1 M

Social projects

- The Foundation also implemented social projects via building social facilities for deprived people, mosques and condolence houses
- 13 different projects were funded by the Foundation
- Total funds spent for social projects amounts to USD 20 M

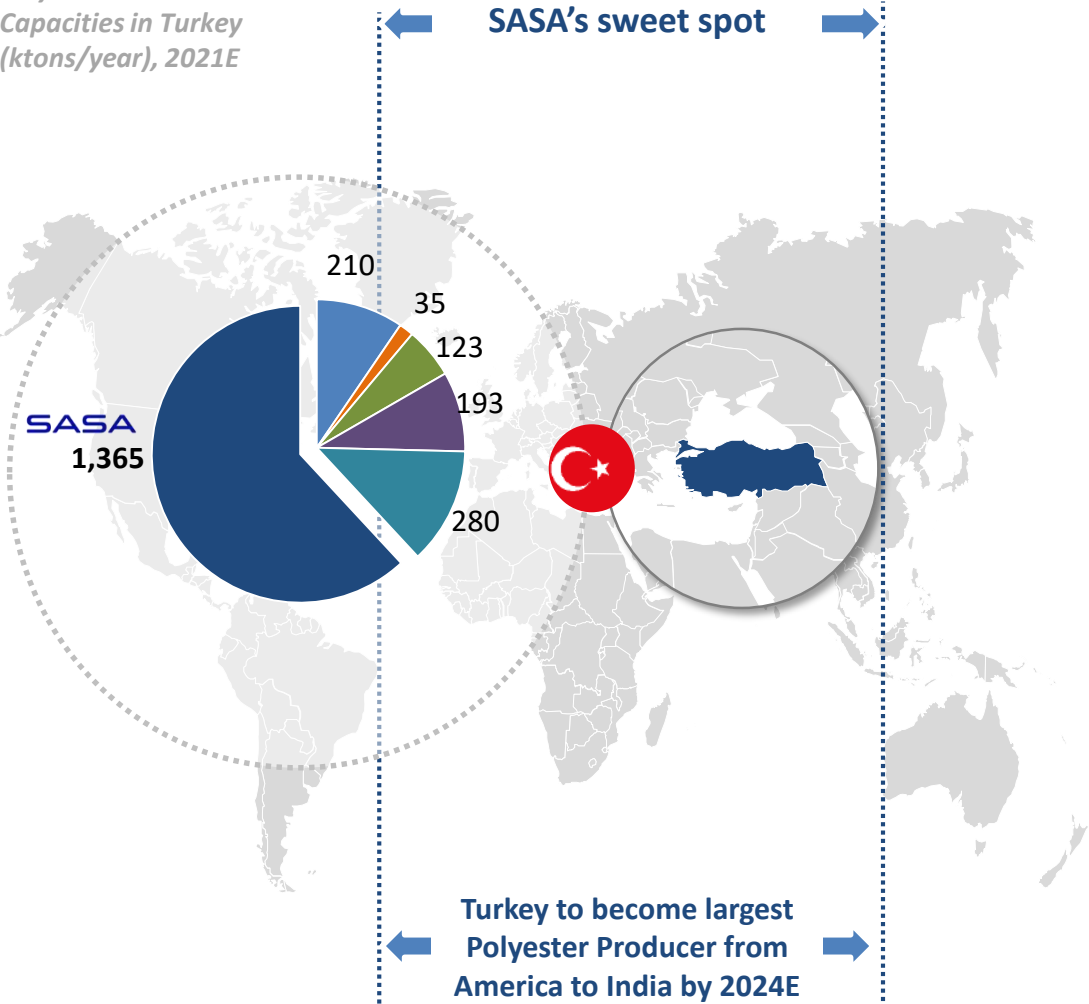
Other projects

- Police stations, foot bridges, parks and museums are amongst other projects funded by Mehmet Erdemoğlu Foundation
- Total funds spent for other projects amounts to USD 28 M

SASA – Recap of Investment Highlights

#1 market positioning with strong fundamentals...

*Polyester Producers
Capacities in Turkey
(ktons/year), 2021E*



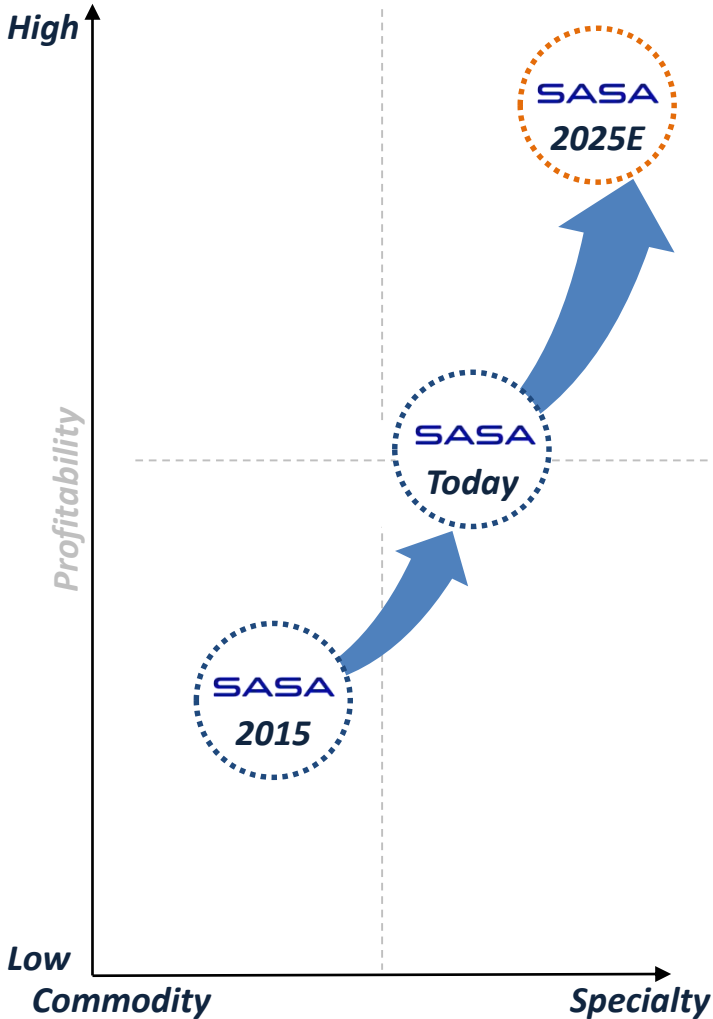
Source: Company information, Wood Mackenzie Aromatics



...combined with specialty portfolio



...to accomplish its vision



“Becoming the largest supplier of high-value added polyester in the region and beyond”

