



BAZAN GROUP
Committed to
tomorrow

Summary of the year

2023



Investors Presentation
March 14, 2024

Legal Statement

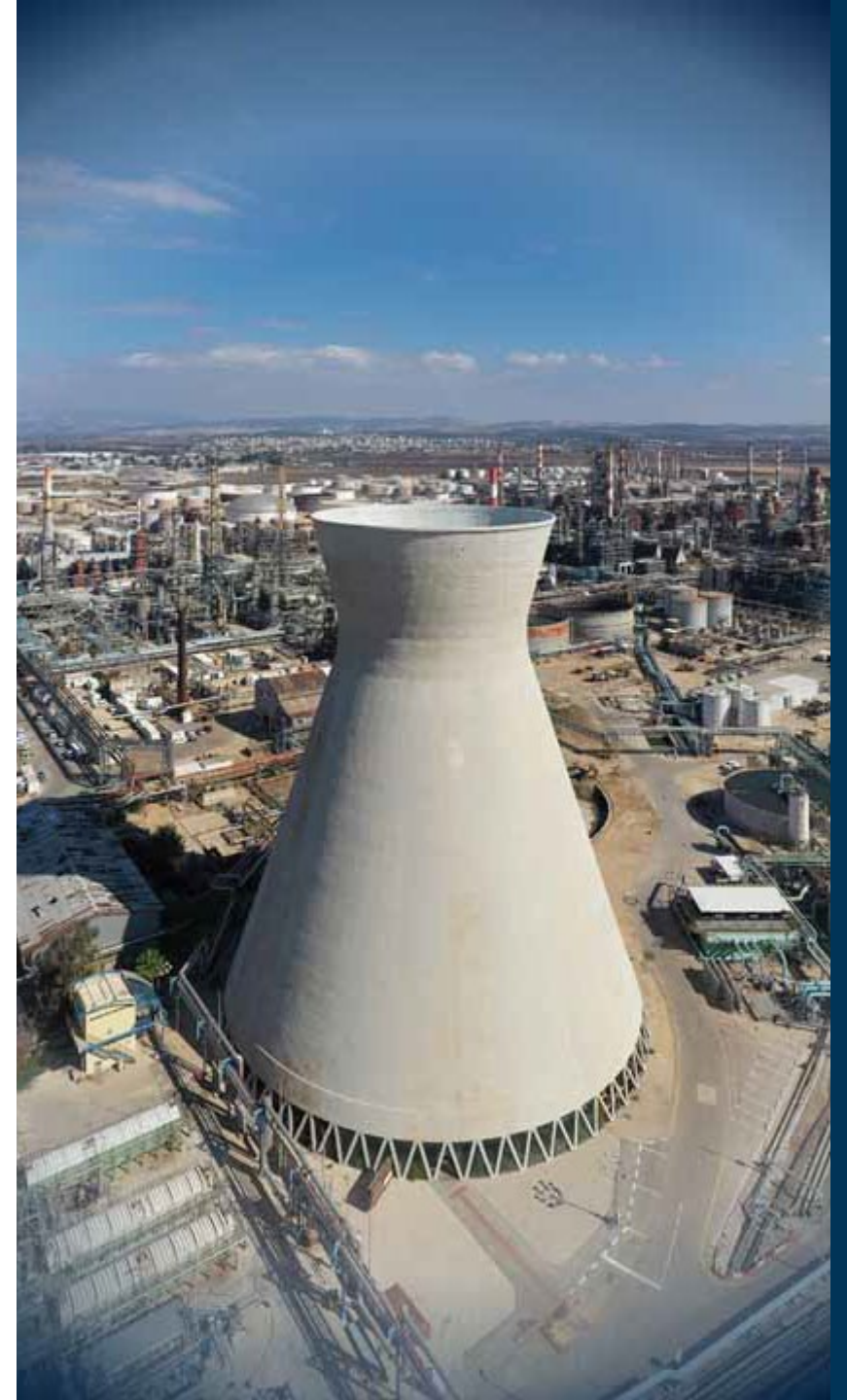
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Highlights

Board chairman





Strong results in the refining segment

Refining margins are expected to be higher than the multi-year average in 2024



Total and Net Debt reduction

Along with the reduction of financing working capital



Iron Swords War

The group has proven itself to be a critical strategic asset, enabling energy continuity for the economy



