



Investor Presentation

Disclaimer

This presentation contains forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by variables and changes in underlying assumptions that could cause actual results to differ materially.

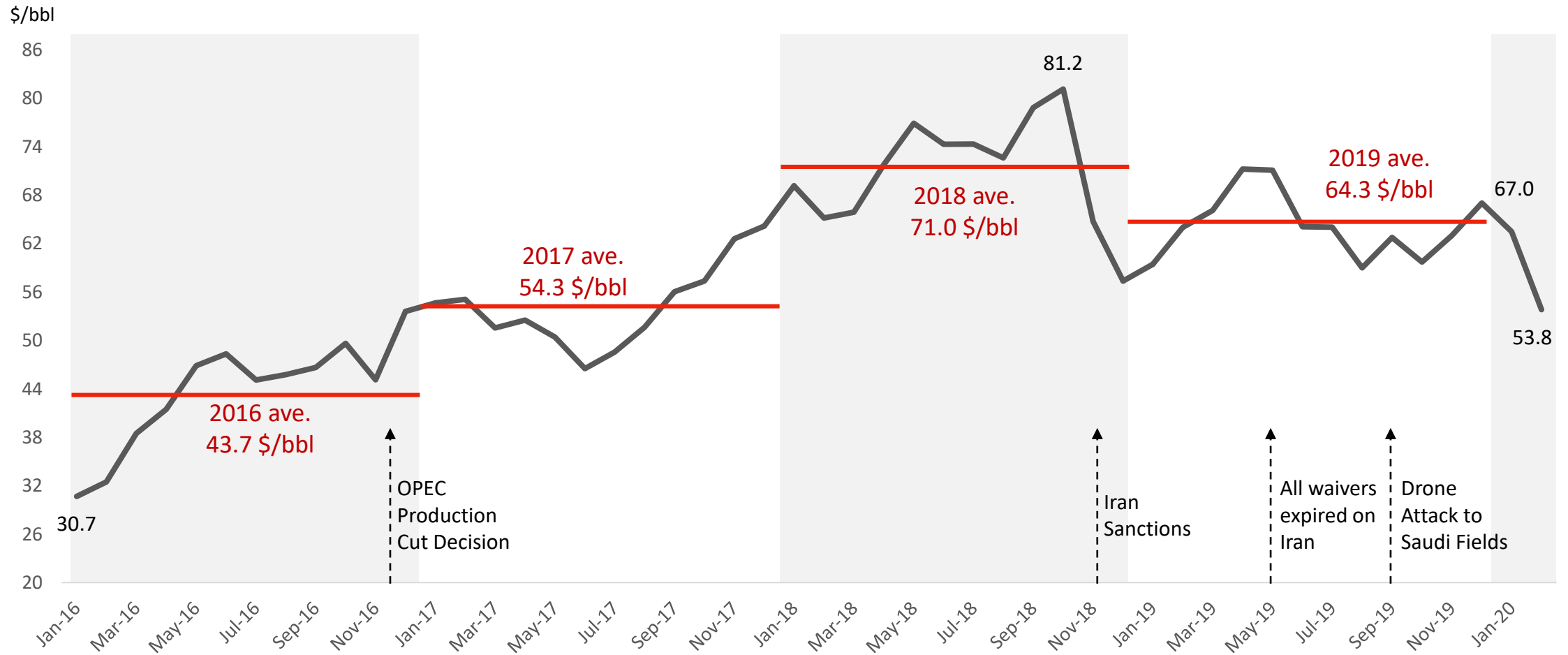
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Refining Market

Brent Crude Prices

- + OPEC and its allies increasing output cuts
- + Impact of Iran & Venezuela sanctions
- + Escalating regional tension
- Concerns on global economic development
- China's purchases to slow as approaching LT reserve targets
- Coronavirus related demand drop



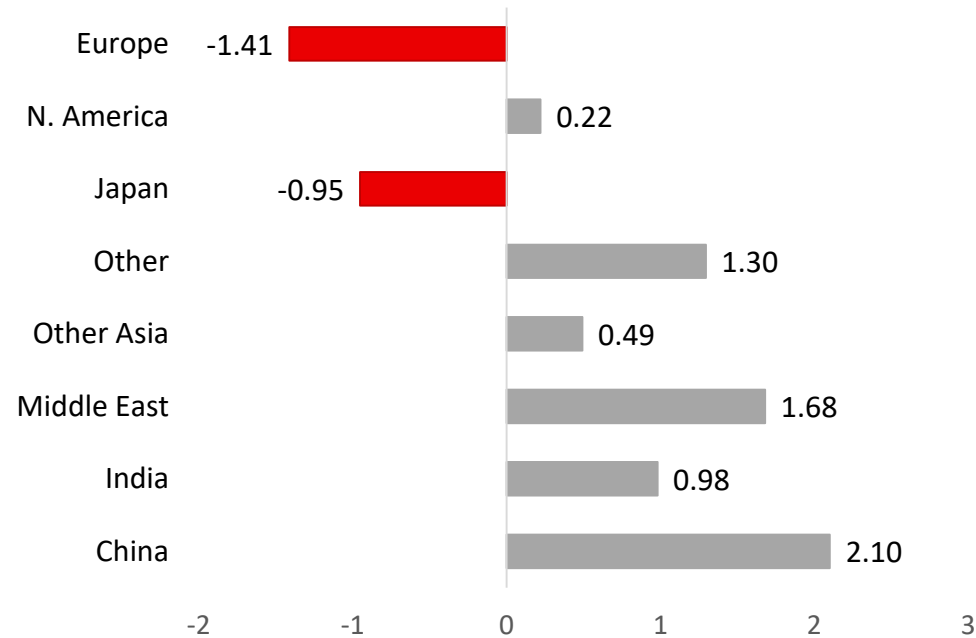
data as of 11 Feb 2020

Global Refinery Capacity Changes

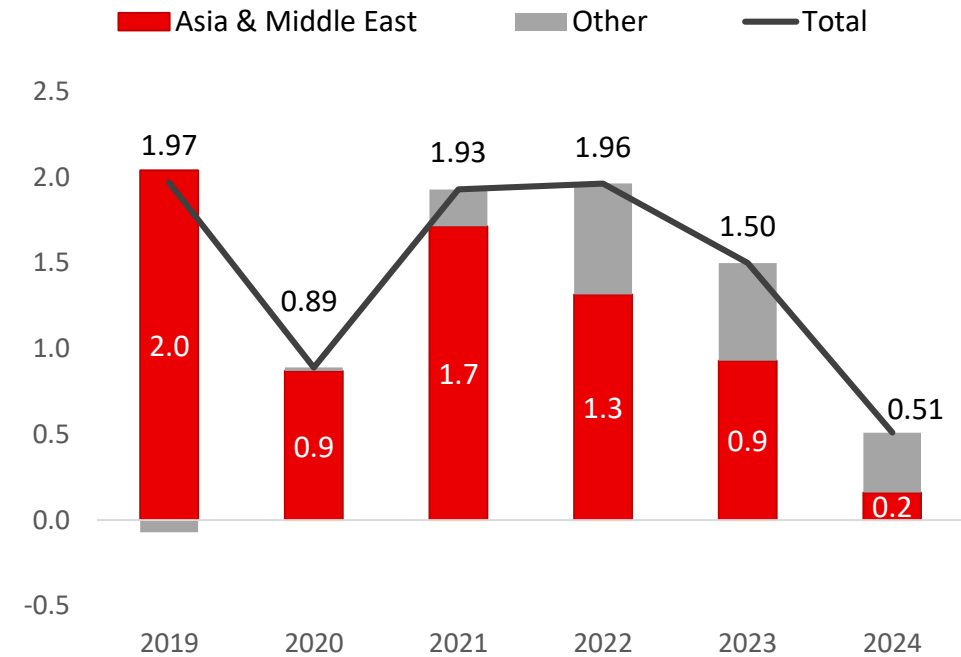
Expectations until 2024:

- ~80% of net capacity additions will come from Asia & Middle East
- Net capacity and demand in Europe will remain roughly unchanged

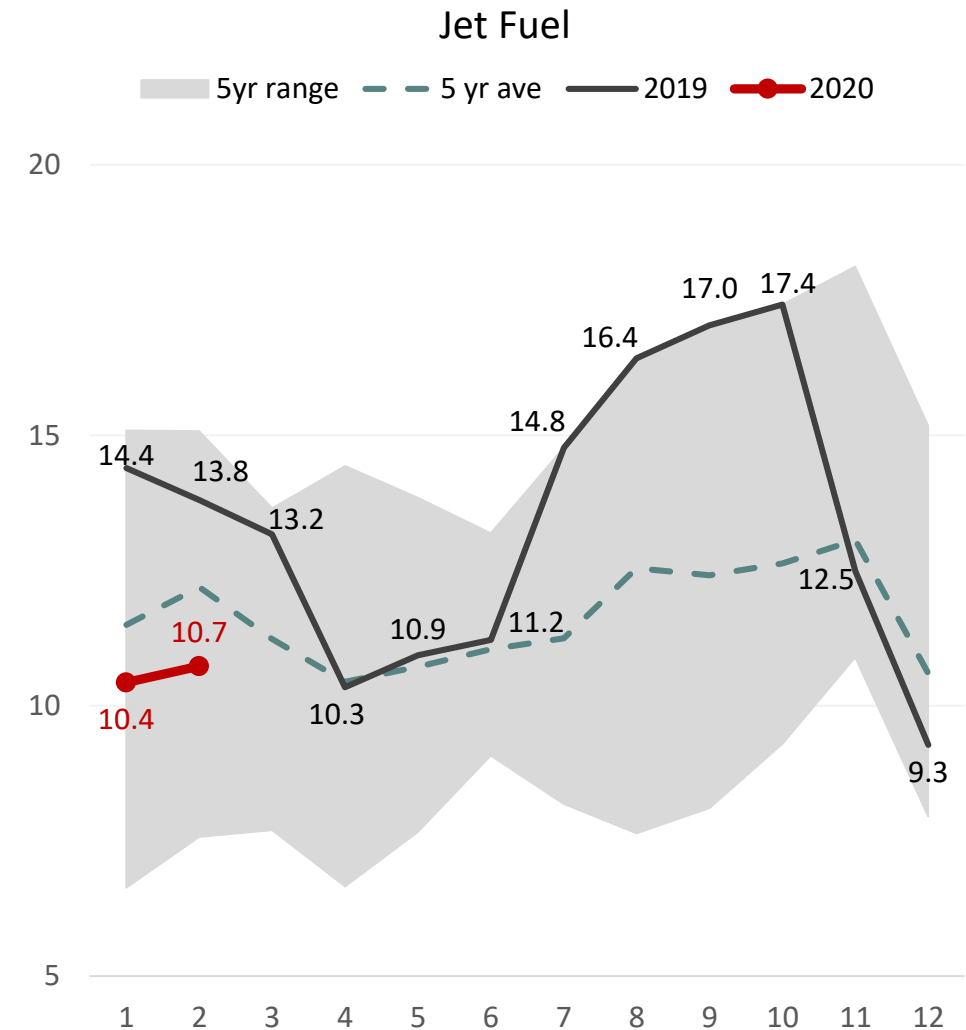
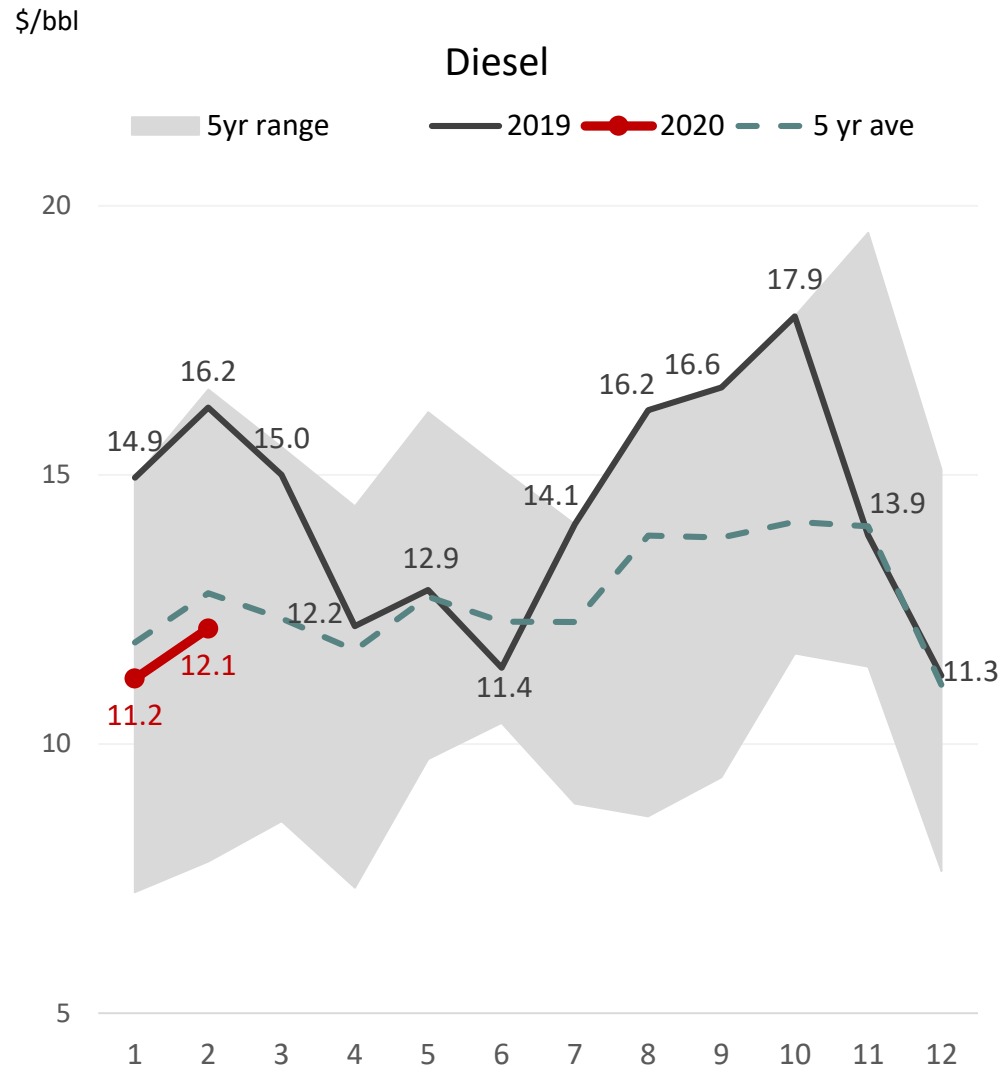
2012-2018 Net Capacity Additions by Region