I

Company Profile

II

Financial Indicators

III

Market Outlook

IV

Turkey Macroeconomic Outlook

V

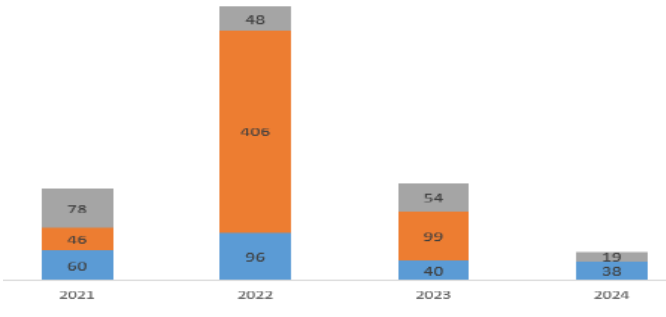
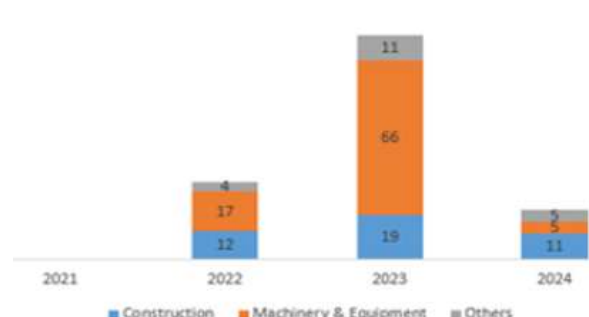
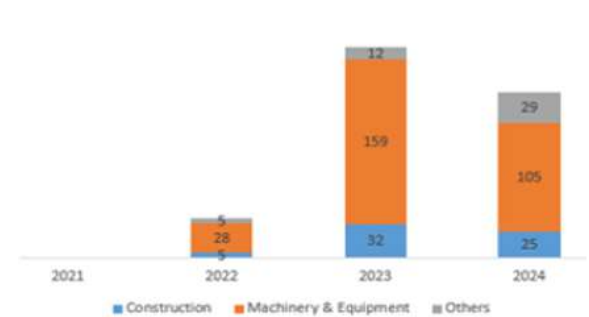
Appendix

SASA – Further Investments to Drive Vertical Integration and Support Growth

Upstream

Vertical integration

Downstream

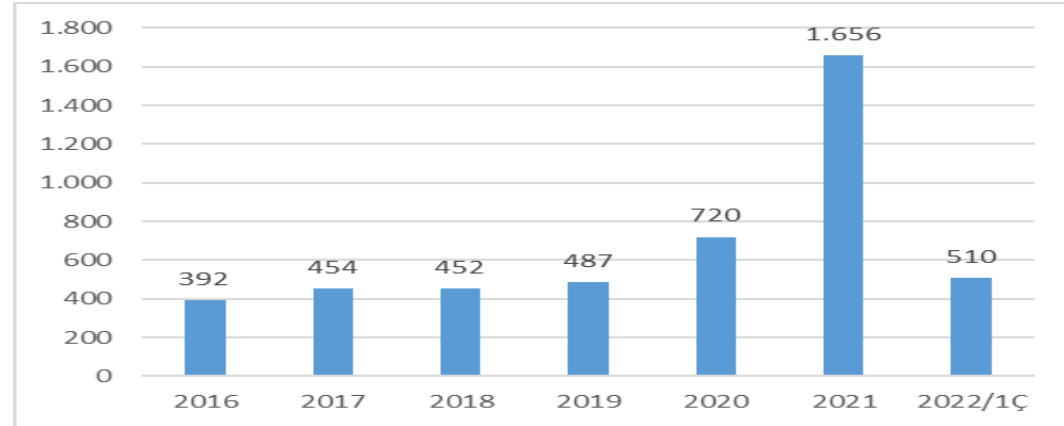
	PTA	MTR 1	Fiber																																																												
Rationale	Vertical integration / feedstock certainty	High-value added downstream products																																																													
Investment Amount	USD m 984	USD 150 m	USD 400 m																																																												
Contribution to Capacity	New Capacity: 1.500K Ton	Capacity Increase: 330K Ton	Capacity Increase: 367K Ton																																																												
Completion Date	2023 – 3Q	2023 – 4Q	2024 – 2Q																																																												
Contribution to Sales & EBITDA	Contribution of Internal PTA usage: 20% raw material cost advantage EBITDA Contribution: USD 370 m (+10% margin)	Sales: USD 450 m EBITDA: USD 150 m % margin: 33%	Sales: USD 550 m EBITDA: USD 170 m % margin: 31%																																																												
Expenditure Breakdown (USD m)	 <table border="1"> <thead> <tr> <th>Year</th> <th>Construction</th> <th>Machinery & Equipment</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>60</td> <td>46</td> <td>78</td> </tr> <tr> <td>2022</td> <td>96</td> <td>406</td> <td>48</td> </tr> <tr> <td>2023</td> <td>40</td> <td>99</td> <td>54</td> </tr> <tr> <td>2024</td> <td>38</td> <td>19</td> <td>19</td> </tr> </tbody> </table>	Year	Construction	Machinery & Equipment	Others	2021	60	46	78	2022	96	406	48	2023	40	99	54	2024	38	19	19	 <table border="1"> <thead> <tr> <th>Year</th> <th>Construction</th> <th>Machinery & Equipment</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>12</td> <td>17</td> <td>4</td> </tr> <tr> <td>2022</td> <td>19</td> <td>66</td> <td>11</td> </tr> <tr> <td>2023</td> <td>11</td> <td>5</td> <td>5</td> </tr> <tr> <td>2024</td> <td>11</td> <td>5</td> <td>5</td> </tr> </tbody> </table>	Year	Construction	Machinery & Equipment	Others	2021	12	17	4	2022	19	66	11	2023	11	5	5	2024	11	5	5	 <table border="1"> <thead> <tr> <th>Year</th> <th>Construction</th> <th>Machinery & Equipment</th> <th>Others</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>5</td> <td>28</td> <td>5</td> </tr> <tr> <td>2022</td> <td>32</td> <td>159</td> <td>12</td> </tr> <tr> <td>2023</td> <td>25</td> <td>105</td> <td>29</td> </tr> <tr> <td>2024</td> <td>25</td> <td>105</td> <td>29</td> </tr> </tbody> </table>	Year	Construction	Machinery & Equipment	Others	2021	5	28	5	2022	32	159	12	2023	25	105	29	2024	25	105	29
Year	Construction	Machinery & Equipment	Others																																																												
2021	60	46	78																																																												
2022	96	406	48																																																												
2023	40	99	54																																																												
2024	38	19	19																																																												
Year	Construction	Machinery & Equipment	Others																																																												
2021	12	17	4																																																												
2022	19	66	11																																																												
2023	11	5	5																																																												
2024	11	5	5																																																												
Year	Construction	Machinery & Equipment	Others																																																												
2021	5	28	5																																																												
2022	32	159	12																																																												
2023	25	105	29																																																												
2024	25	105	29																																																												

The targeted investments and upstream integration are key to SASA medium term perspectives, both in terms of sales growth and profitability