Dividend distribution of USD 144 million

In accordance with the company's dividend policy

Financial leverage
31.12.2023

X0.6

31.12.2022 - X0.8

Financial debt, net
31.12.2023

461 USD million

31.12.2022
USD 617 million

S&P rate

A+

With stable
forecast

Equity to balance
sheet ratio
31.12.2023

40%

39% - 31.12.2022

Adjusted
consolidated
EBITDA Q4

97 USD million

Q4.2022 -
USD 163 million

Polymers
consolidated
EBITDA Q4

-14 USD million

Q4.2022 -
USD -11 million

Net profit Q4

30 USD million

Q4.2022-
USD 122 million

Adjusted
consolidated
EBITDA 2023

727 USD million

2022 -
USD 776 million

Polymers
consolidated
EBITDA 2023

-17 USD million

2022 -
USD 32 million

Net profit 2023

408 USD million

2022
USD 441 million

Adjusted refining
margin
2023

14.9

USD/barrel
2022
13.9 USD/barrel

Adjusted
refining margin
Q4

10.6

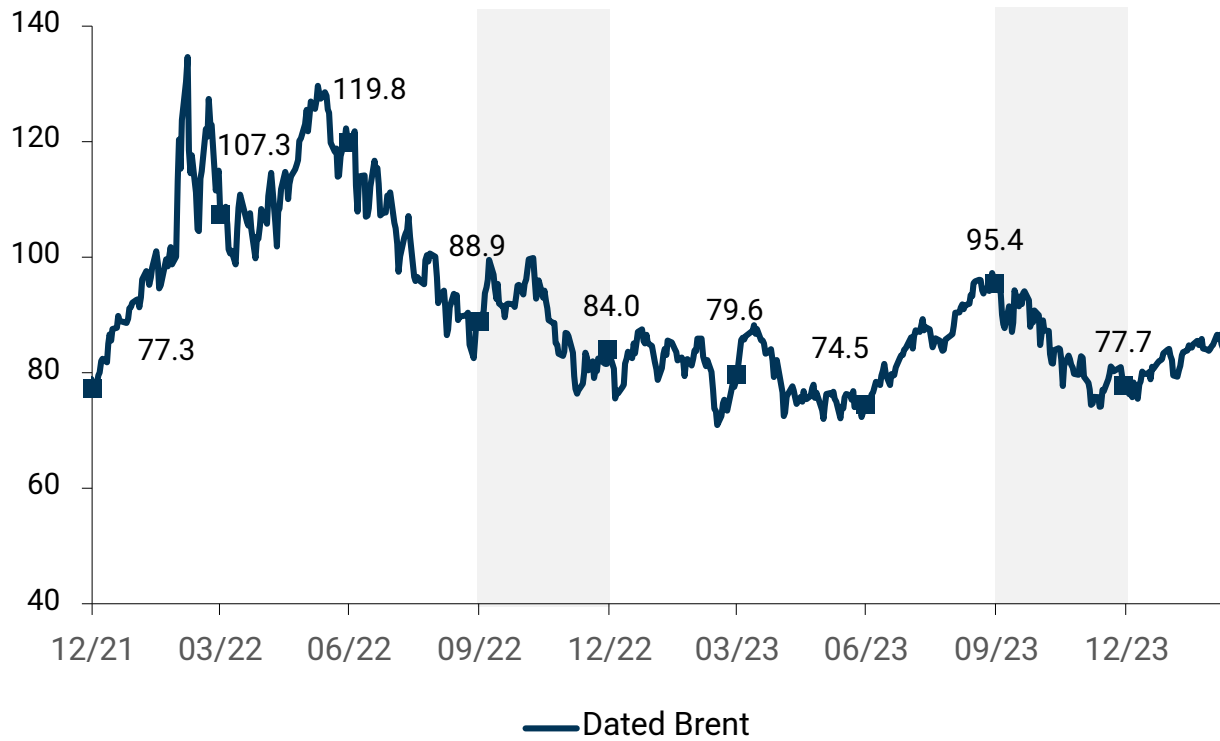
USD/barrel
Q4.2022 -
13.7 USD/barrel

Business Environment

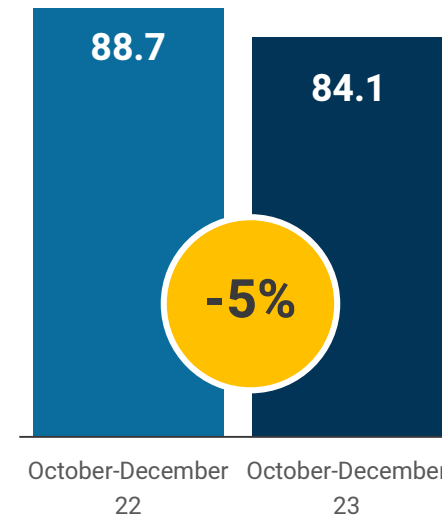


Brent Price

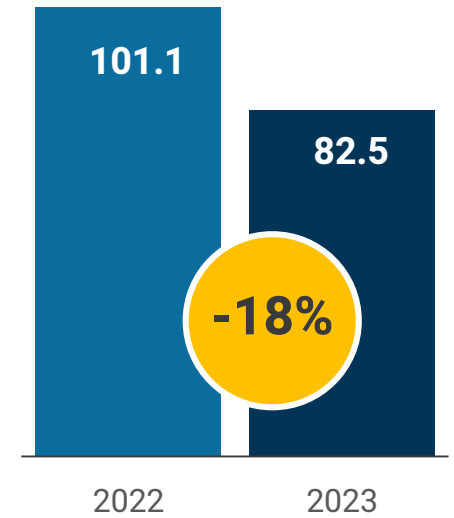
USD/Bbl



Quarterly



Annual

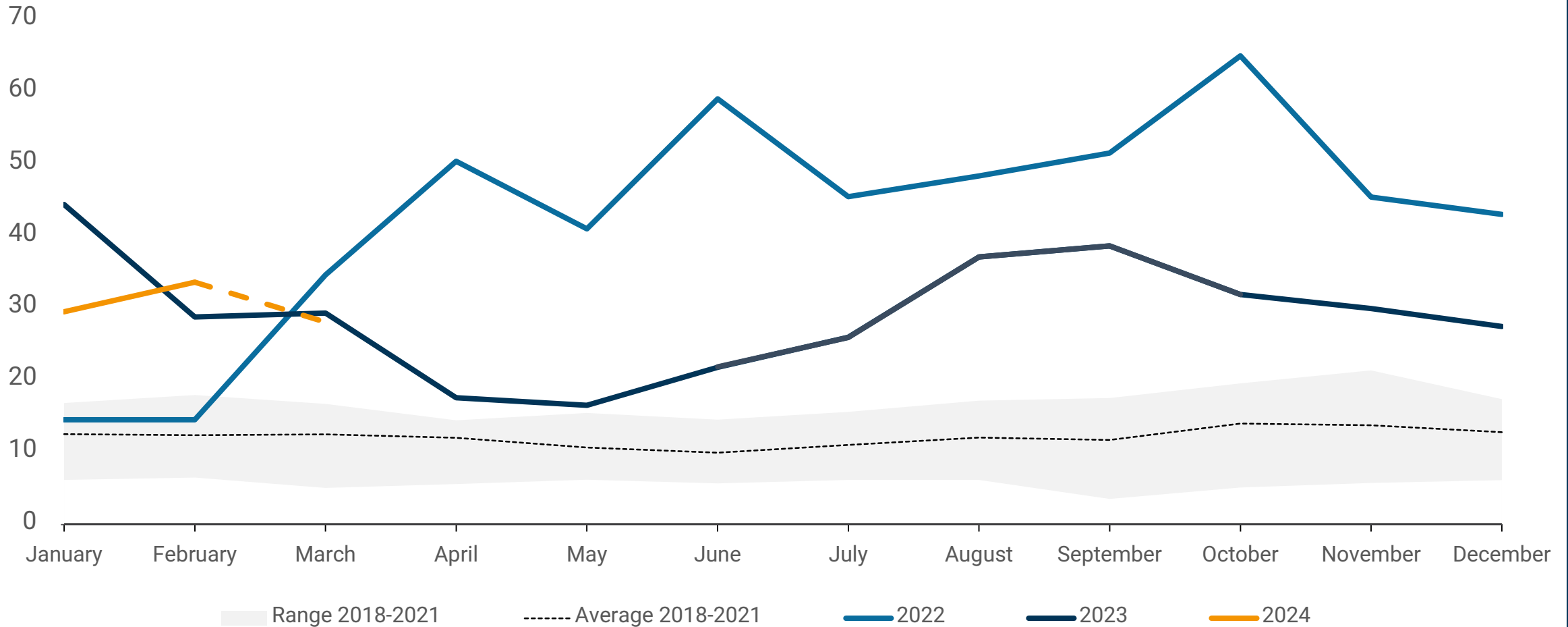


Source: Refinitiv

Diesel Margin vs Brent

Monthly average ⁽¹⁾, USD/Bbl

The diesel constitutes
Approx. 40% of the total
distribution of the
refining segment's output