2019-2024 Net Capacity Additions

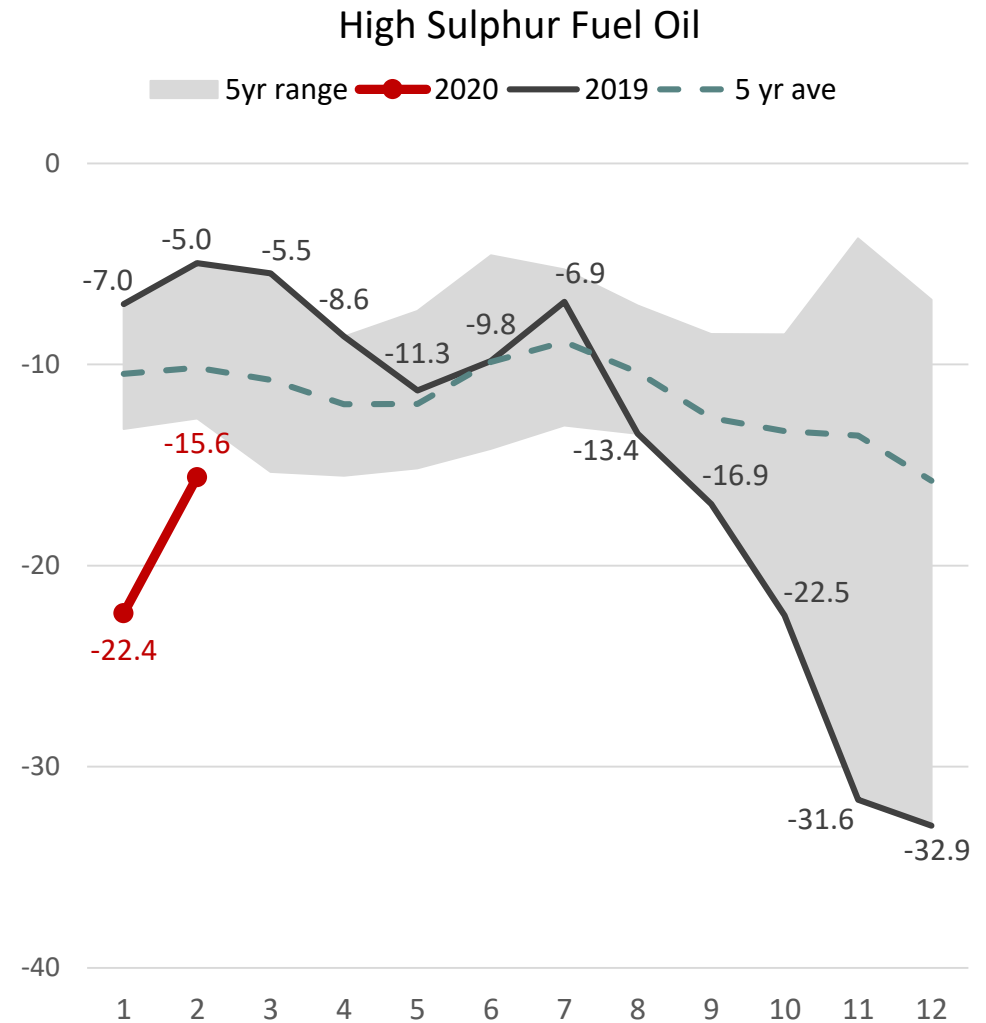
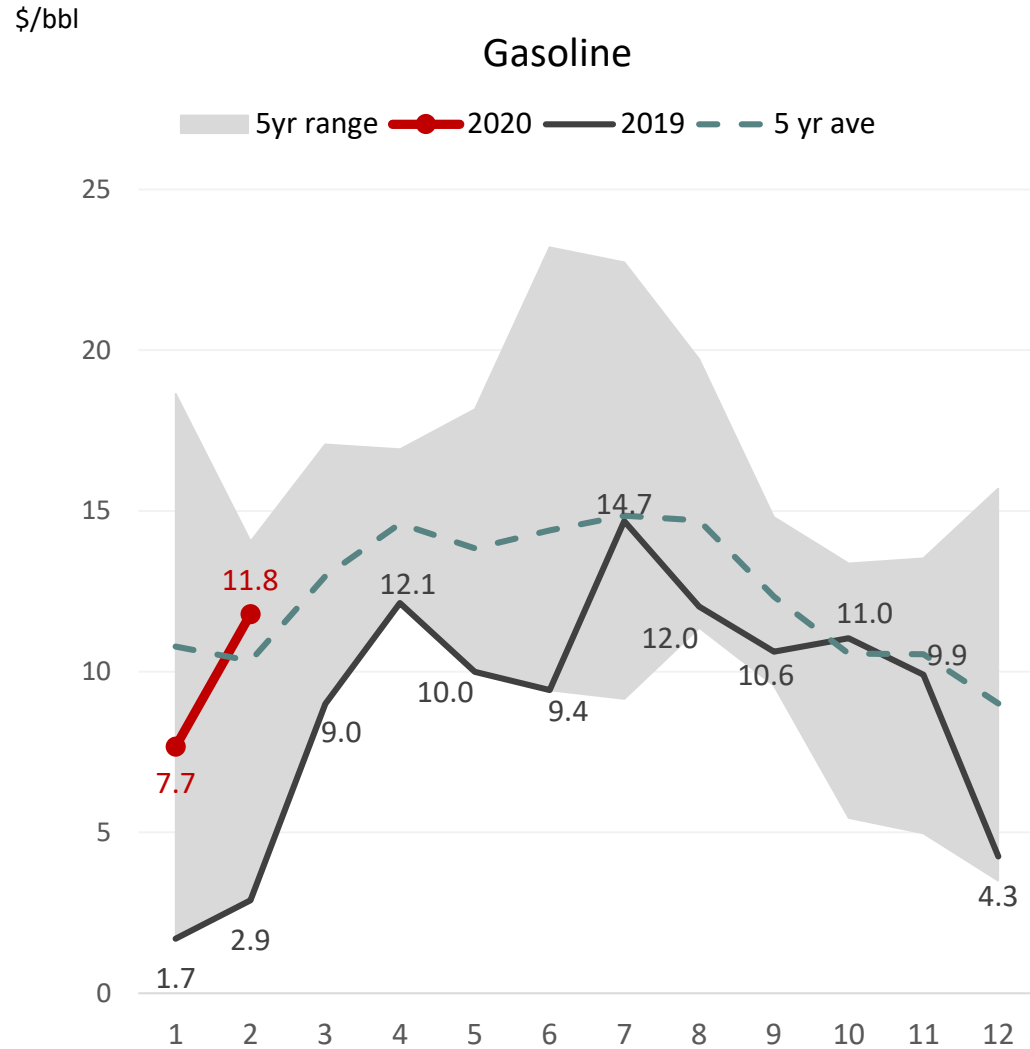


Middle Distillate Cracks



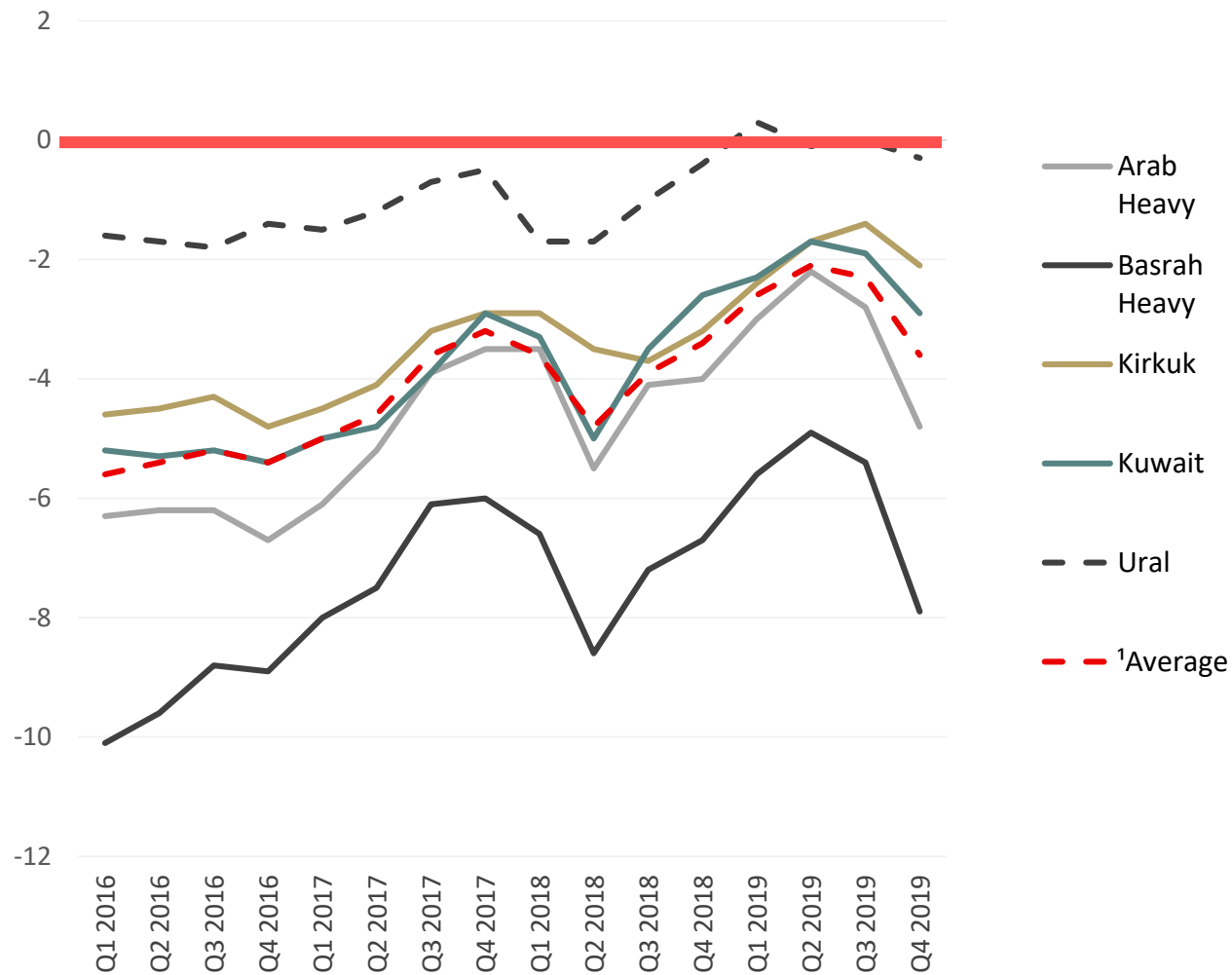
5 yr between 2015-2019, data as of 11 Feb 2020