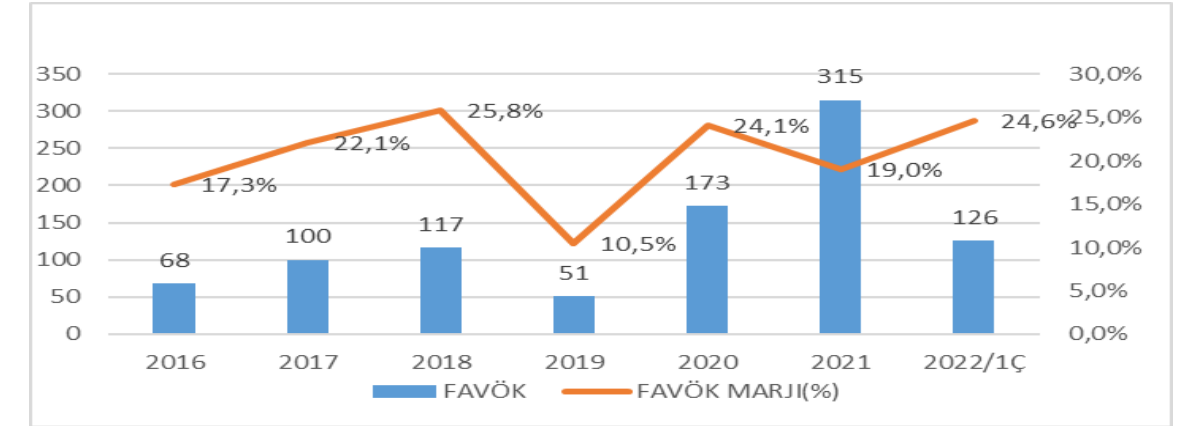
SASA – Financial Performance & Indicators

Historical Financials

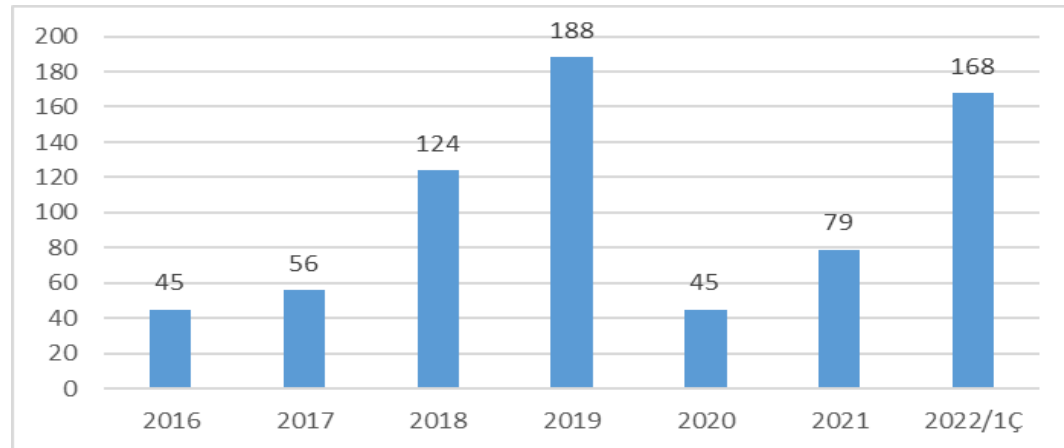
Net Sales (USD m)



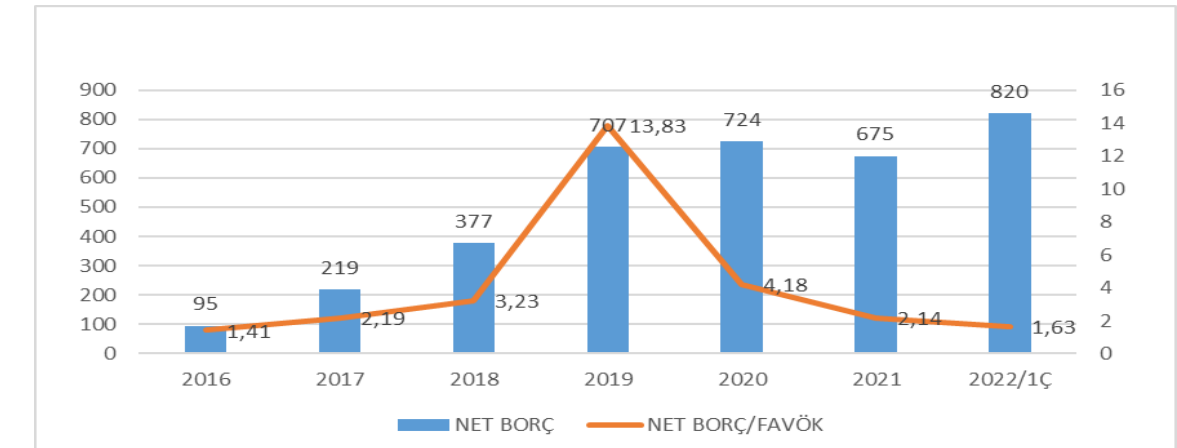
EBITDA – EBITDA Margin (%)



Net Profit (USD m)



Net Debt - Net Debt/EBITDA



Source: Company information, Deloitte Audited Reports;

SASA – Debt Maturity Profile and Covenants

Total Loans & Costs and Currency Breakdown (2022-Q1)

Currency	Principal	Weighted Avr. Interest Rate	Total	% of total	Collateral
EUR	702	3.29 %	706	76%	Secured
TL	3,225	25.50%	3,373	22%	Unsecured
USD	20	2.40%	20	2%	Unsecured
Total (in USDm)	1,021		1,036		

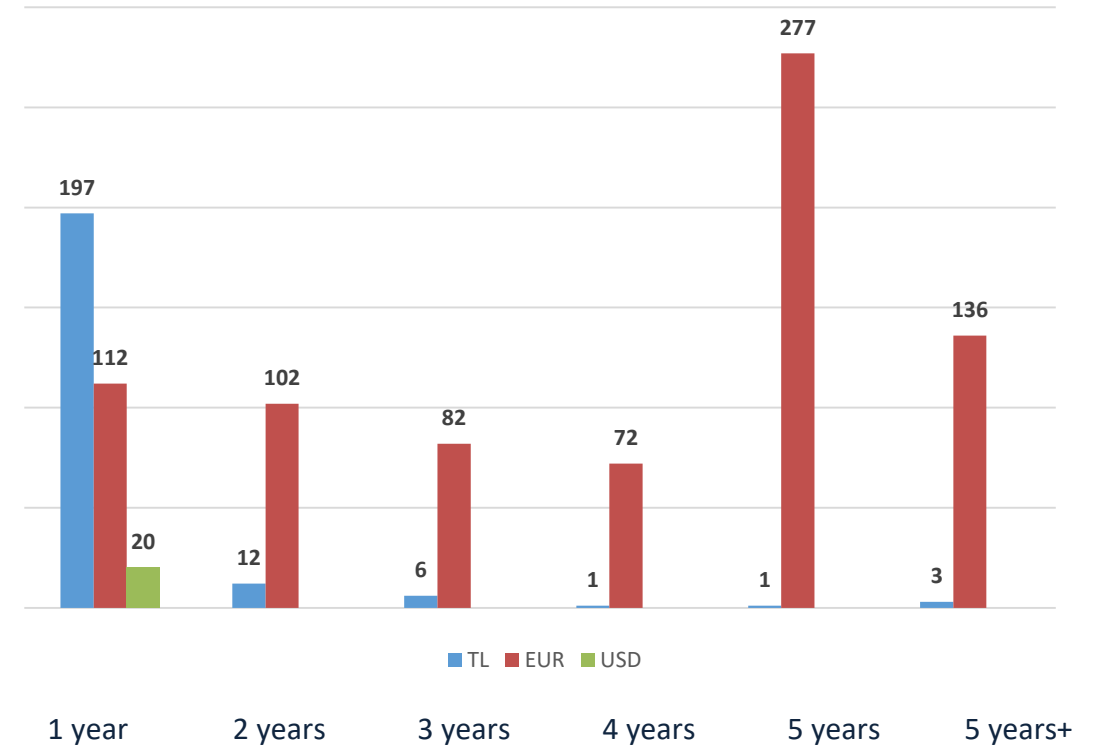
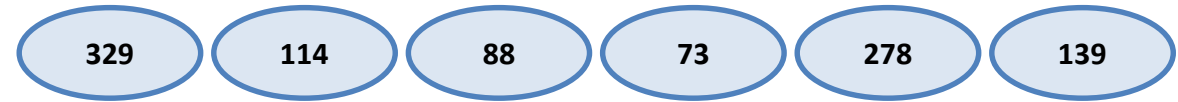
Additional comments