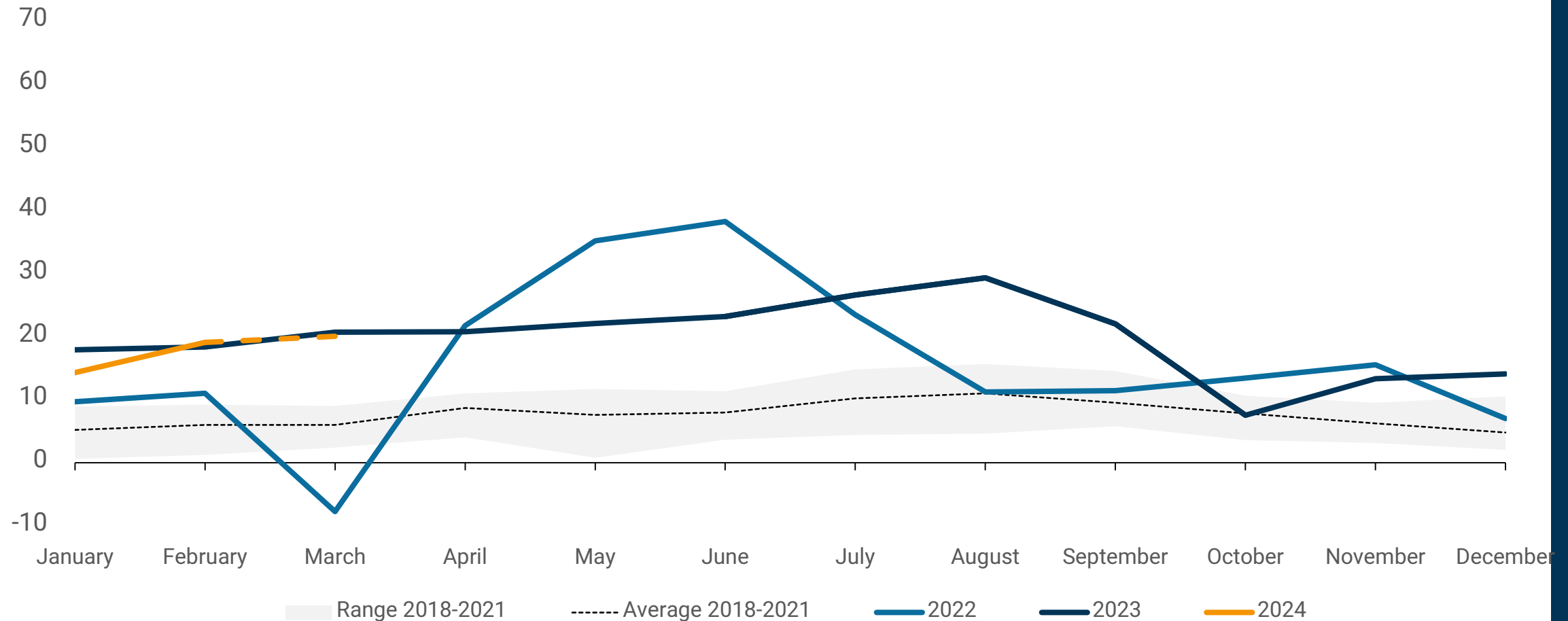


(1) Average in March until the report publication date.
Source: Refinitiv

Gasoline Margin vs Brent

Monthly average ⁽¹⁾, USD/Bbl

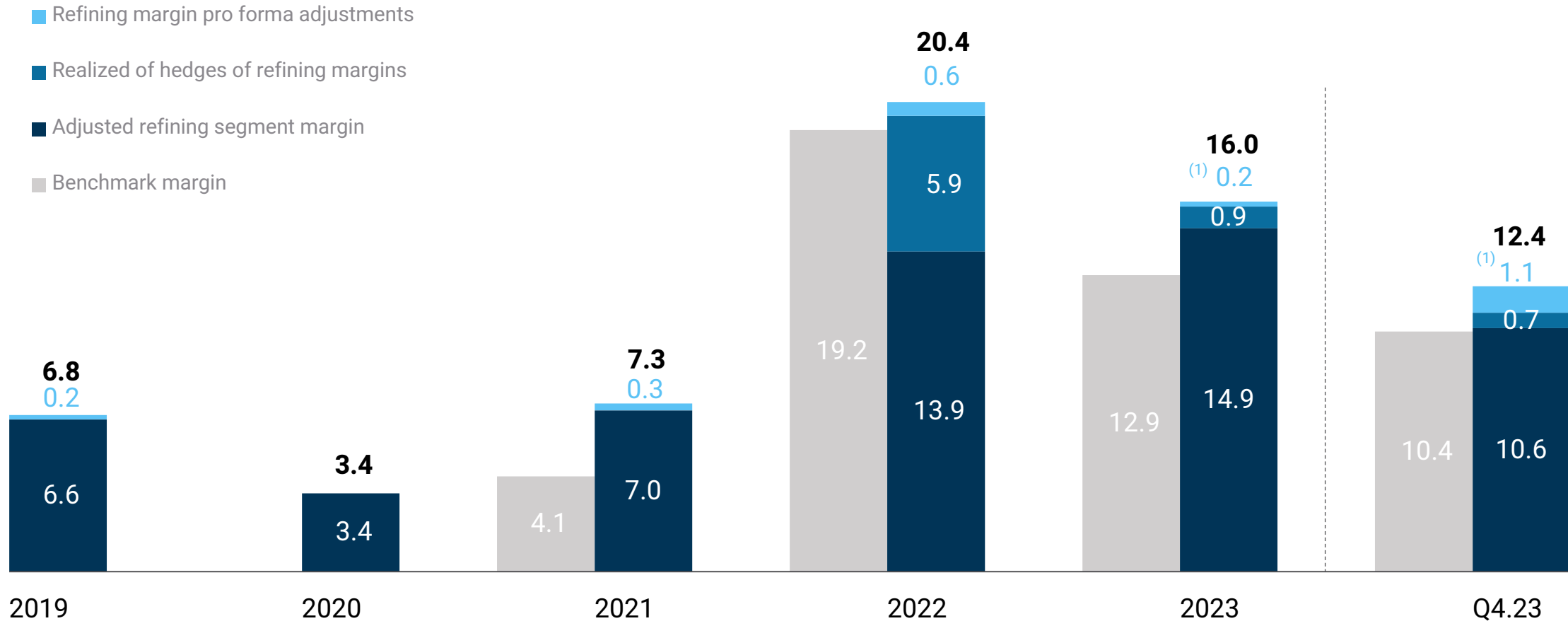
The gasoline constitutes
Approx. 15% of the total
distribution of the
refining segment's output



(1) Average in March until the report publication date.
Source: Refinitiv

Refining margin and Benchmark margin*

USD/Bbl



(1) The pro forma margin in respect of "Iron Swords" war was estimated at approx. 15.1 during the reporting period and 11.7 during Q4.2023. For more information see the Director's report.

* Calculated by EMC – Energy Market Consultants (<https://www.fgenenergy.com>) and published on the REFINITIV platform.

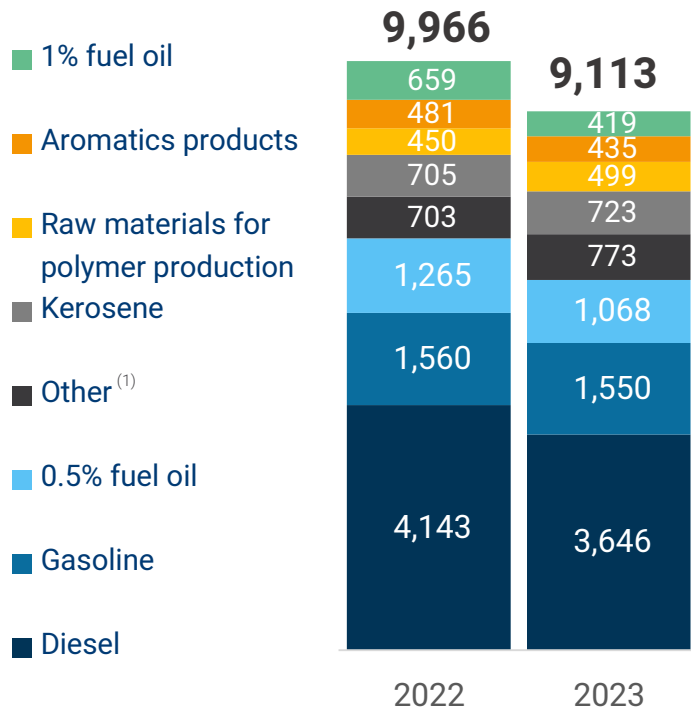
Transportation fuel consumption in the local market*

Ton/Thousands

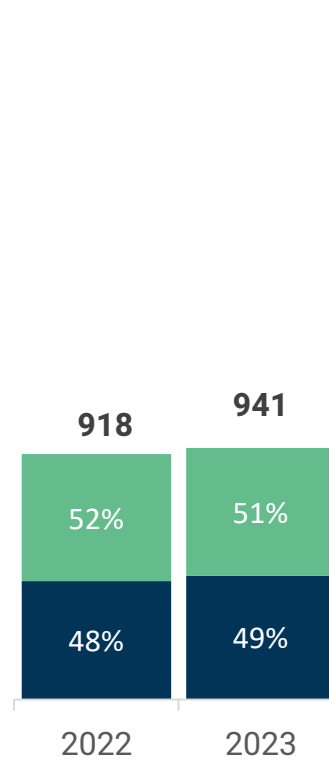
Transportation fuel consumption decreased by approx. 2% in 2023 compared with the corresponding period last year, mainly as a result of a decrease of approx. 18% in the fourth quarter of 2023 compared with the corresponding period last year, due to the effect of the Iron Swords War.

- Other
- Import By Bazan
- Produce by Bazan

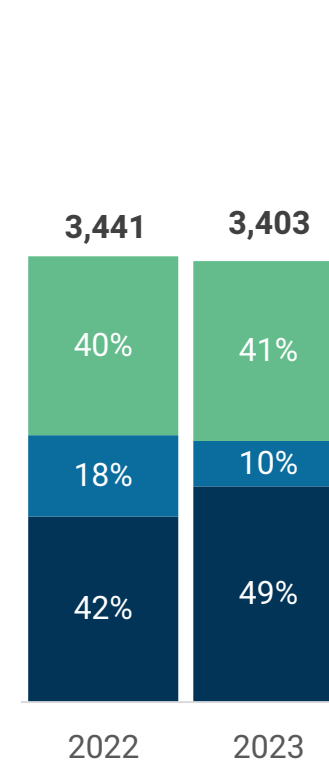
Output breakdown by product, in thousands of tons