Gasoline and High Sulphur Fuel Oil Cracks



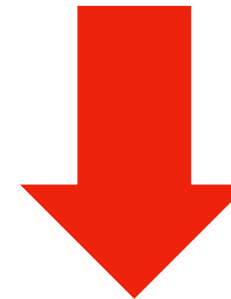
5 yr between 2015-2019, data as of 11 Feb 2020

Crude Price Differentials to Brent



Supply Shocks on Heavy Crude

- Iran Sanctions
- Venezuela Sanctions
- OPEC+ cut decision and over-compliance
- Druzhba contamination
- Drone attack to Saudi fields



A total of ~4 mbd is missing from heavy crude pool since December 2018, leading to price increases and narrowing differentials

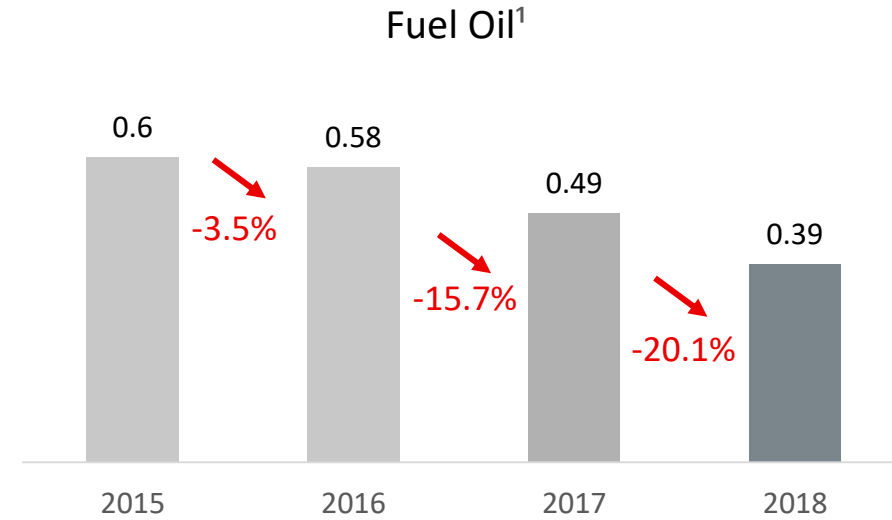
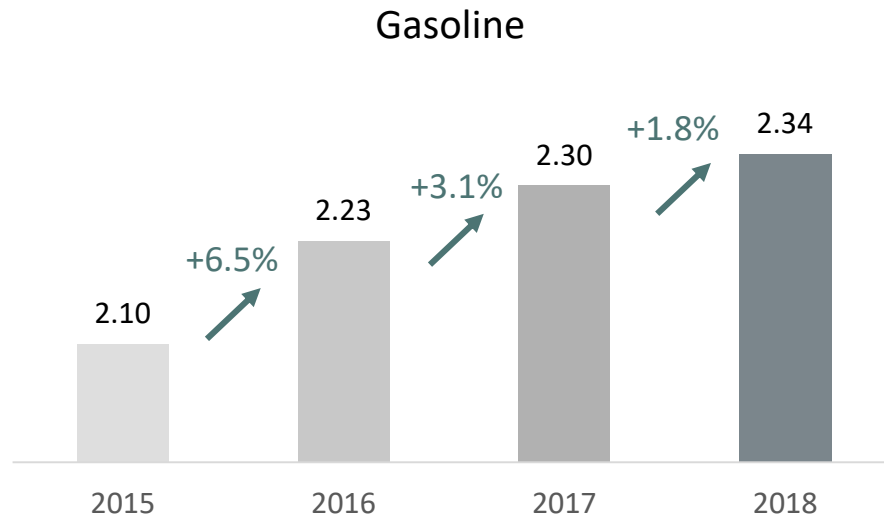
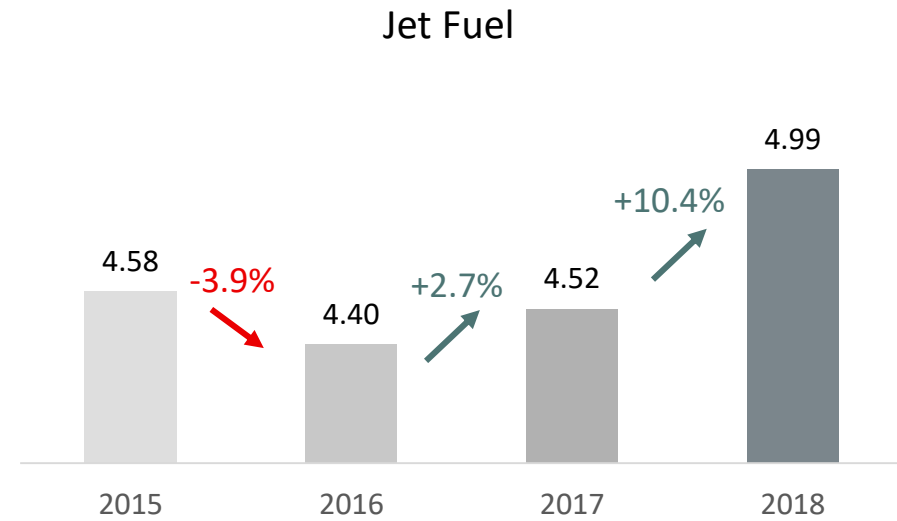
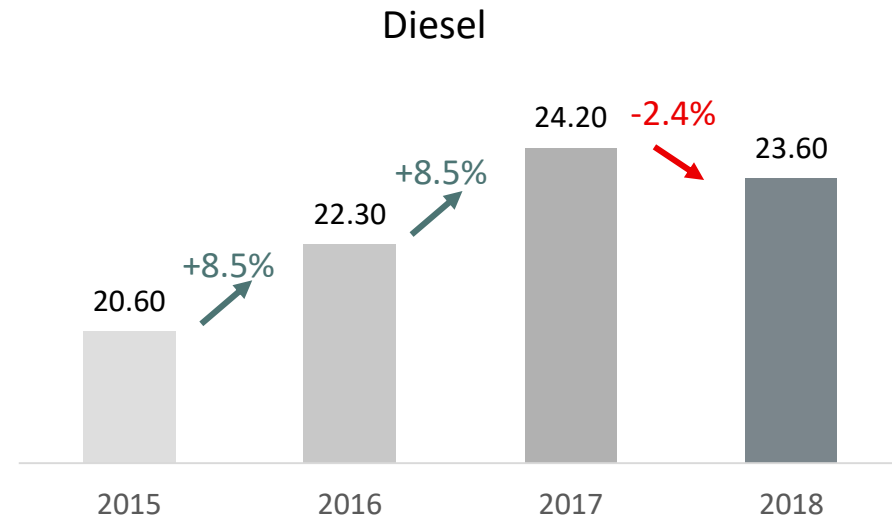
¹Simple average of listed differentials



Turkish Market

Turkish Consumption 2015-2018

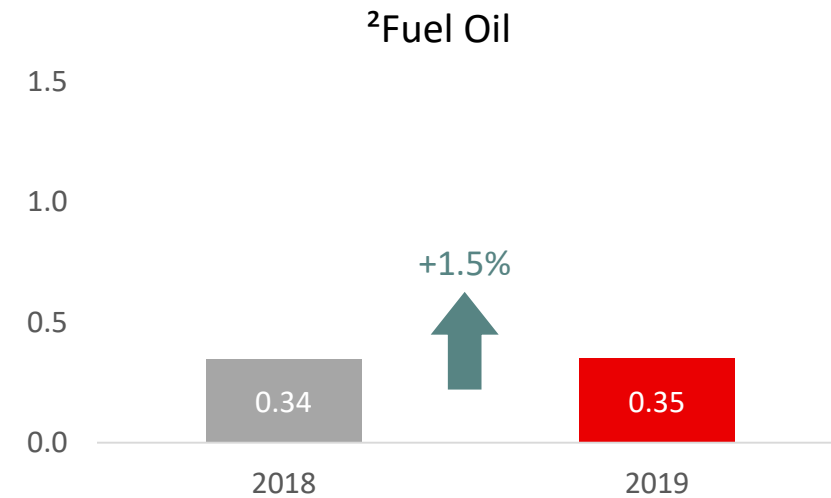
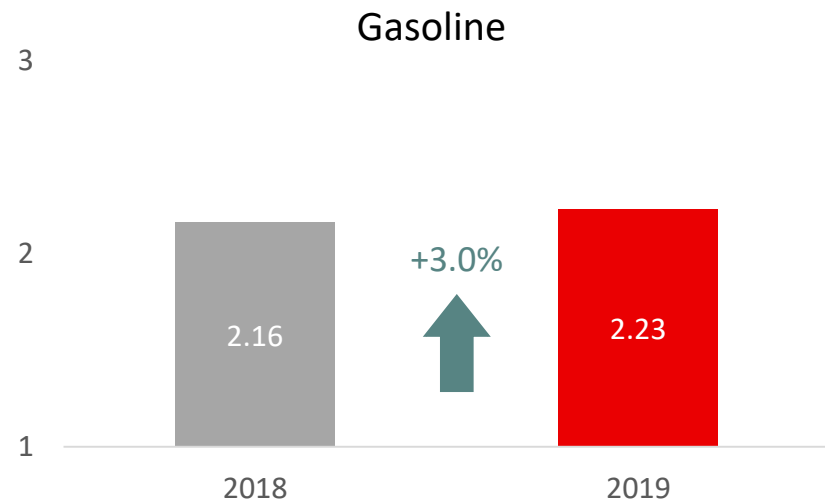
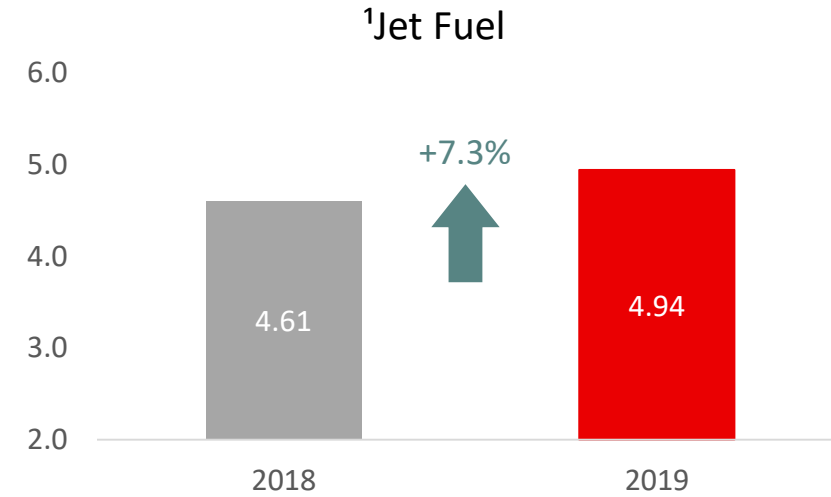
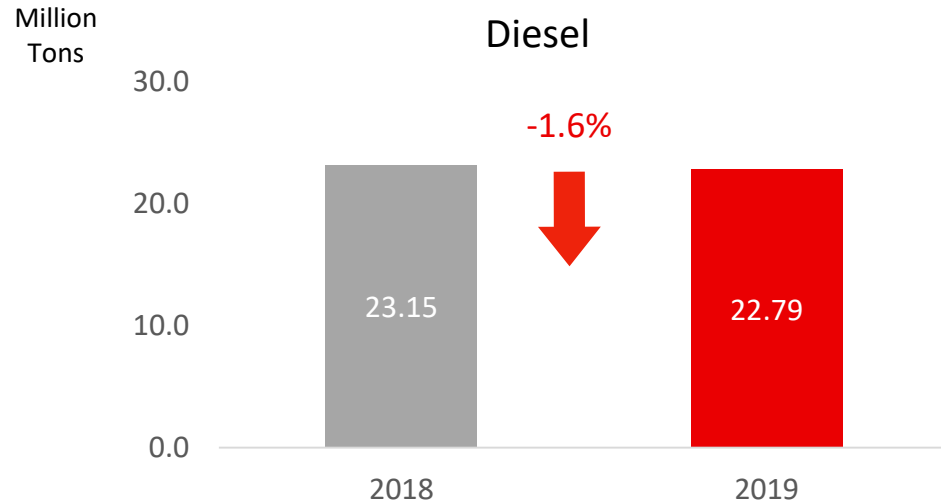
Million
Tons