- Loan figures include leasing debt as well (fully secured by machinery/equipment)
- Some part of Company's factory land, with EUR 35 m asset value, has been pledged for EUR credit (with 2022-Q1 year-end and EUR/TL exchange rate)
- There is a pledge over machinery and equipment equivalent to EUR 332 m (with 2022-Q1 year-end and EUR/TL exchange rate)

Source: Deloitte 2022-Q1 Audit Report

Loan's Principals in Years (in USDm)

Total Loans in USDm



I

Company Profile

II

Financial Indicators

III

Market Outlook

IV

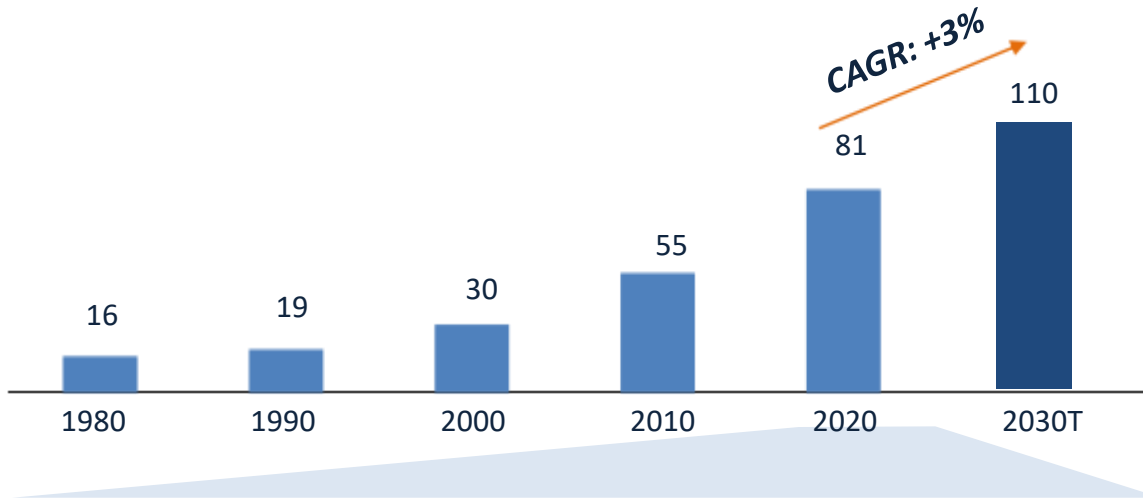
Turkey Macroeconomic Outlook

V

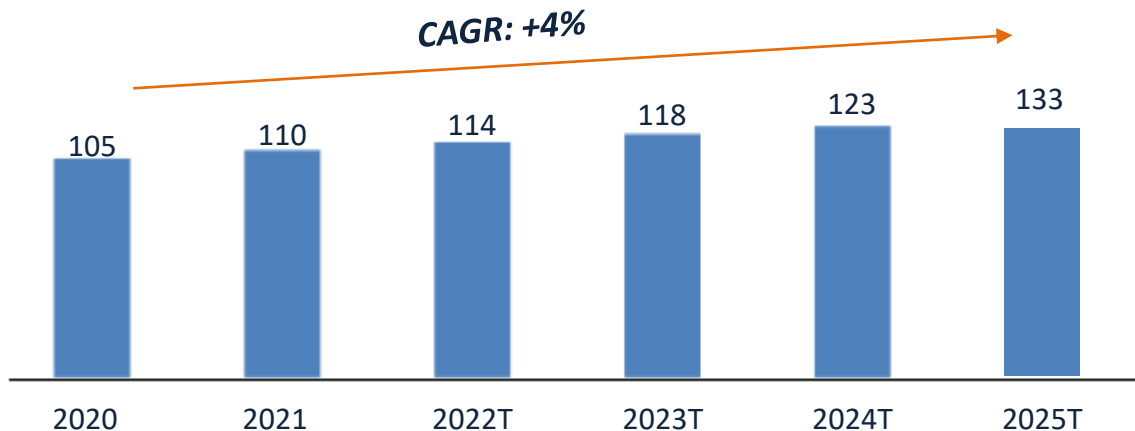
Appendix

Global Polyester Market – Market Dynamics

Global Polyester Market Growth Trend (mtons)



Global Polyester Capacity (ktons)



Source: Company information, Wood Mackenzie Aromatics

Market Drivers/Trends

- Proportion of Asia in global production has increased over recent years
- Due to global dynamics (i.e. lessons-learnt from Covid-19, West-China tension, logistics and geographical proximity factors, among others), EU demand has and will further migrate to Turkey
- Polyester consumption rises mainly due to increasing purchasing power through GDP growth and rising disposable income, growing population as does per capita income, which makes EMs more vibrant markets
- Recent and anticipated market growth in end-use industries particularly in (i) Plastic industry (especially packaging sector) and (ii) Textile and leather industry impacted by post-COVID dynamics
- Higher demand for polyester products in comparison to other textile or plastic materials, largely driven by relatively cheaper unit costs
- Substitute demand for polyester products, regarded as the only handmade replacement for cotton

Positive market tailwind from globally robust growth expectation combined with changing dynamics post COVID

Global Polyester Market – Key Competitors

SASA is the dominant regional leader and sole supplier of polyester and fiber, enabling it to compete on the global stage

Key Global Polyester-Polymer Players



- Largest polyester producer in North America



- Polyester chips, POY, FDY, DTY producer



- Petrochemicals, Polyester chips, POY, FDY, DTY, PSF, PTA producer



- Formed by Hengyi and Rongsheng



- Polyester chips, POY, DTY, FDY and PTA producer
- Operates in Turkey under «Suneast» brand