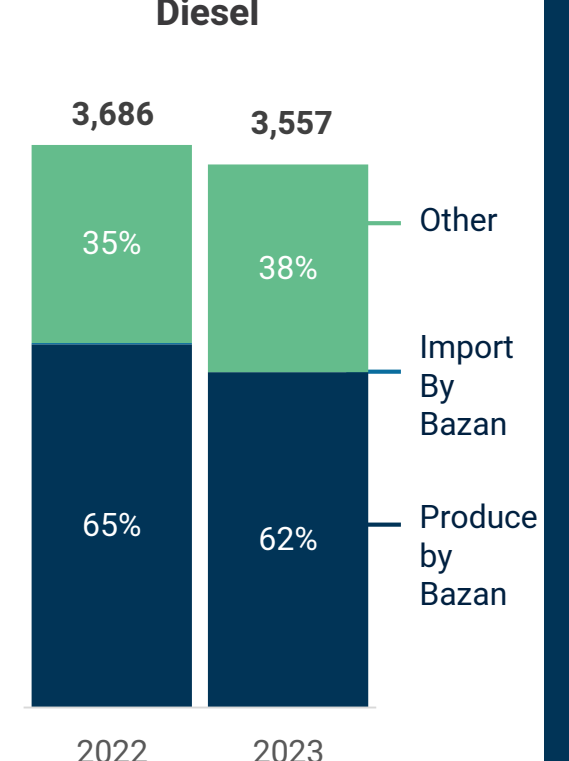
Kerosene



Gasoline



Transportation Diesel

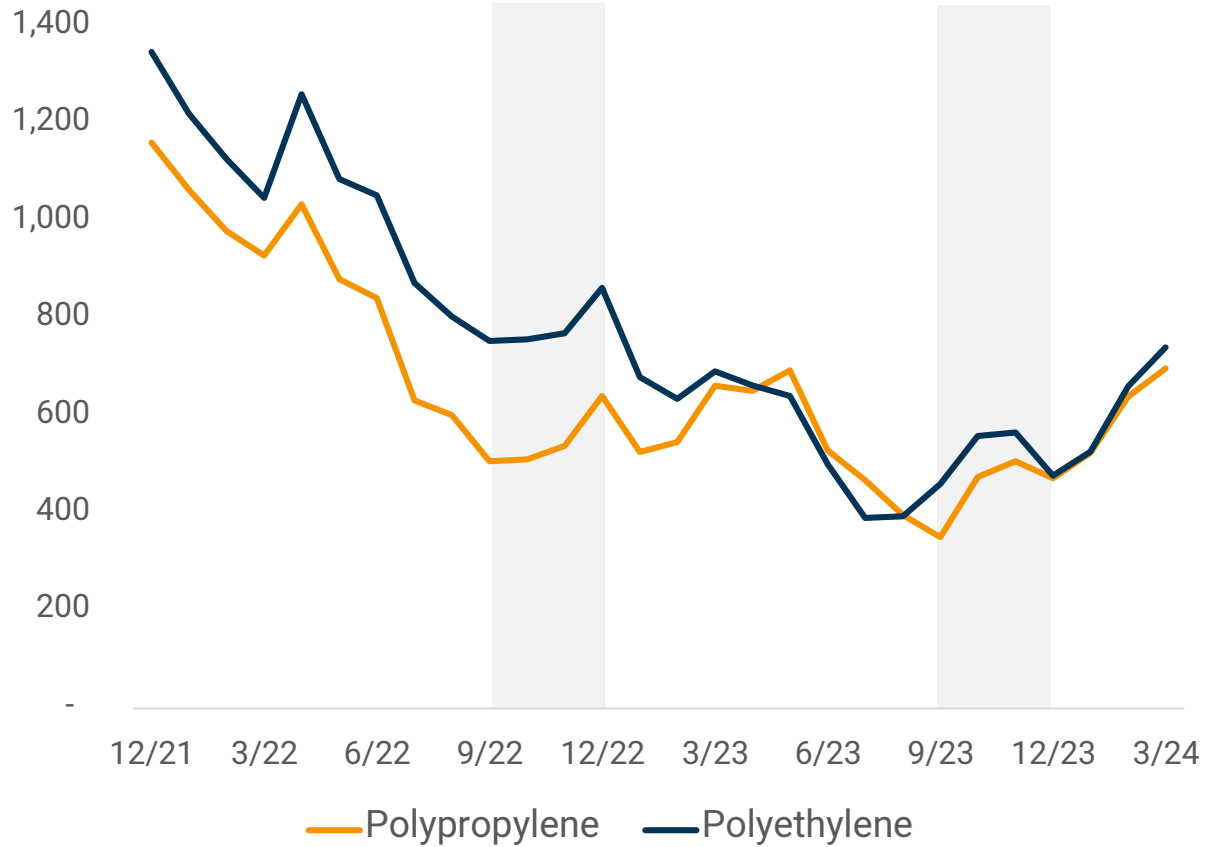


(1) Including mostly LPG, Bitumen, and from time-to-time naphtha.

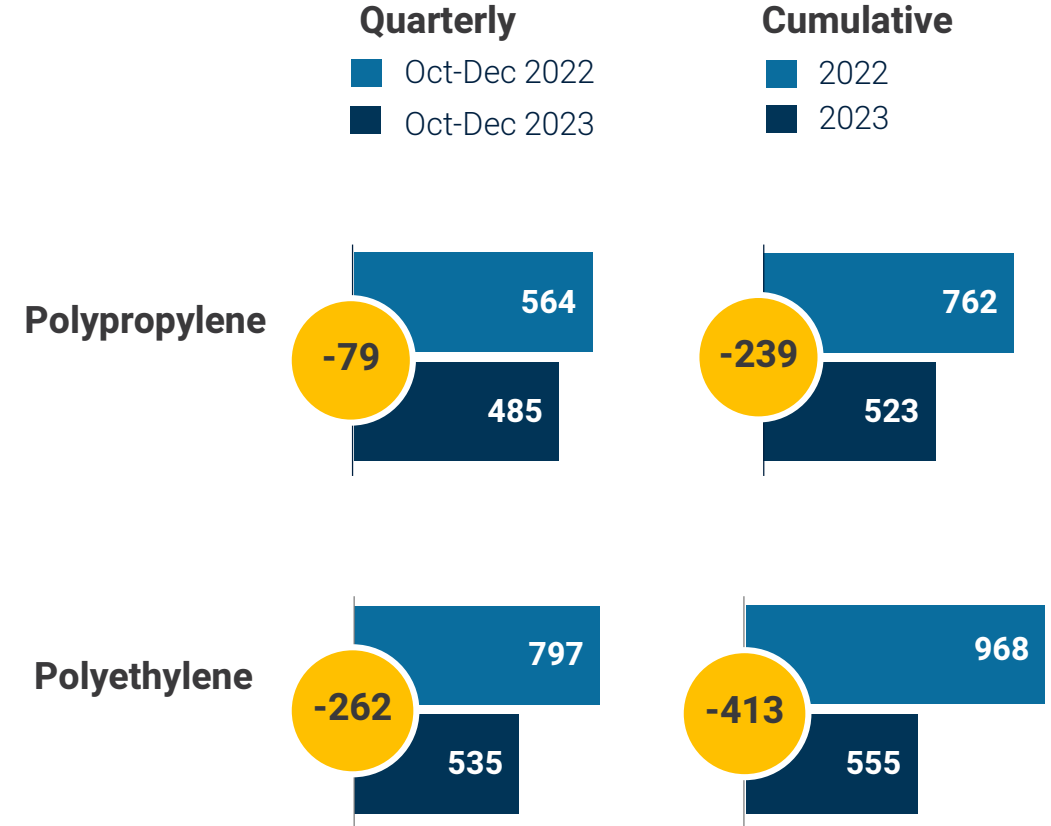
* Source: Ministry of National Infrastructures, Energy and Water Resources and internal information.

Polymer Margins above Naphtha

Monthly average ⁽¹⁾, USD/Ton

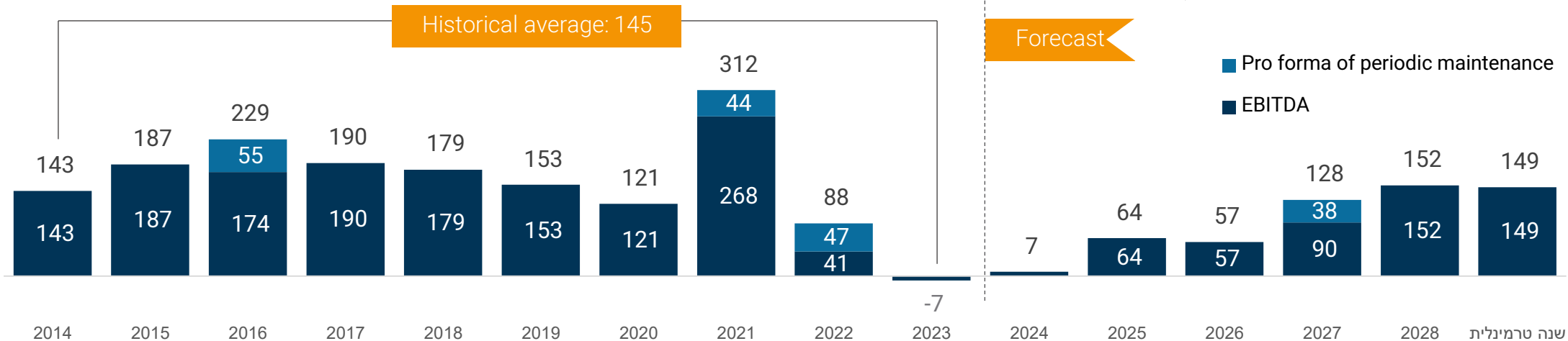


(1) Average in March until the report publication date.
Source: ICIS



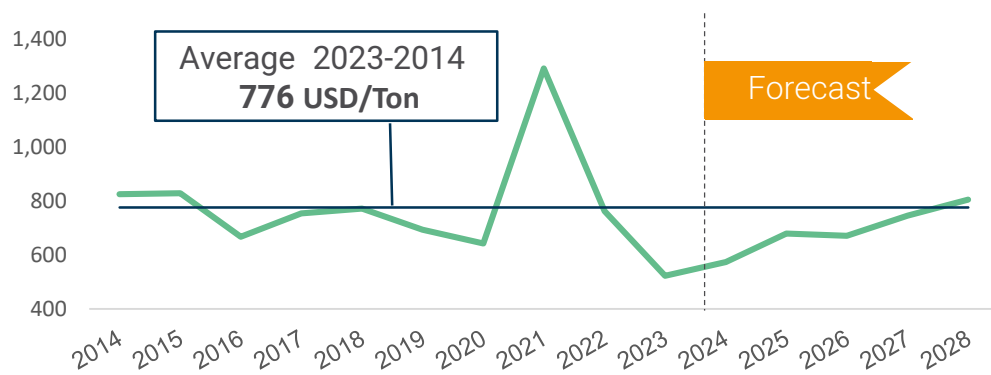
Polymers forecast

Carmel Olefins – Historical EBITDA⁽¹⁾ and EBITDA forecast⁽²⁾ (USD million)