Source: Tüpraş and EMRA ¹Bunker excluded

Turkish Market, 11M 2019

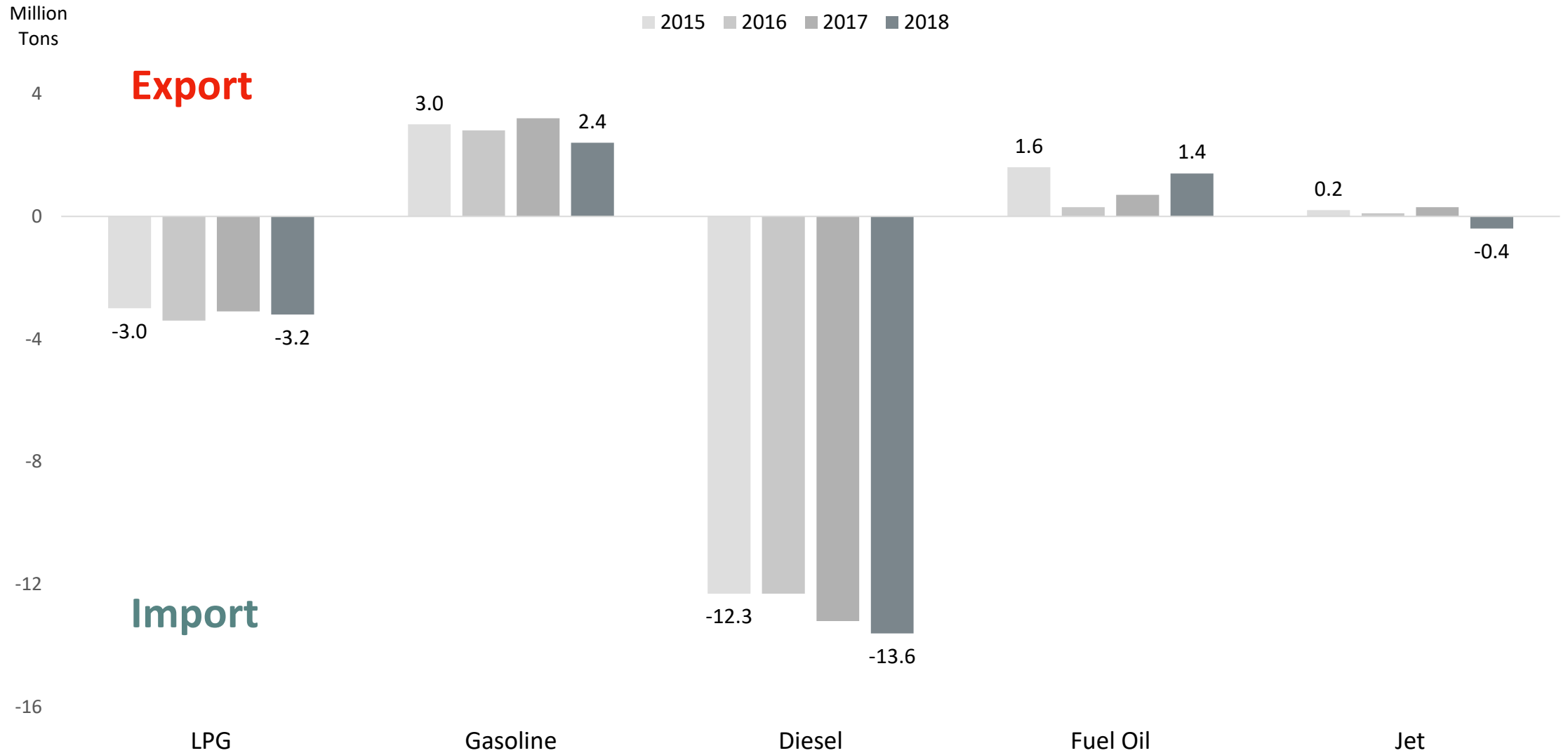
Contraction in diesel demand is softening following weak 1H. Aviation driven jet demand remains healthy.