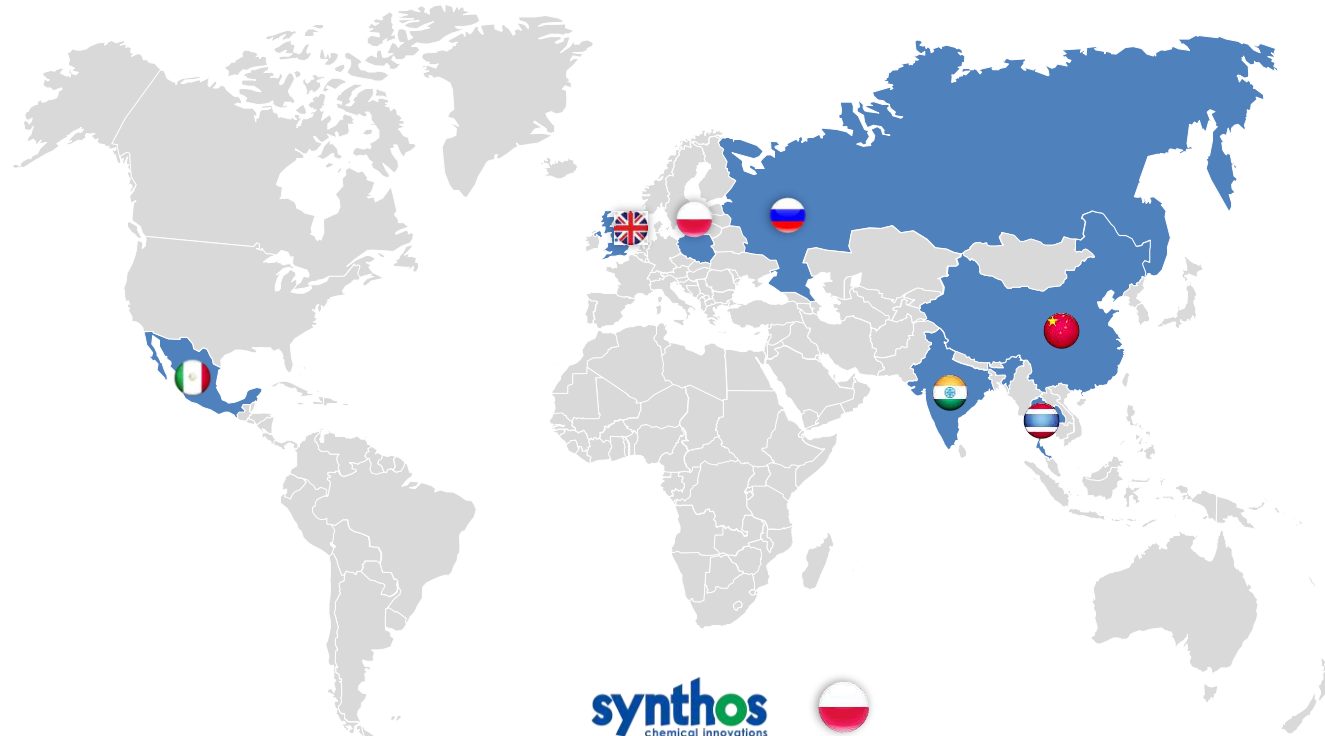
- Petrochemicals, Petrol & Gas, Digital Services, Retail and Textiles
- The biggest integrated fiber and yarn producer



- Petrochemicals, Textile products, Chips, DTY, POY, FDY and other
- Strong distribution channel within China, Taiwan, South Korea, Malaysia, Thailand, Indonesia, Mexico, Spain and Italy



- Petrochemicals, plastics, rubbers, BOPP films and other
- International offices in Vienna, China (5) and Istanbul



- Manufacture synthetic rubbers, styrene plastics, and vinyl & copolymer dispersions
- Production plants in Poland, the Czech Republic, Netherlands, Germany & France



- Feedstock, PET, Packaging, Fibers and Recycled products
- Production Sites: Africa, Americas, Asia-Pacific and Europe



- Pet Chips, Film and Polyester Yarn producer
- Production sites: India, UAE, Bahrain, Belgium

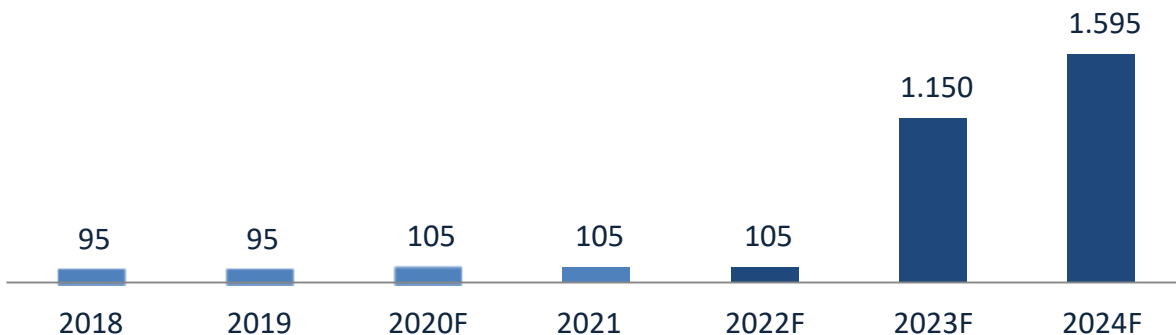


- Cover industries such as coatings, construction, textiles, paper and synthetic latex gloves
- Regional centres in Harlow, UK; Marl, Germany; Kuala Lumpur, Malaysia and Atlanta, USA

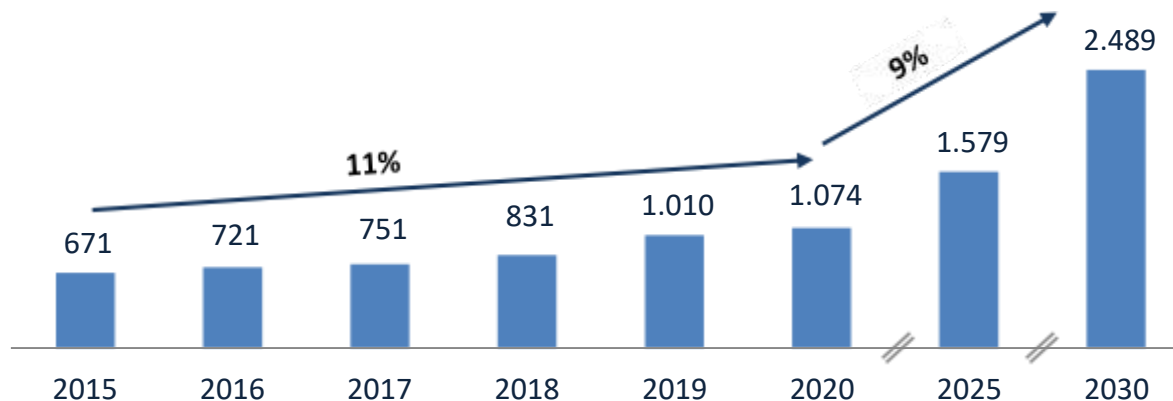
Source: Company information, Wood Mackenzie Aromatics

Turkish Market – Polyester/PTA (1/2)