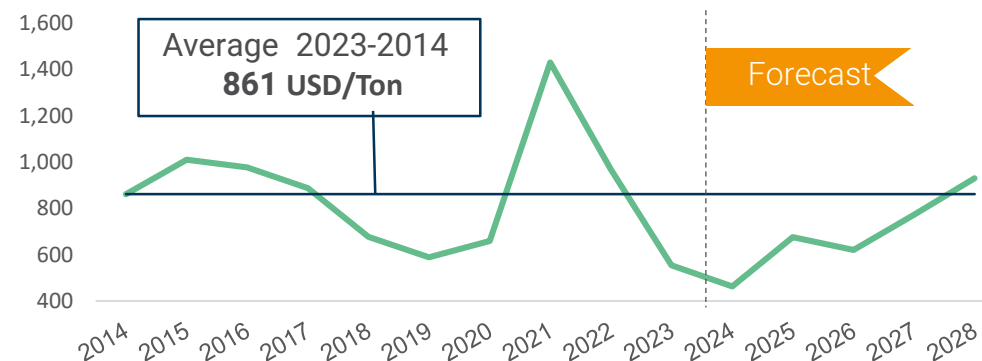


historical Margins above Naphtha⁽³⁾ and margins forecast⁽²⁾

Polypropylene



Polyethylene



1) 2014-2019 actual EBITDA from the financial statements. 2020-2023 from Carmel Olefins' impairment test for 31.12.2023 (attached to the financial statements).

2) 2024-2028 from Carmel Olefins' impairment test for 31.12.2023 (attached to the financial statements).

3) Source: ICIS

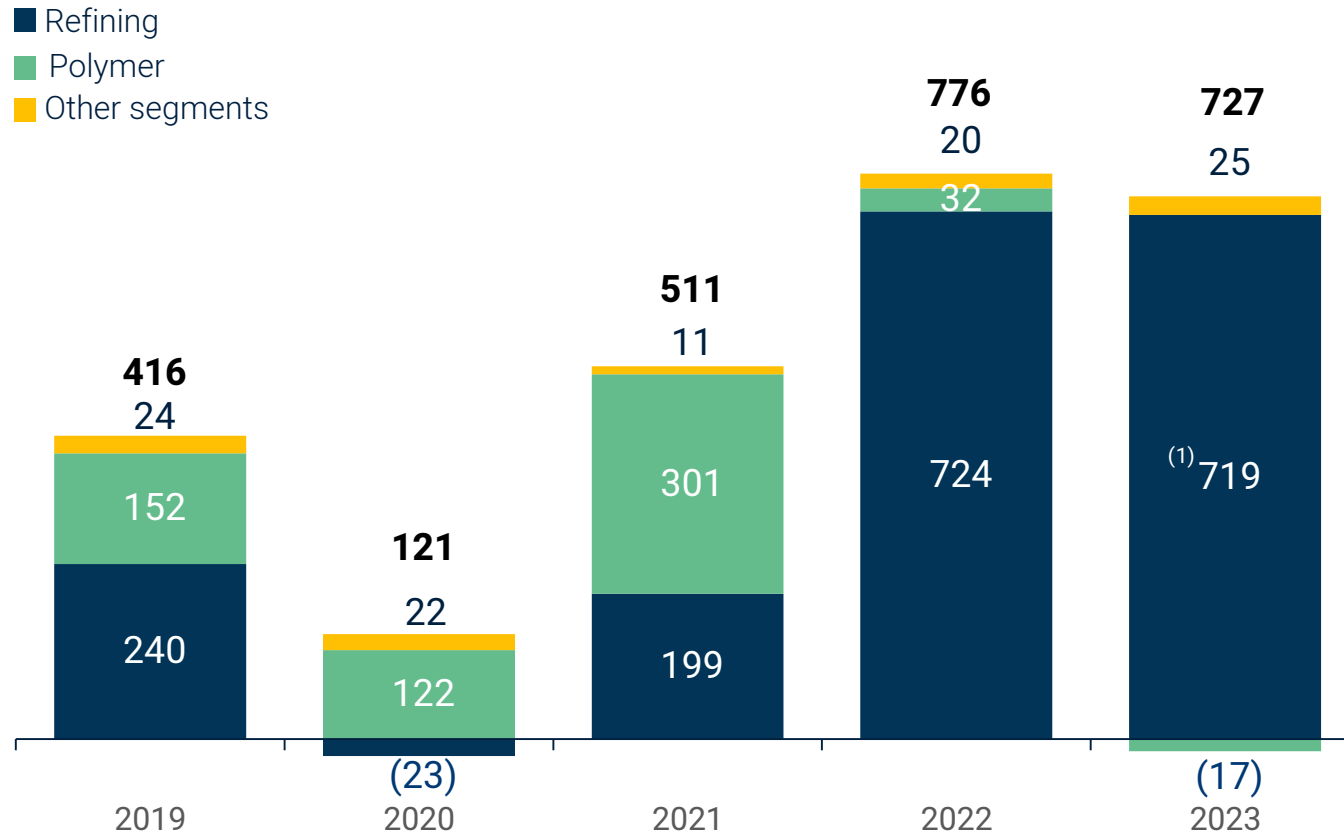
Analysis of results

For 2023



Adjusted Consolidated EBITDA by segments

USD million

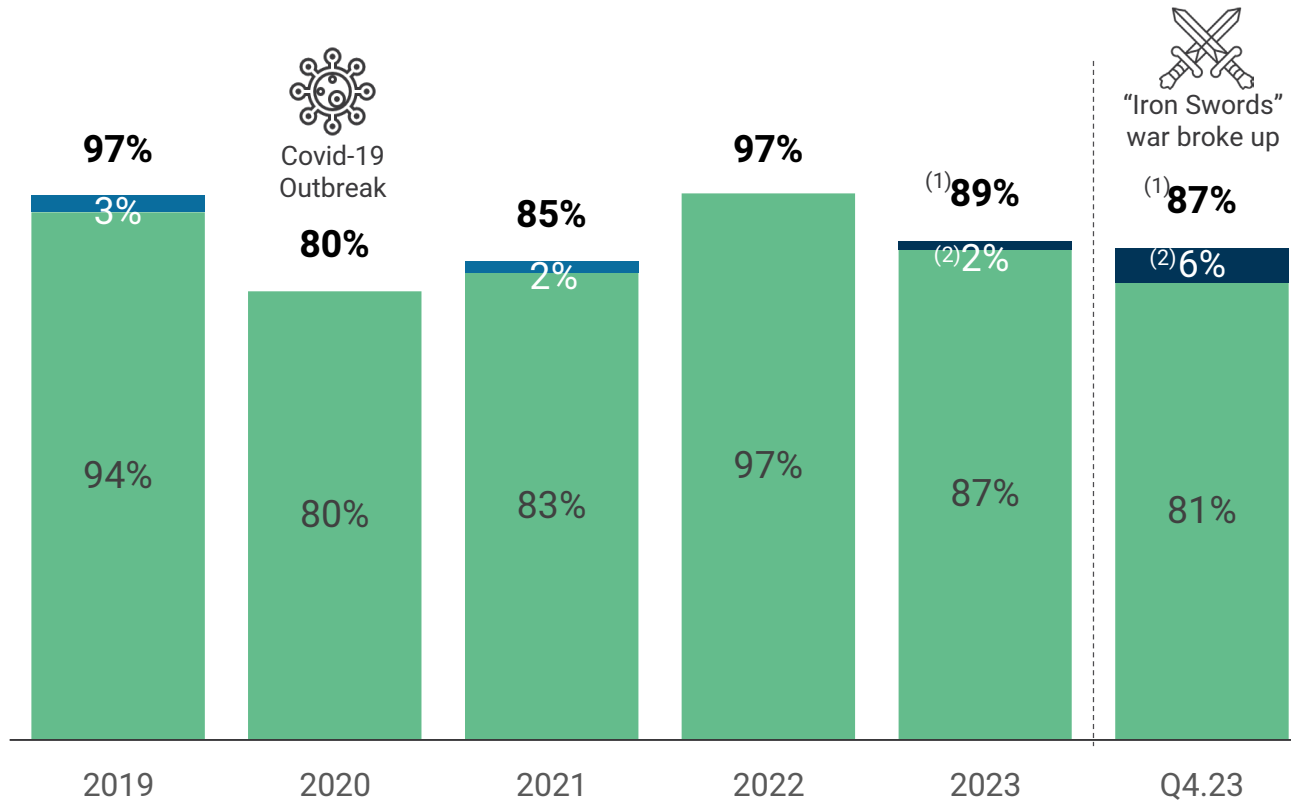


(1) Including the effect of the Iron Swords War in the amount of approx. USD 32 million.