¹Transit flight consumption included

²Bunker excluded

Turkey's Net Import / Export Balance

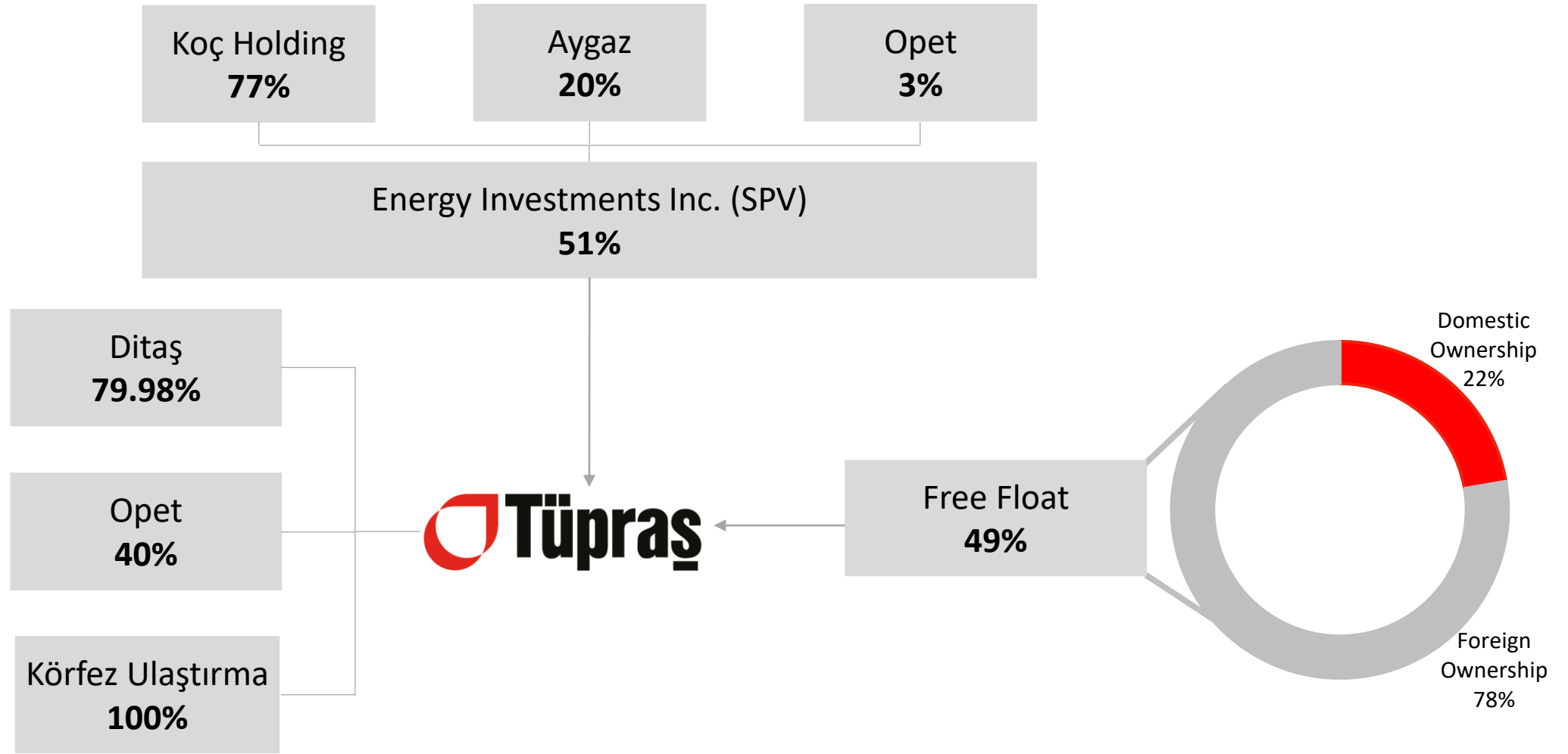




Company Overview

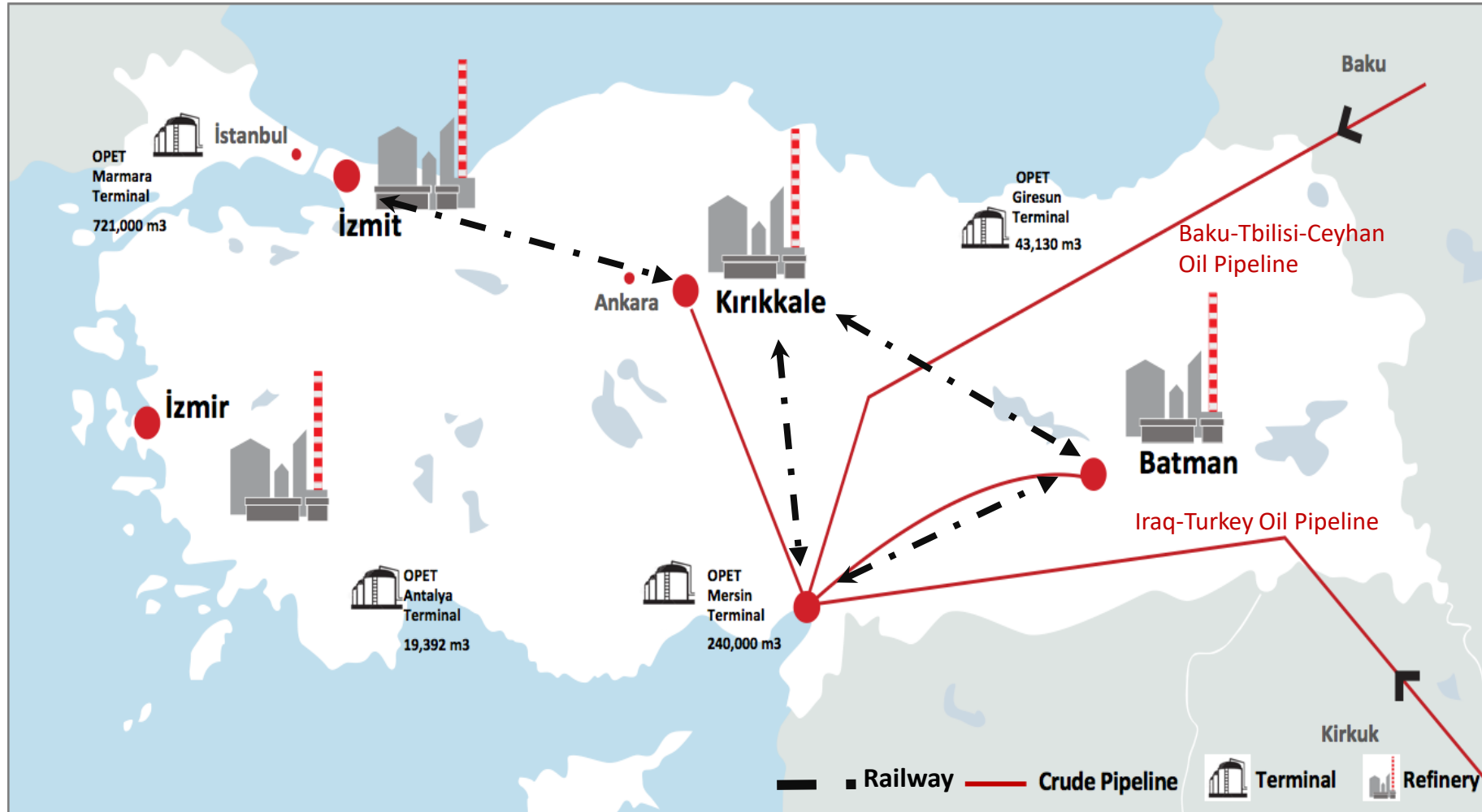
Tüpraş Shareholder Structure

Tüpraş is Turkey's biggest industrial company and leading refiner.



¹As of December 31st, 2019

Tüpraş's Refining Assets & Distribution Network



- + Tüpraş supplies ~60% of Turkey's petroleum product needs
- + Tüpraş benefits from an integrated system optimization with its high complexity, procurement and logistics flexibility

Turkey's Storage Capacity

Tüpraş & Opet	57%
Others	43%

Total Capacity	30 mn tons
Nelson Complexity	9.5
Tüpraş Storage Cap.	7 mn m ³

Izmit

- 11.3 MT Capacity
- NC: 14.5
- Storage Capacity: 2.99 mn m³

Izmir

- 11.9 MT Capacity
- NC: 7.66
- Storage Capacity: 2.51 mn m³

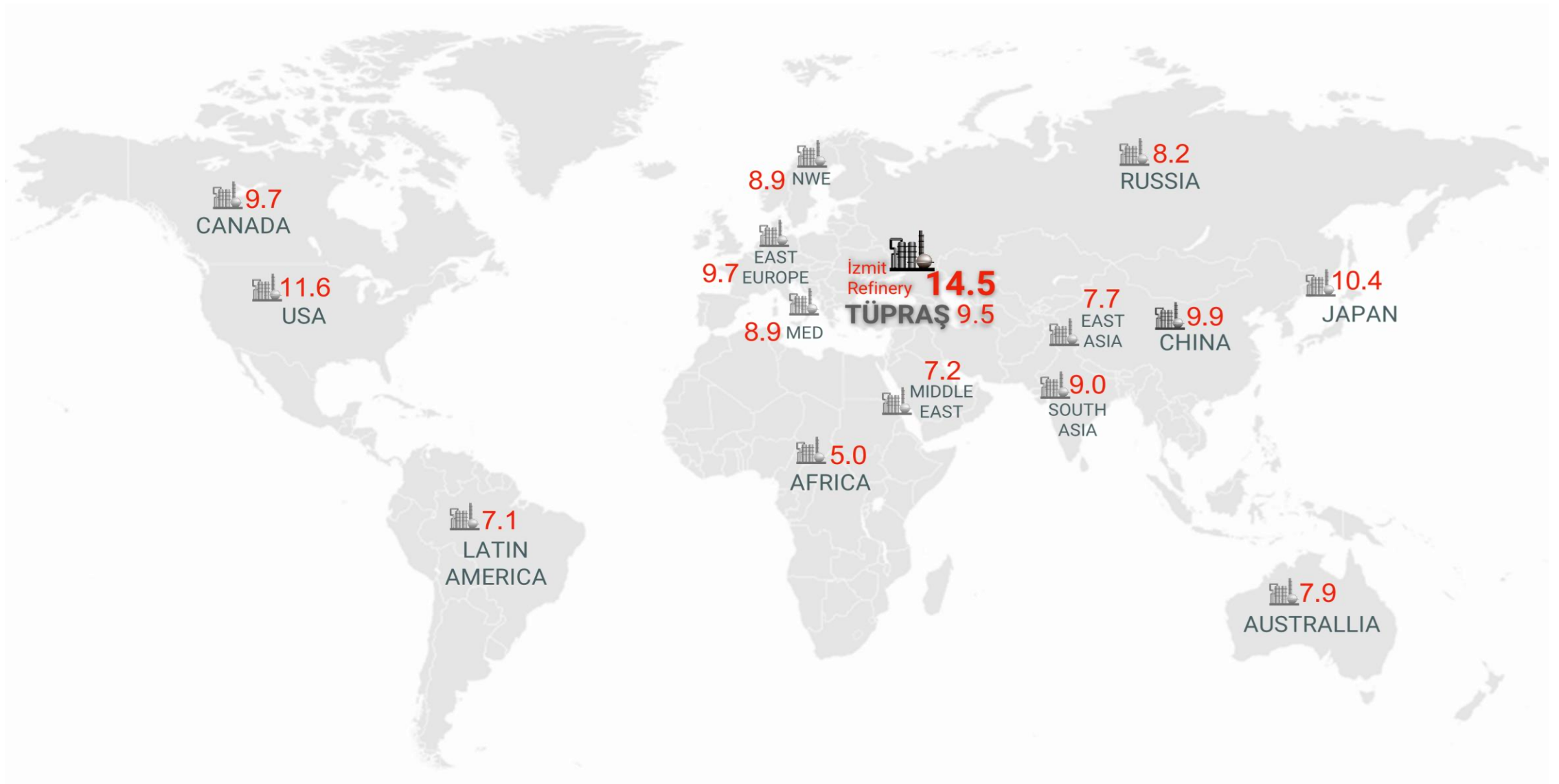
Kırıkkale

- 5.4 MT Capacity
- NC: 6.32
- Storage Capacity: 1.27 mn m³

Batman

- 1.4 MT Capacity
- NC: 1.83
- Storage Capacity: 0.27 mn m³

Nelson Complexity of Refining Companies



Tüpraş Subsidiaries

OPET, Distribution, Tüpraş Share: 40%



- 1,670 stations as of 31 December 2019
- As of November 2019 Market share: 19.0% in white products; 35.6% in black products

DİTAŞ, Marine Transport, Tüpraş Share: 79.98%



- 3 Crude Oil Tanker: 479,765 DWT
- 1 Crude Oil - Product Tanker: 51,532 DWT
- 10 Product Tanker: 171,453 DWT"

Körfez Ulaştırma, Railway Transport, Tüpraş Share: 100%



- ~7% share in Turkish rail freight market
- ~1.8 mn ton of product and semi-product carried in 2019.
- Operates with 10 diesel locomotives and over 600 cistern wagons

Tüpraş Trading UK, Trading, Tüpraş Share: 100%



- Trading Office in London will be an important step into wider integration with the global energy landscape by allowing to:
 - Closely monitor international market opportunities
 - Support import and export operations
 - Create additional value from supply chain and sales activities