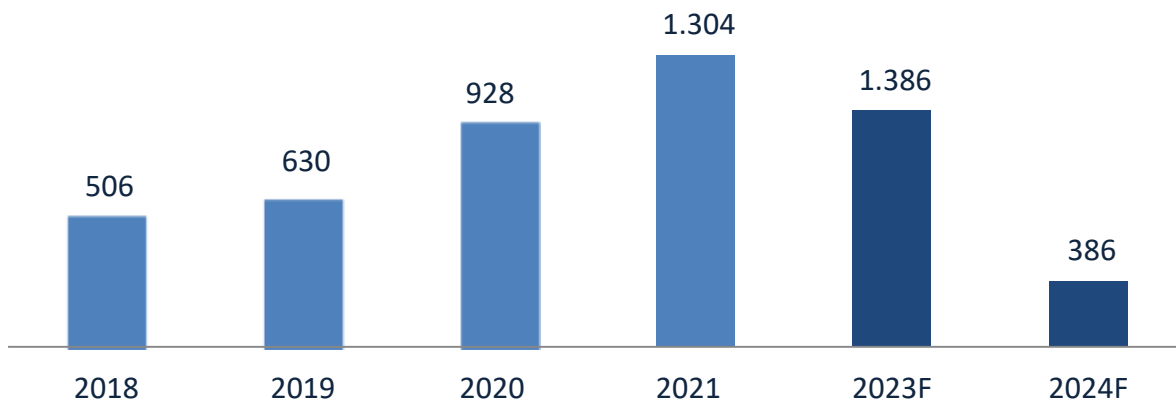
Domestic PTA Capacity (ktons)



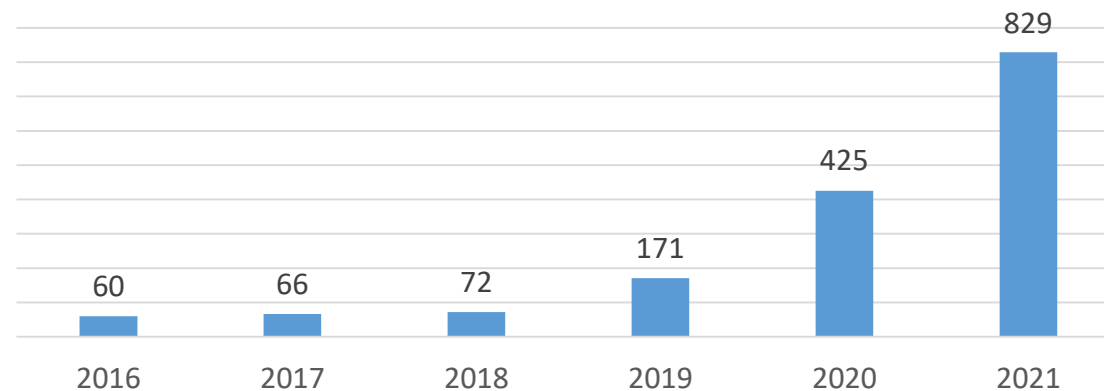
Domestic PTA consumption (ktons)



PTA Imports (ktons)



SASA PTA Purchases (ktons)



➤ The Turkish PTA market is currently the world third largest importer and is expected to remain a net importer of PTA going forward despite the recent expansion of SASA – hence, there is still domestic demand to serve.

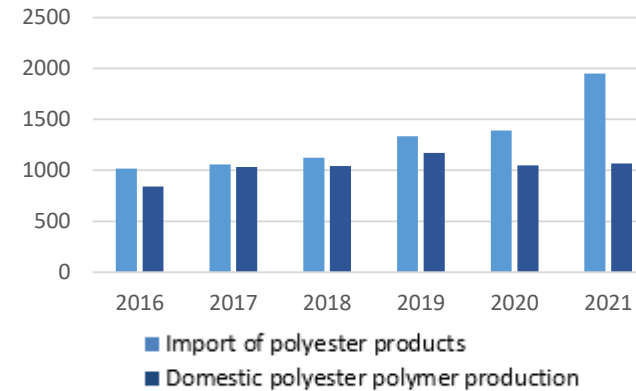
Turkish Market – Polyester/PTA (2/2)

Turkish Polyester Market Import Amounts

Volume (ktons)	2016	2017	2018	2019	2020	2021
Polyester Yarn	481	516	505	616	520	555
Polyester Chips	207	325	325	341	346	296
Polyester Staple Fiber	152	192	212	214	184.8	217
Total Imports	840	1.034	1,042	1,171	1,051	1.068

CAGR:+5%

Turkey: Polyester Prod. & Import (kt)

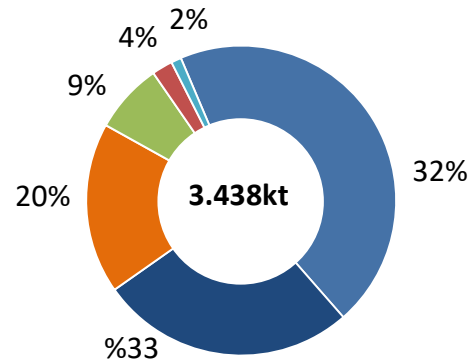


Growing domestic polyester demand in time provides a significant outlet for PTA investment, which is the main raw material of production

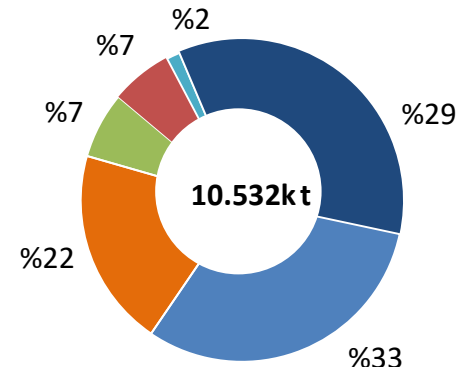


Additionally, EMEA remains an attractive and net importing market to which Turkey is geographically well positioned

Global PSF Imports by Regions (2020)



Global PET Resin Imports by Regions (2020)