Utilization of distillation facilities

- Pro forma for the “Iron Swords” war impact
- Pro-forma for periodic maintenances and major malfunctions
- Actual utilization

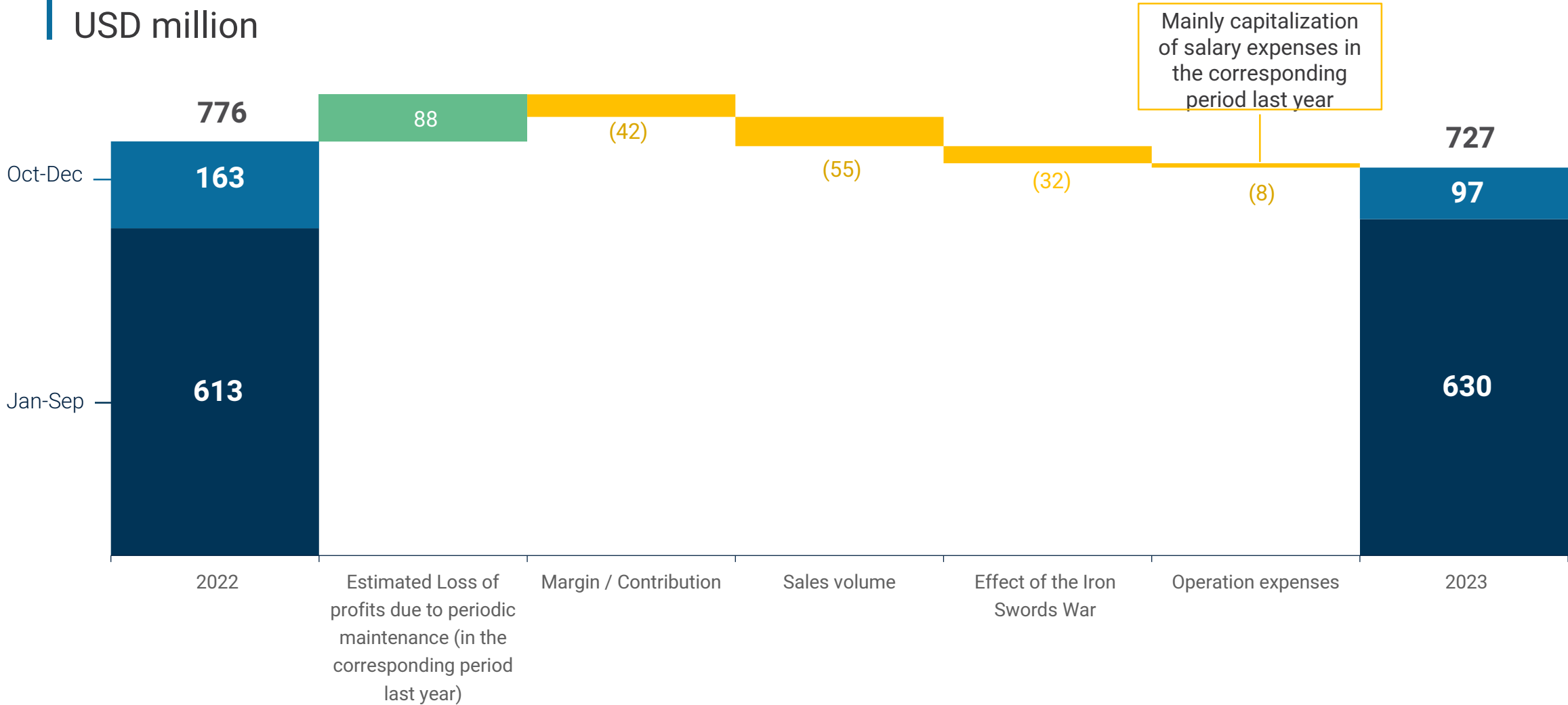


- (1) Mainly due to optimization considerations, seeking to maximize the Group’s profitability starting from the crude oil purchase phase to the production of petroleum products, polymers and aromatics.
- (2) Due to the Iron Swords War, there were changes in the demand volume and mix that dictated changes in how the Company’s facilities are operated and in the refining optimization. If not for the War, utilization of the crude oil refining facilities in the reporting period and the fourth quarter of 2023 was approx. 89% and approx. 87%, respectively.