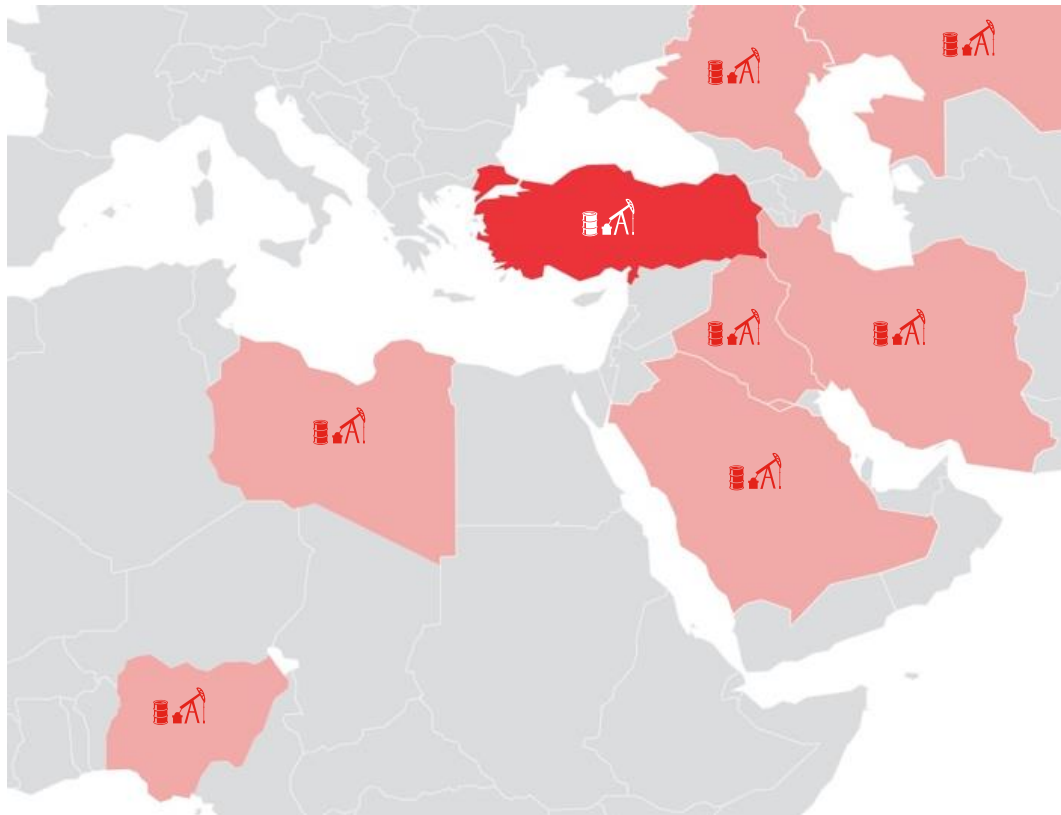


Operations

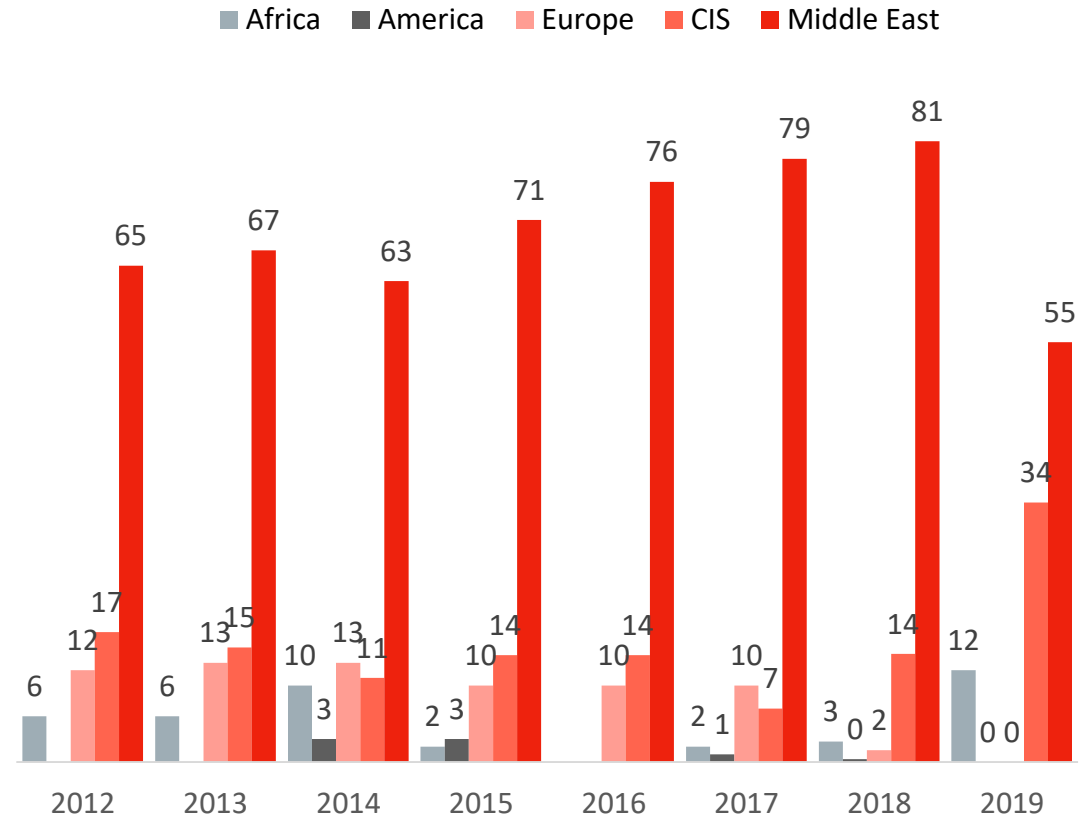
Crude Suppliers of Tüpraş

In 2019, Tüpraş purchased 15 different types of crude from 8 countries with gravities ranging between 20-47 API.

Main Crude Suppliers in 2019

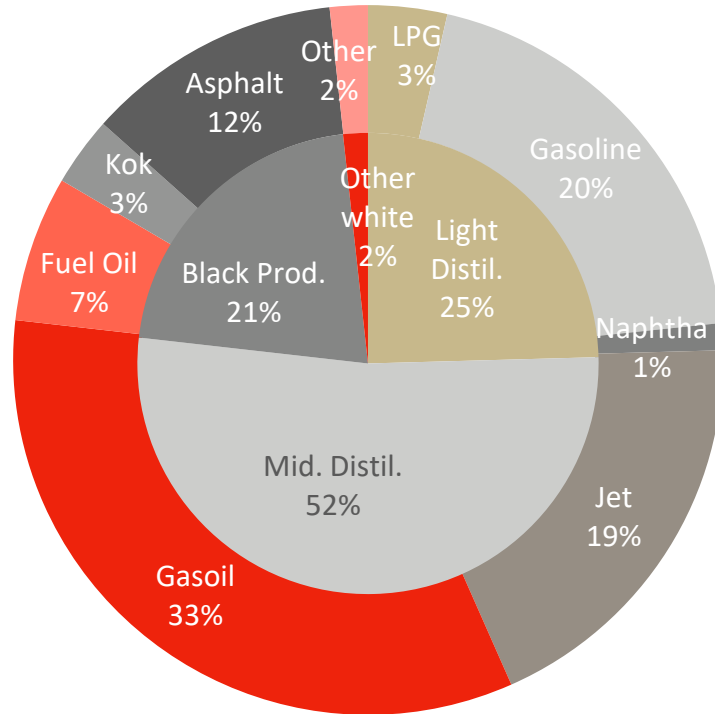


Crude Oil Imports by Region (%)



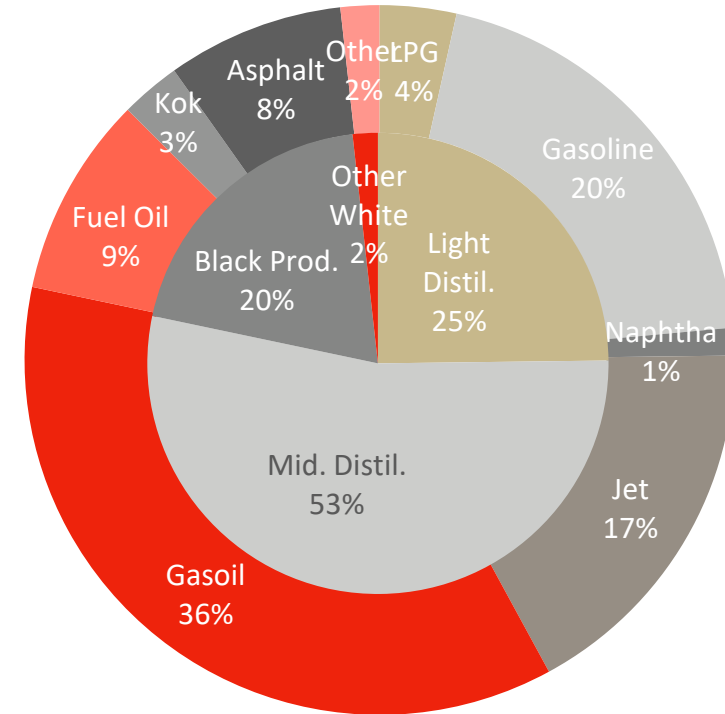
Annual Product Yields

2018



White Product Yield (%)	77.4%
Production	25.7 mn tons
API	31.0

2019



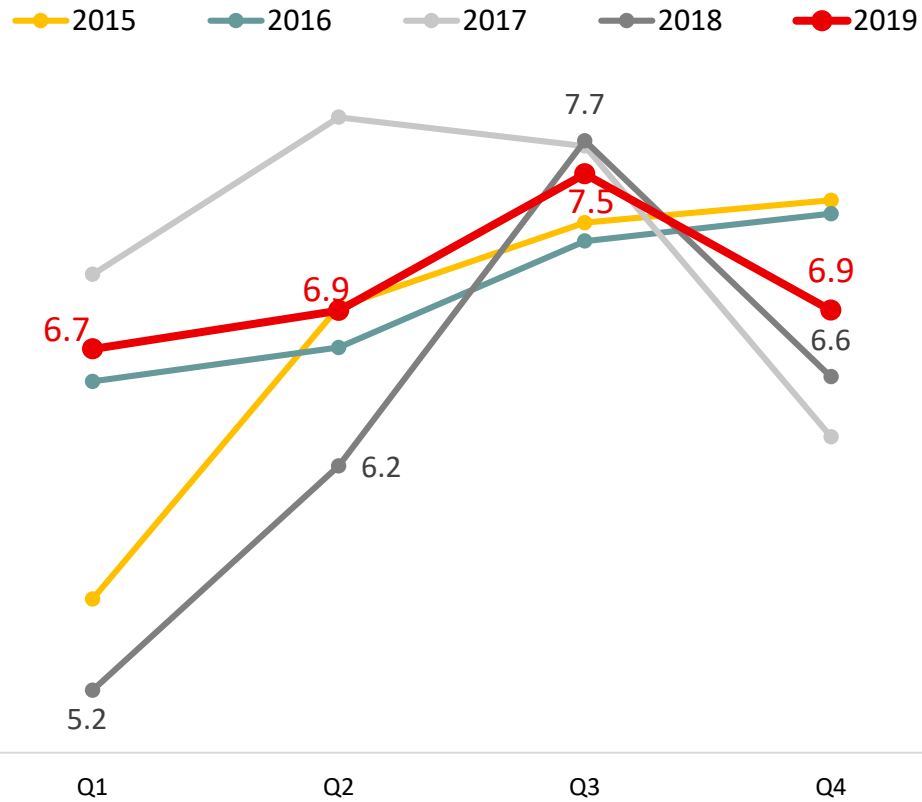
White Product Yield (%)	79.0%
Production	28.1 mn tons
API	32.0

Capacity Utilization and Quarterly Production Volume

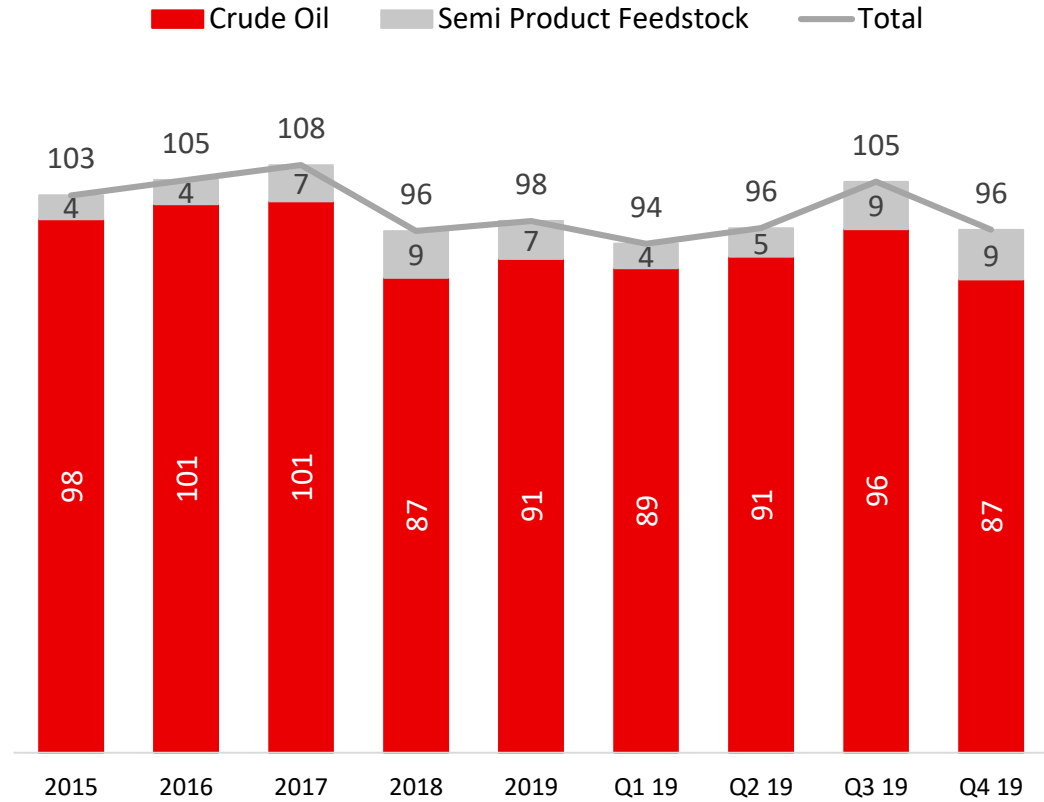
Total production volume in Q4 2019 realized as 6.9 mn tons.

Full year capacity utilization for 2019 was 97.8%, in line with our guidance.