■ Asia ■ Europe ■ America ■ Middle East ■ Africa ■ Oceania

■ Europe ■ Asia ■ Americas ■ Middle East ■ Africa ■ Oceania

I

Company Profile

II

Financial Indicators

III

Market Outlook

IV

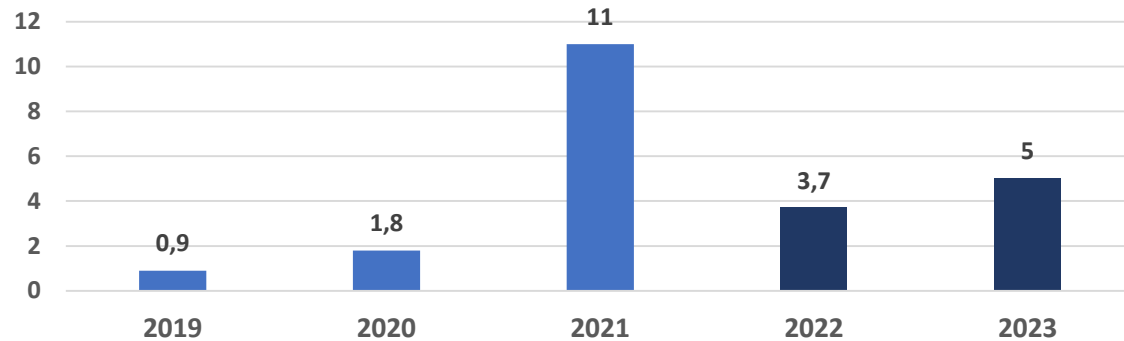
Turkey Macroeconomic Outlook

V

Appendix

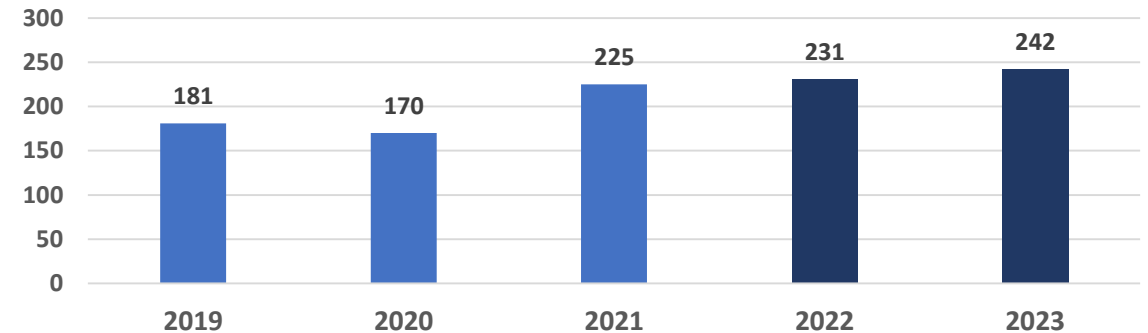
Turkey - Macroeconomic Outlook (1/2)

Turkey: Real GDP Growth Rate (%)



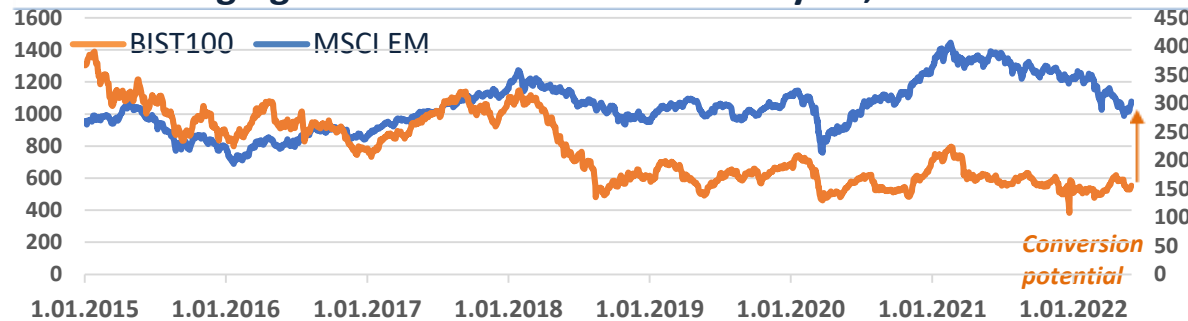
Strong recovery in GDP growth post COVID-19 shutdowns is observed.

Turkey: Export, USD b, FOB



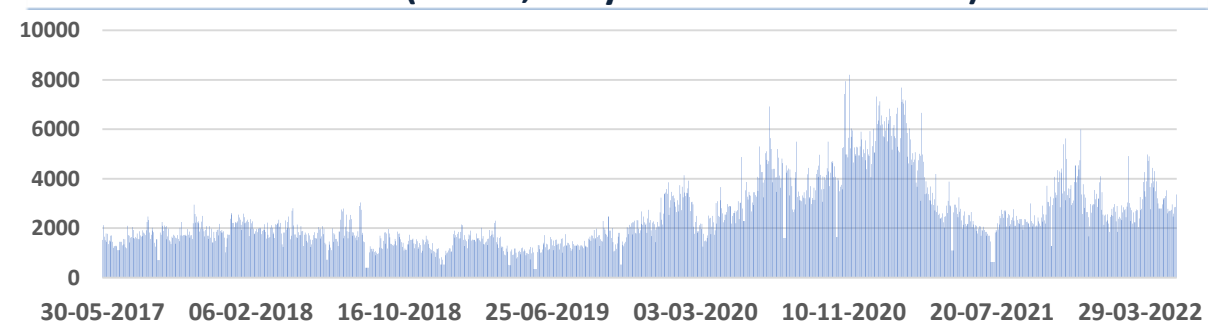
Strong export estimates thanks to Turkey's geographic advantage as well as diversified market access

MSCI Emerging Markets ETF vs. BIST100 - 7 year, USD



Strong signs of over performance after having been underweighted for the last 3 years – conversion expected in the medium term

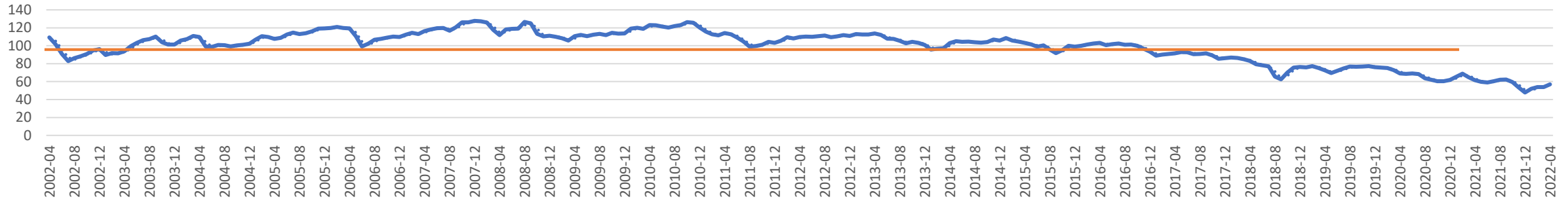
BIST Traded Volume (USD b, May 2017 – March 2022)



BIST is one of most liquid emerging stock exchange allowing for transaction efficiency and certainty

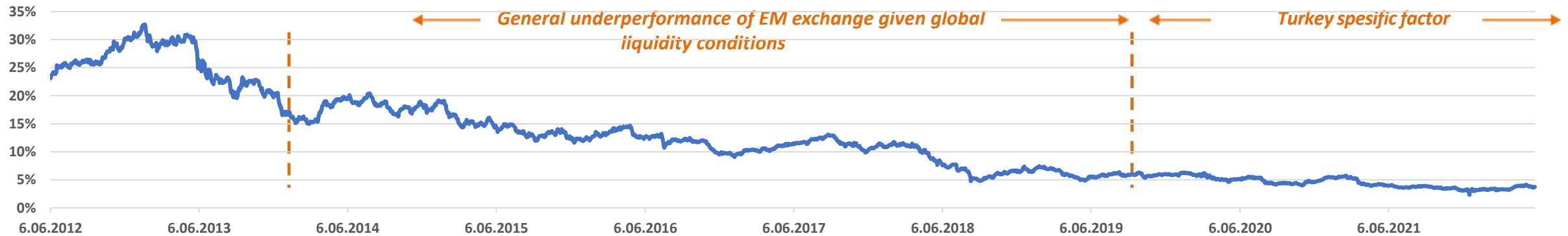
Turkey - Macroeconomic Outlook (2/2)