Adjusted EBITDA – Key Factors for the change

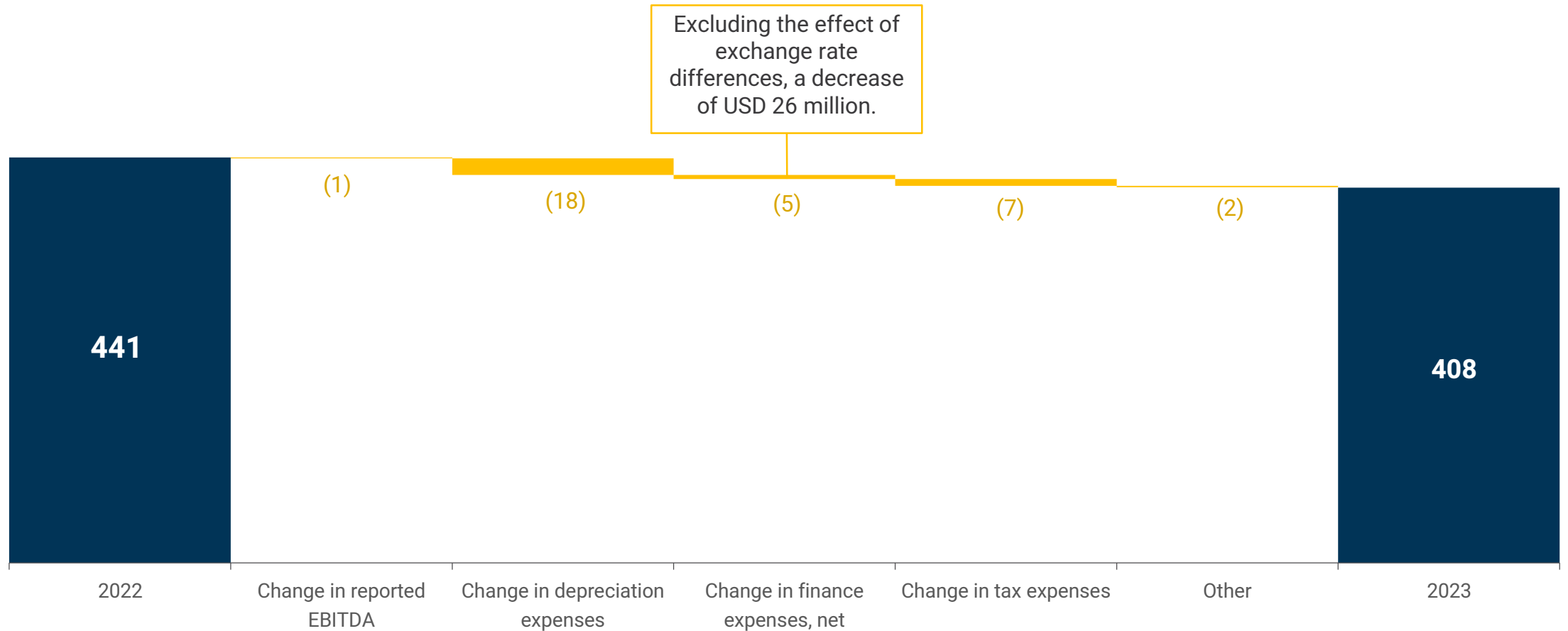
USD million



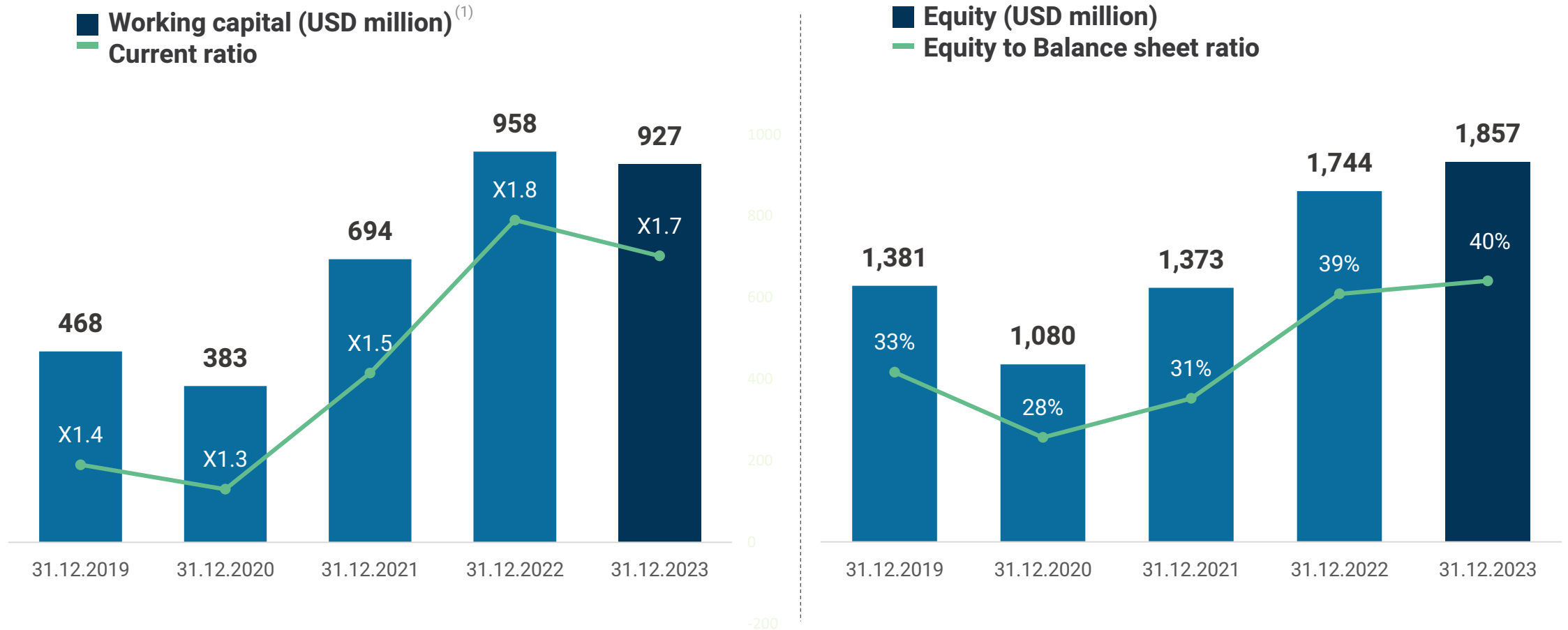
For further information, see the Board of Directors report.

Consolidated Net Profit – Key Factors for the change

USD million



Key balance sheet parameters



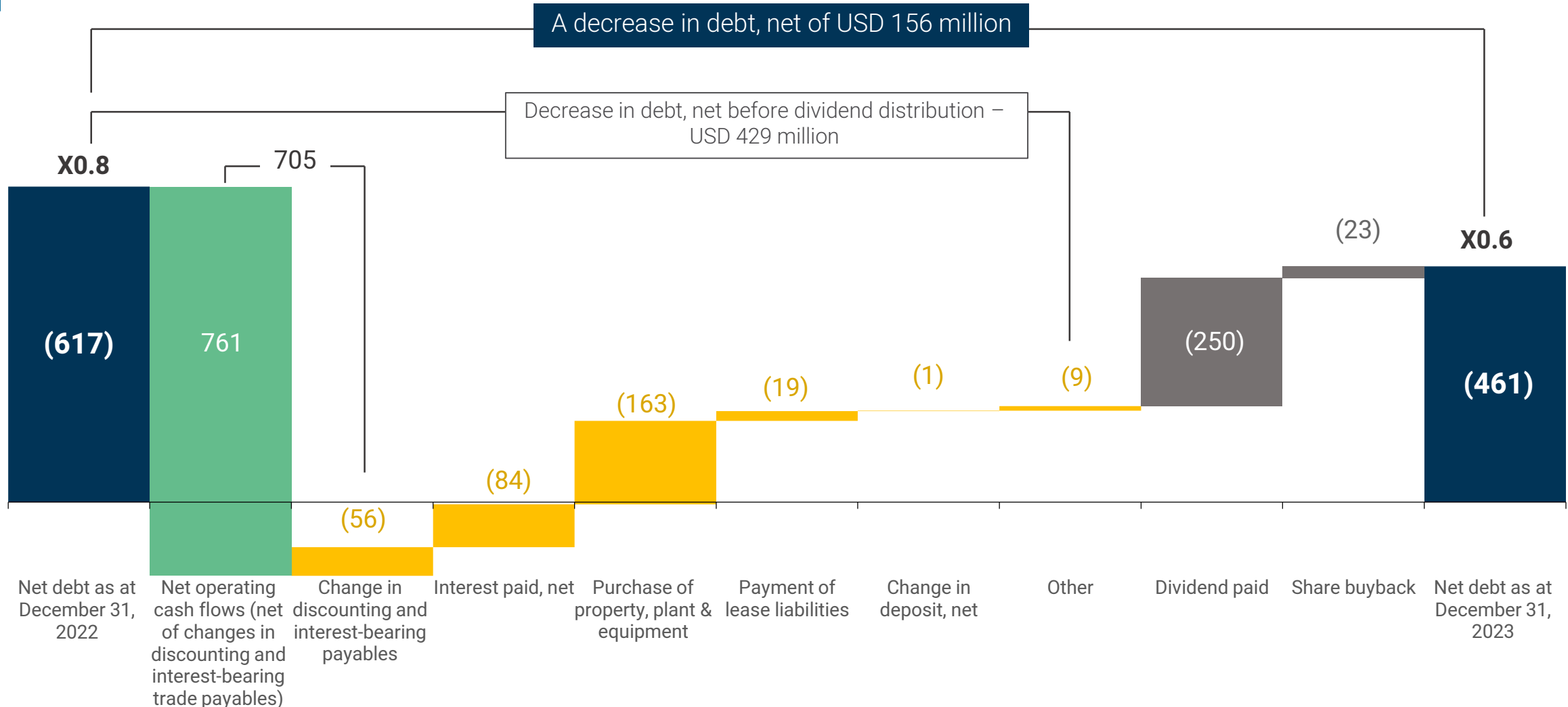
(1) Total current assets minus total current liabilities.

Financial Debt



Movement in Financial Debt, net ⁽¹⁾ for 2023 and leverage ratio⁽²⁾

USD million



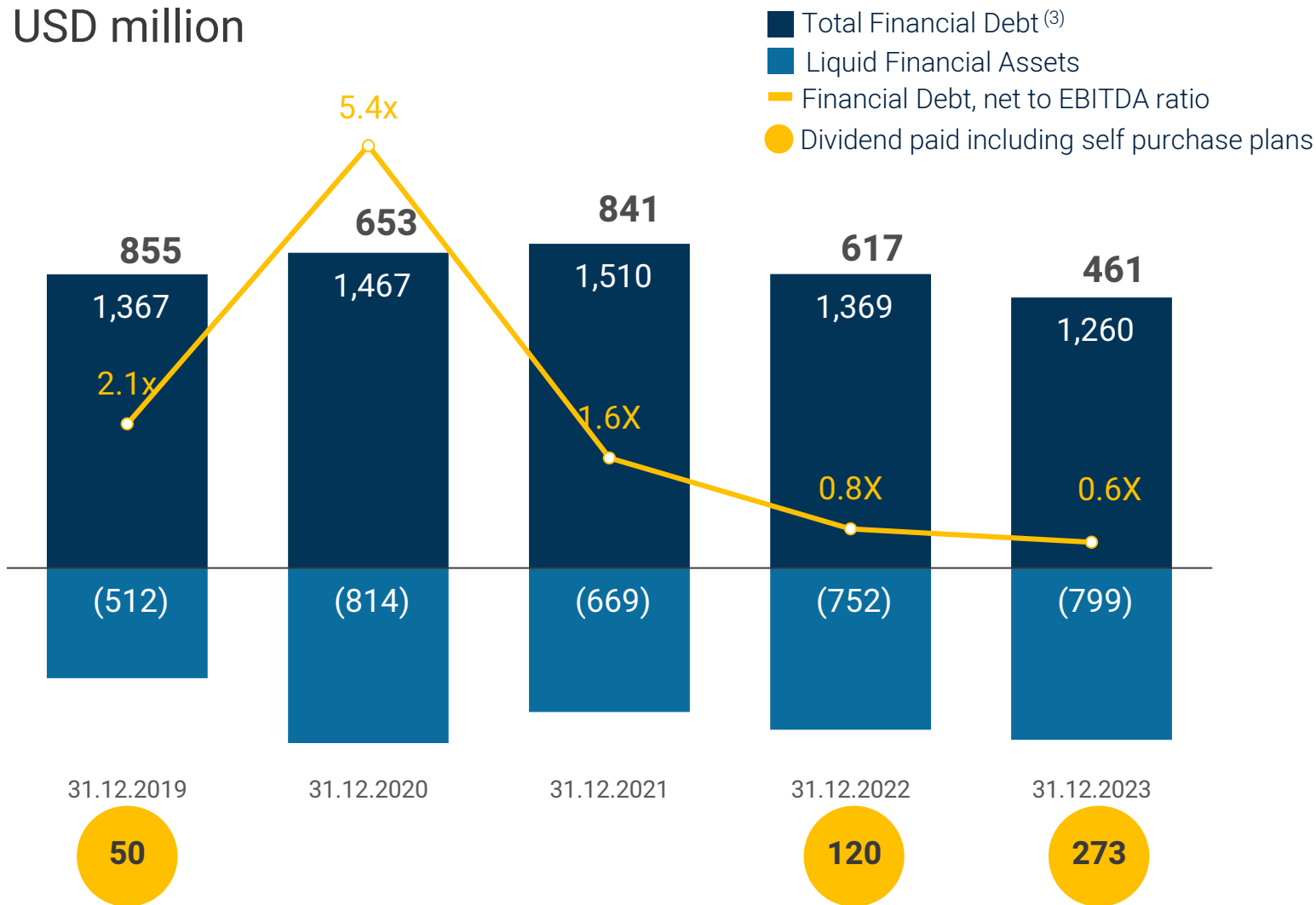
(1) To financial institutions and debenture holders.