Quarterly Production



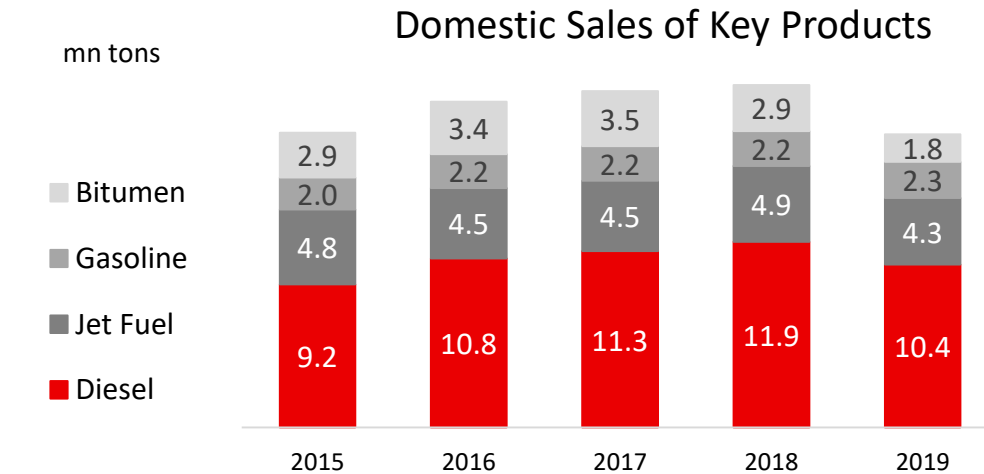
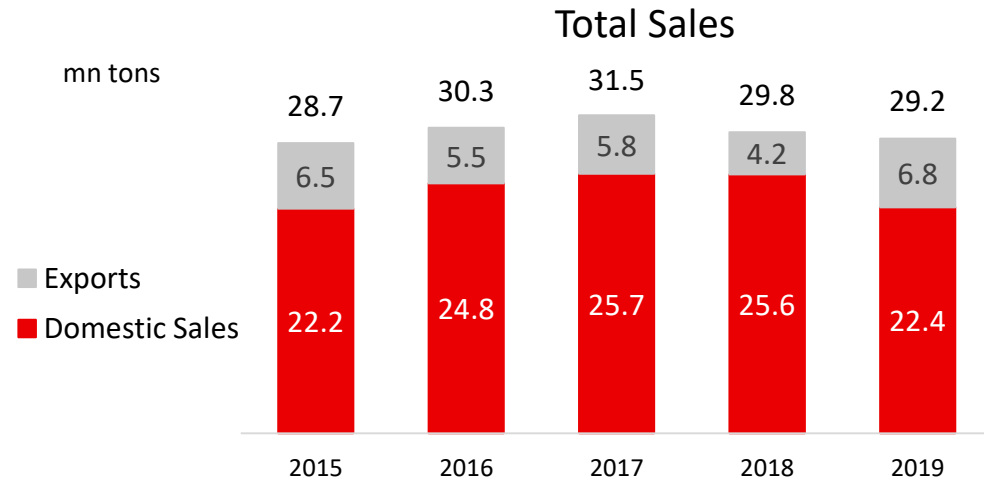
Capacity Utilization¹ (%)



¹Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards.

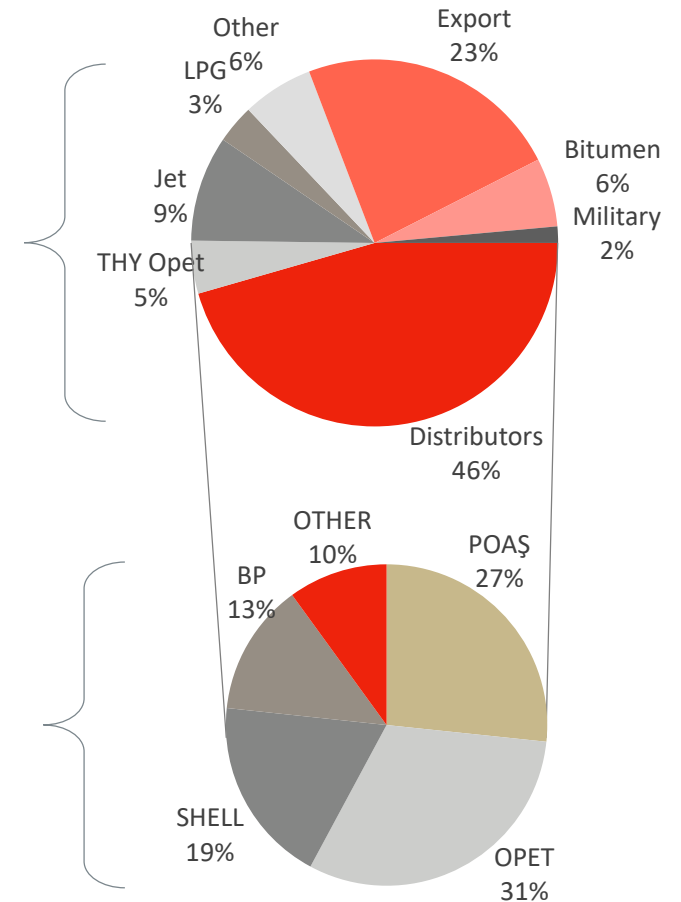
Sales

- Tüpraş generated 29.2 million tons of total sales 2019.



Total Sales, 2019
29.2 mn tons

Customer Groups 2019



Sales to Distributors 2019
13.3 mn tons

An aerial night view of a large industrial refinery or petrochemical plant. The facility is illuminated with various lights, including green and yellow, highlighting the complex network of pipes, towers, and storage tanks. Several tall, striped smokestacks are visible, with some emitting plumes of smoke. In the background, a large body of water reflects the lights of the city and the refinery. A large, reddish-brown planet or moon is visible in the dark sky. A red banner with the word "Financials" is overlaid on the bottom left corner.

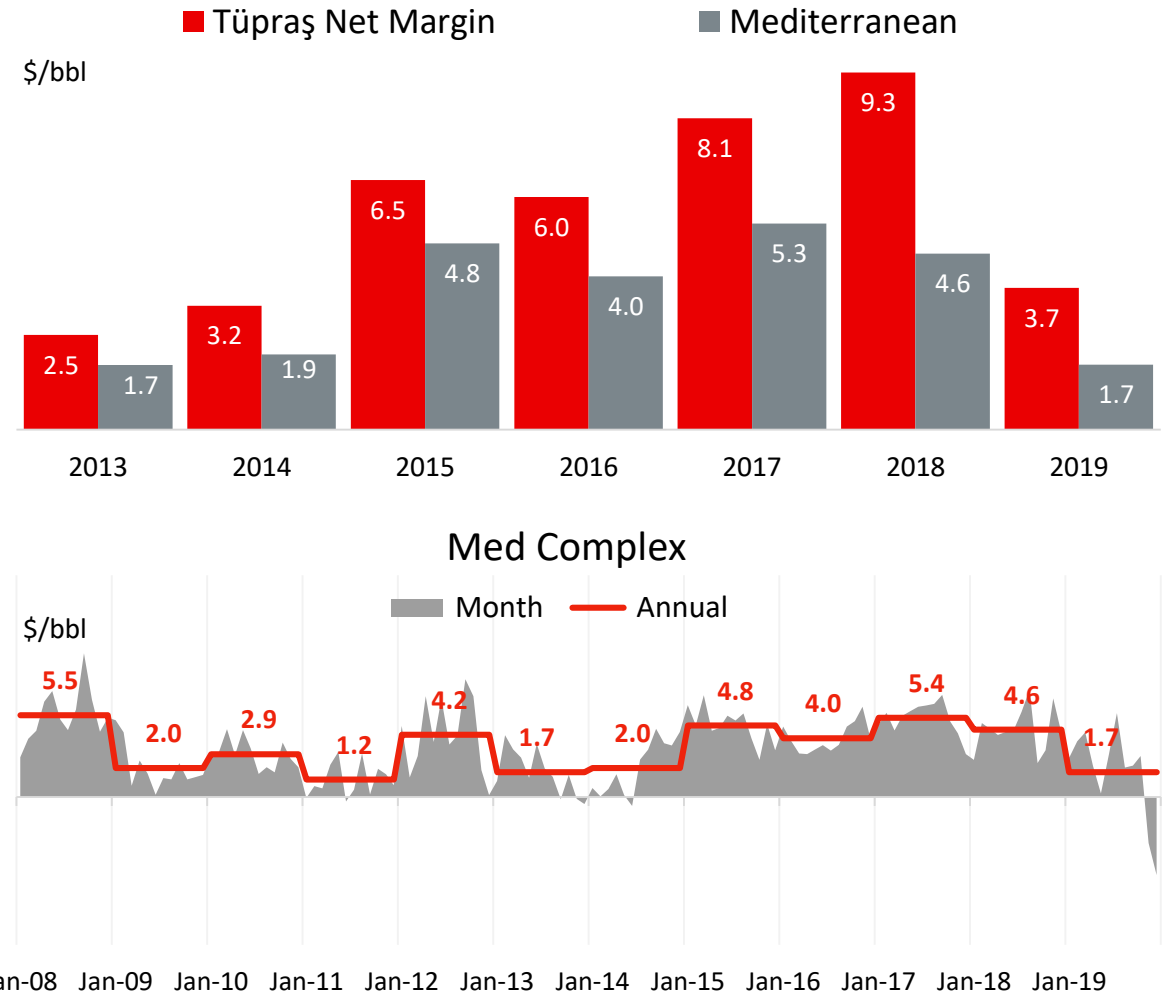
Financials

Refining Margin

Tüpraş' Net Refining Margin in 2019 was 2.0 \$/bbl higher than Med Complex margin (1.7 \$/bbl).

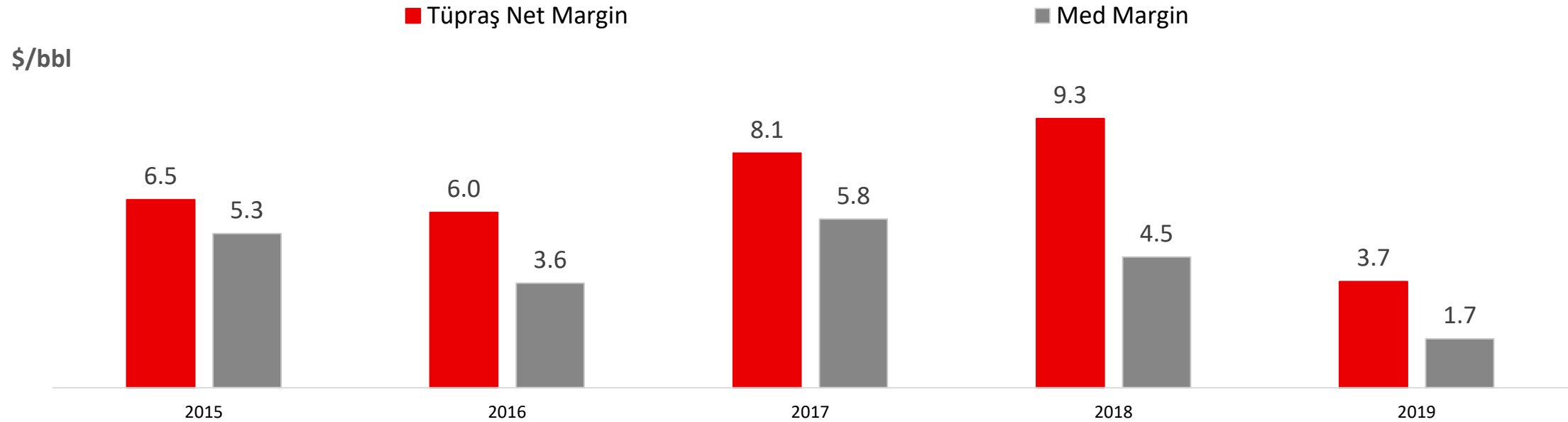
Premium to the benchmark Mediterranean peers' refining margin due to:

- Ability to use heavier and sour crudes with higher complexity
- Access to a wide range of cheaper sources of crude oil
- Close proximity to major suppliers reduces transport costs
- Lower cost basis and more efficient energy usage
- Ability to produce a broad range of refined products with higher value added
- Direct pipeline connections with domestic clients



Tüpraş and Med Refining Margins

12M Margins



(\$/bbl)	Gross Margin	Inventory Effect	Clean Gross Margin	Clean NET Margin	Net Margin	Med Margin
2019 Q4	9.7	0.7	9.0	2.9	3.6	-1.9
2019 12M	9.2	0.1	9.1	3.6	3.7	1.7
2018 Q4	10.8	-4.0	14.9	9.0	5.0	4.7
2018 12M	14.7	0.8	13.9	8.5	9.3	4.6