CPI Based Real Effective Exchange Rate (20 years)



Though short term volatility may seem high, in the medium term Turkish lira assets always follow mean reversion

Comparing BIST100 vs. S&P500 (calculated in USD terms, divided by S&P500 levels)



BIST has suffered from underperformance the global capital markets but is expected to recover to pre-2018 levels in the medium term



THANK YOU

Headquarter

Turhan Cemal Beriker Blv.
No: 559, P: 01355 Adana/Turkey
Tel: +90 322 441 00 53
info@sasa.com.tr
www.sasa.com.tr

Iskenderun Storage Area

Guzelcay Mahallesi 616 Sokak
Iskenderun/Hatay/Turkey

Istanbul Office

Reşitpaşa Mah. Eski Büyükdere
Cad. Park Plaza No:14/29 F:12
Maslak / İstanbul

Ankara Office

Söğütözü Mahallesi 2176.
Cadde No 9 /17-18 Çankaya /
Ankara

I

Turkey Macroeconomic Outlook

II

Company Profile

III

Financial Indicators

IV

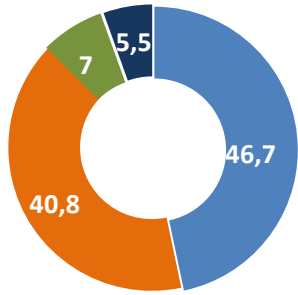
Market Outlook

V

Appendix

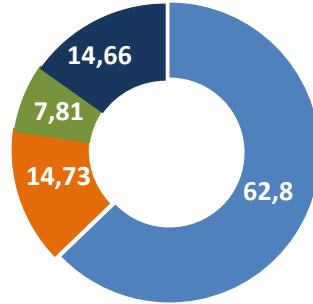
SASA – Corporate Structure Chart

Erdemoğlu Holding



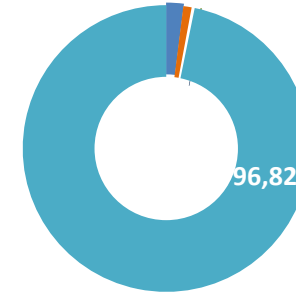
- İbrahim Erdemoğlu
- Ali Erdemoğlu
- Gulsum Erman
- Mustafa Erman

Sasa Polyester



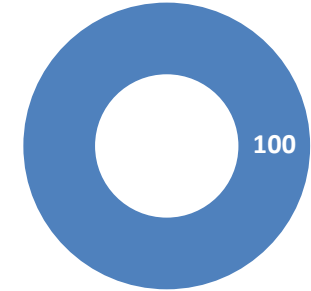
- Erdemoğlu Holding
- Merinos
- Dinarsu
- Free Float

Merinos Halı



- İbrahim Erdemoğlu
- Ali Erdemoğlu
- Gulsum Erman
- Mustafa Erman
- Erdemoğlu Holding

Dinarsu İmalat



- Erdemoğlu Holding

Shareholders	Erdemoğlu Holding		SASA Polyester		Merinos Halı		Dinarsu İmalat	
	Capital	Shares %	Capital	Shares %	Capital	Shares %	Capital	Shares %
İbrahim Erdemoğlu	420.300.000	46,70			4.181.288	1,98		
Ali Erdemoğlu	367.200.000	40,80			1.939.395	0,92		
Gulsum Erman	63.000.000	7,00			328.486	0,16		
Mustafa Erman	49.500.000	5,50			258.096	0,12		
Erdemoğlu Holding			1.406.805.862	62,80	204.142.735	96,82	60.000.000	100,00
Merinos Halı			329.849.978	14,73				
Dinarsu İmalat			174.899.988	7,81				
Free Float			328.444.172	14,66				
Toplam	900.000.000	100,00	2.240.000.000	100,00	210.850.000	100,00	60.000.000	100,00

Source: Company information

PTA Investment of SASA







- PTA is the primary feedstock for the production of polyester-based products
- The envisaged PTA investment is to be made as part of developing and expanding SASA's polyester business and support recent investments in PET resin and polyester fiber and filament products
- PTA cost competitiveness between regions largely determined by choice of process technology, plant scale, acquisition cost of feedstock of paraxylene, freight, duties and tariffs
- SASA's PTA project has a cost-advantaged position based upon the deployment of Invista's latest version of its PTA production technology, reducing PX usage on a ton per ton basis relative to older PTA Technologies
- SASA has advantage in being able to consume a large portion of its output into its co-located polyester assets. Furthermore, by 2024, Turkey is to have PTA demand over 1,500 ktons which means SASA's capacity will be absorbed fully in domestic market
- The mid-term strategy for SASA's PTA investment is to use 100% of its PTA output in its integrated polyester assets in Adana. SASA will have access to paraxylene feedstock from Middle East suppliers where paraxylene price assessment is Asian contract price minus freight assessed at USD 40/ton
- And finally SASA operates within Turkey, a largely duty protected market in petrochemical sector
- Government's strong incentive support will be the way for investments such as corporate tax discount, income tax withholding, energy consumption incentive, employer's national insurance contribution support, qualified personnel support, interest rate support

Source: KPMG report

Mainly due to time spent in transportation, inventory adjustment and duty costs, SASA will gain a competitive advantage



Potential Markets for PTA (2021 Import Volumes)

	572 kton Germany		294 kton Spain
	569 kton Lithuania		297 kton Russia
	632 kton United States of America		77 kton Greece

Glossary & disclaimer from data providers

CMBT:	<i>Capital Markets Board of Turkey</i>
CBRT:	<i>Central Bank of the Republic of Turkey</i>
DMT:	<i>Dimethyl terephthalate, a feedstock used for polyester production</i>
DTY:	<i>Drawn Texturized Yarn</i>
EMEA:	<i>Europe, the Middle East and Africa</i>
ESG:	<i>Environmental, Social and Governance</i>
FDY:	<i>Fully Drawn Yarn</i>
PET:	<i>Polyethylene Terephthalate, raw material for film and packaging sectors.</i>
POY:	<i>Partially Oriented Yarn</i>
PSF:	<i>Polyester Staple Fiber</i>
PTA:	<i>Purified Terephthalic Acid, main feedstock for polyester production</i>
PX:	<i>Paraxylene, main feedstock for PTA production</i>

The data and information provided by **Wood Mackenzie** should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law, Wood Mackenzie accepts no responsibility for your use of this data and information except as specified in a written agreement you may have entered into with Wood Mackenzie for the provision of such data and information.

This output is acquired from the Report dated February 23, 2021, which is prepared to be used internally by SASA Polyester Sanayi A.Ş. as per the signed Agreement Letter between SASA Polyester Sanayi A.Ş. and KPMG Yönetim Danışmanlığı A.Ş. All the persons and institutions to whom this output is revealed, are obligated to not to disclose, copy, distribute or make any kind of referral to these outputs, and keep them confidential. All the persons and institutions to whom this output is revealed acknowledge and accept that **KPMG** Yönetim Danışmanlığı A.Ş. does not have any liability or obligation against any person or institution in relation to the services or outputs subject to the Agreement Letter to the extent permitted by the relevant legislation.