(2) Financial debt, net divided by adjusted EBITDA in the last 4 quarters.

For further information, see the Director's report

Development of Financial Debt, net⁽¹⁾ and leverage ratio⁽²⁾

USD million



(1) To financial institutions and debenture holders.

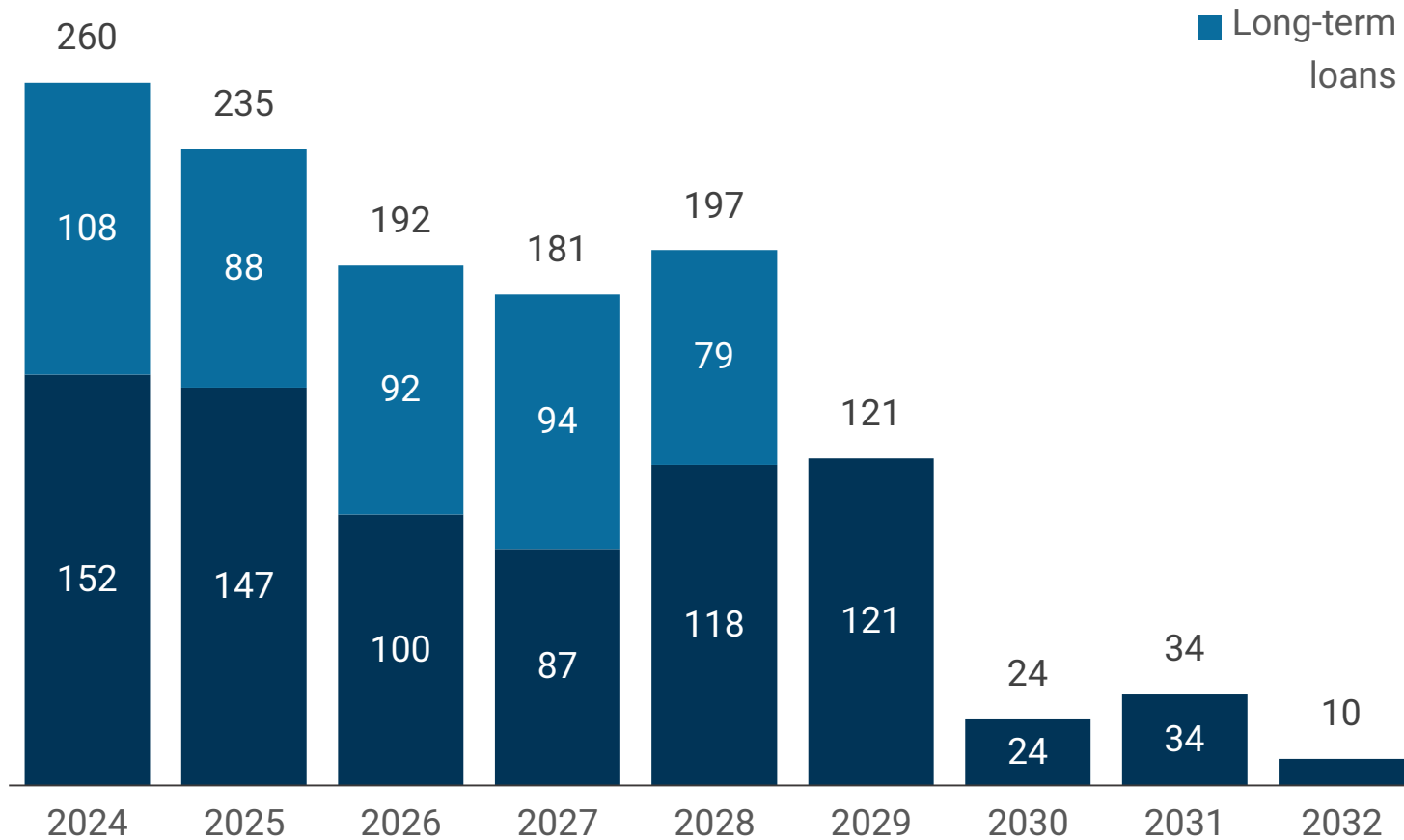
(2) Financial debt, net divided by adjusted EBITDA in the last 4 quarters .

(3) Including short-term borrowings, bank loans, debentures and swap transactions against the issuance of debentures.



Financial Debt repayment forecast

USD million

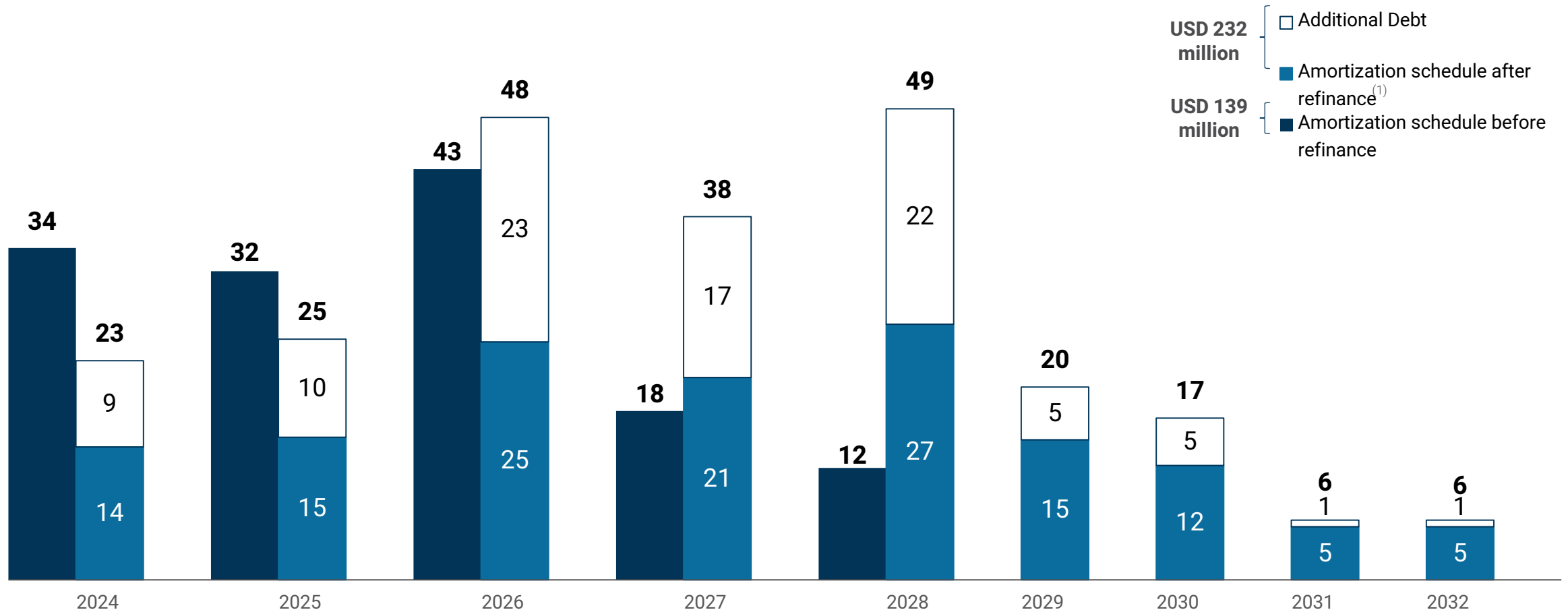


(1) Including Debentures hedging transactions (not include the deposits made to secure the transactions).



Refinancing - bank loans

USD million



(1) Refinance of bank loans during 2023 and in the period after the report date for extending the duration and reduction of the payments burden. For more details see note 13A3 to the financial statements.

Highlights for the 2023



S&P rate:
A+ with stable
forecast



Improving the financial
debt structure –
Existing debt refinance while
improving the duration and the
interest rate



Issuance of new
debentures series with a
final maturity date in
2032



Continuation of an outline to reduce
the financial debt (gross and net),
along with lowering the interest
costs



High cash flow from
current operations



Distribution of significant dividends
as well as buy-back plan





Thank you