Income Statement

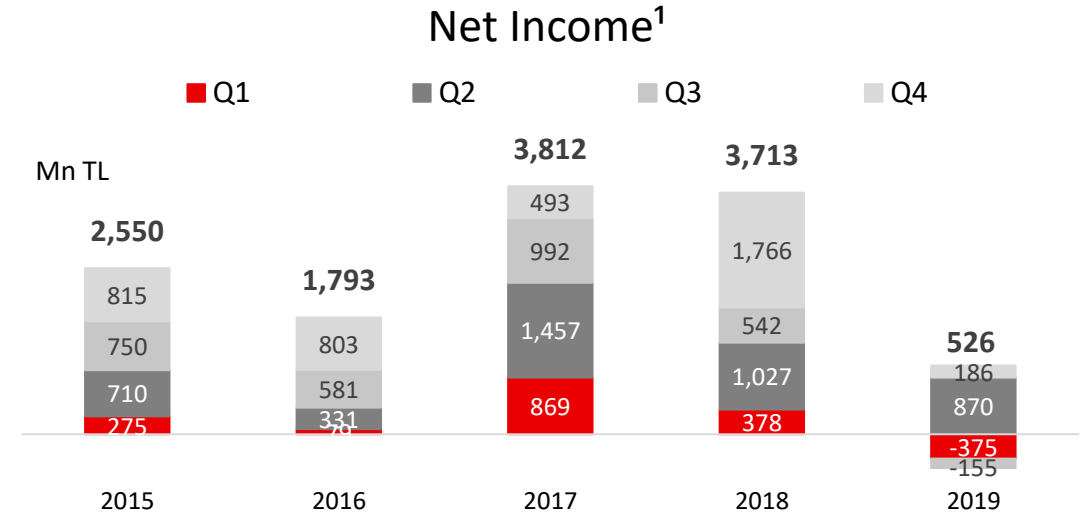
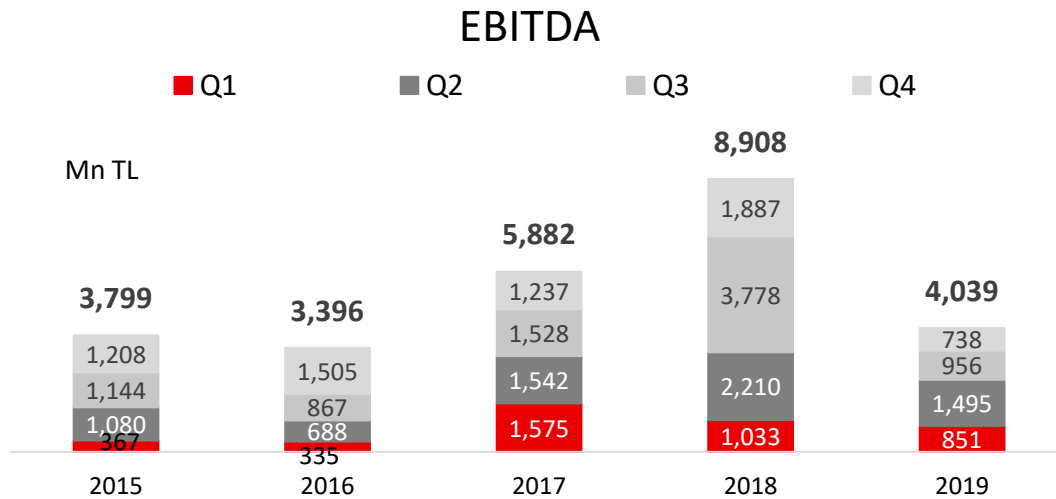
Tüpraş generated 738 MTL EBITDA in Q4 2019.

Million TL	Q4			FY		
	2019	2018	%	2019	2018	%
Net Sales	21,631	24,803	-13	89,601	88,552	1
COGS	-20,566	-22,778	-10	-84,716	-79,328	7
Gross Profit	1,065	2,025	-47	4,884	9,224	-47
Operating Expenses	-540	-438	23	-1,783	-1,307	36
Income/Loss from other operations	-464	1,591		-871	-2,181	
Operating Profit	61	3,178	-98	2,230	5,736	-61
Income/Loss from equity investment	25	72	-66	197	257	-23
Operating Profit Before Fin. Income/Loss	86	3,249	-97	2,427	5,993	-59
Financial Income /Expense	-525	-1,600		-2,739	-2,268	
Profit Before Tax	-439	1,649		-311	3,724	
Net Profit (excluding minority interest)	186	1,766	-89	526	3,713	-86
EBITDA *(mn.TL)	738	1,887	-61%	4,039	8,908	-55
Inventory Gain/Loss	-89	-297		194	2,653	
EBITDA* (mn. TL) CCS	827	2,185		3,845	6,255	

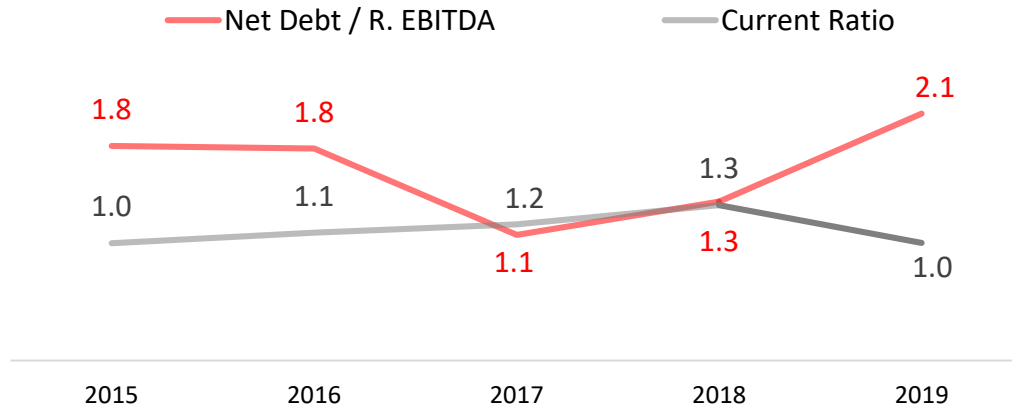
*On CMB reports. EBIT includes extra items such as FX impacts of trade receivables and payables. In our EBITDA calculation, FX related items are excluded from EBIT as customary in international practices.

Financial Highlights

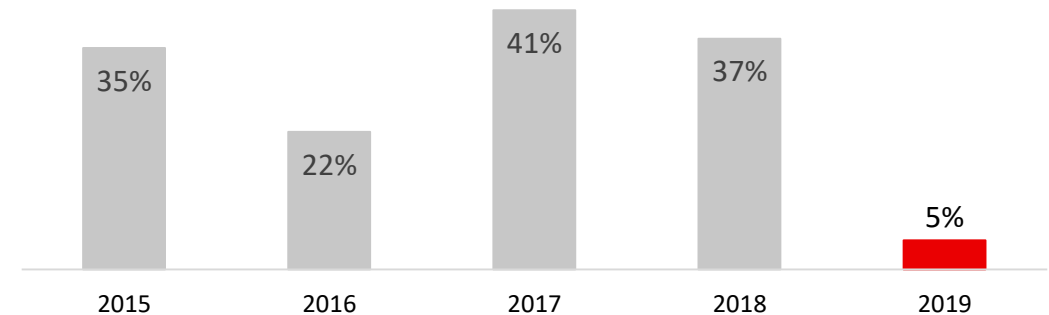
Tüpraş recorded 4,039 MTL EBITDA in 2019.



Current Ratio & Net Debt / R. EBITDA



Return on Average Equity²

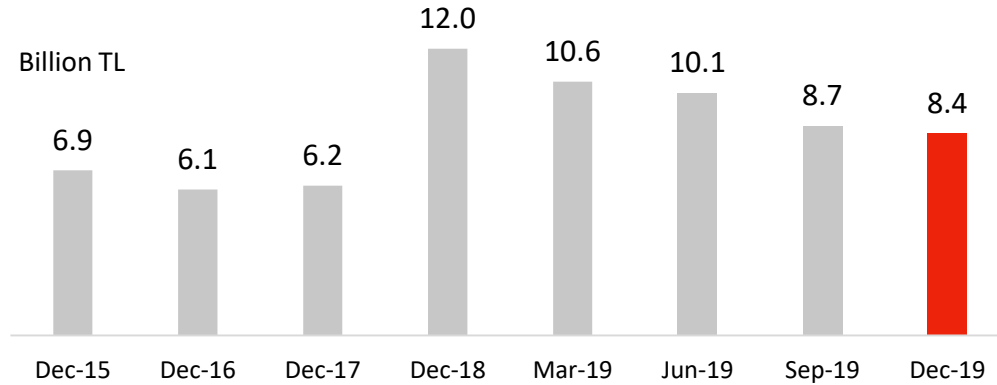


1) Excluding minority interest 2) Calculation based on rolling net income

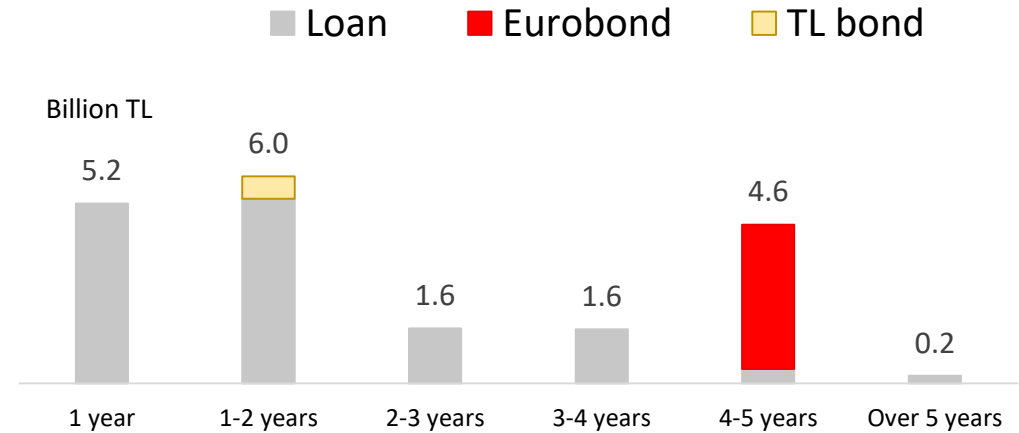
Balance Sheet Analysis

Strong balance sheet maintained despite weaker operational profitability

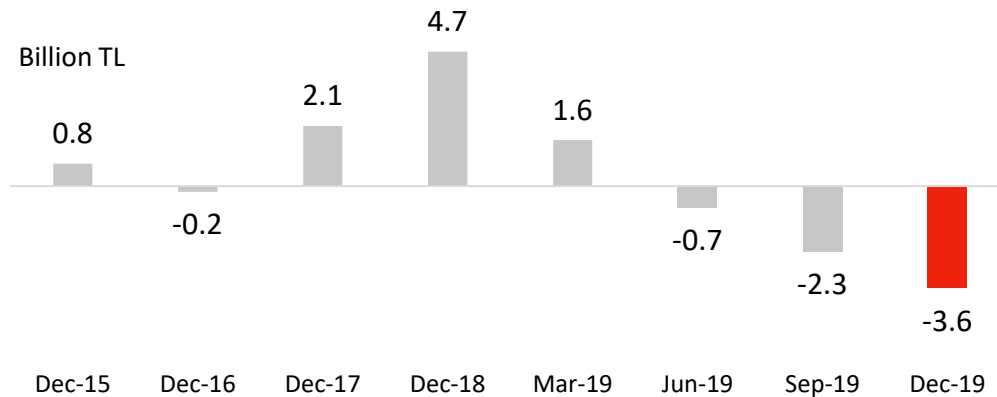
Net Debt



Redemption Schedule



Working Capital Requirement



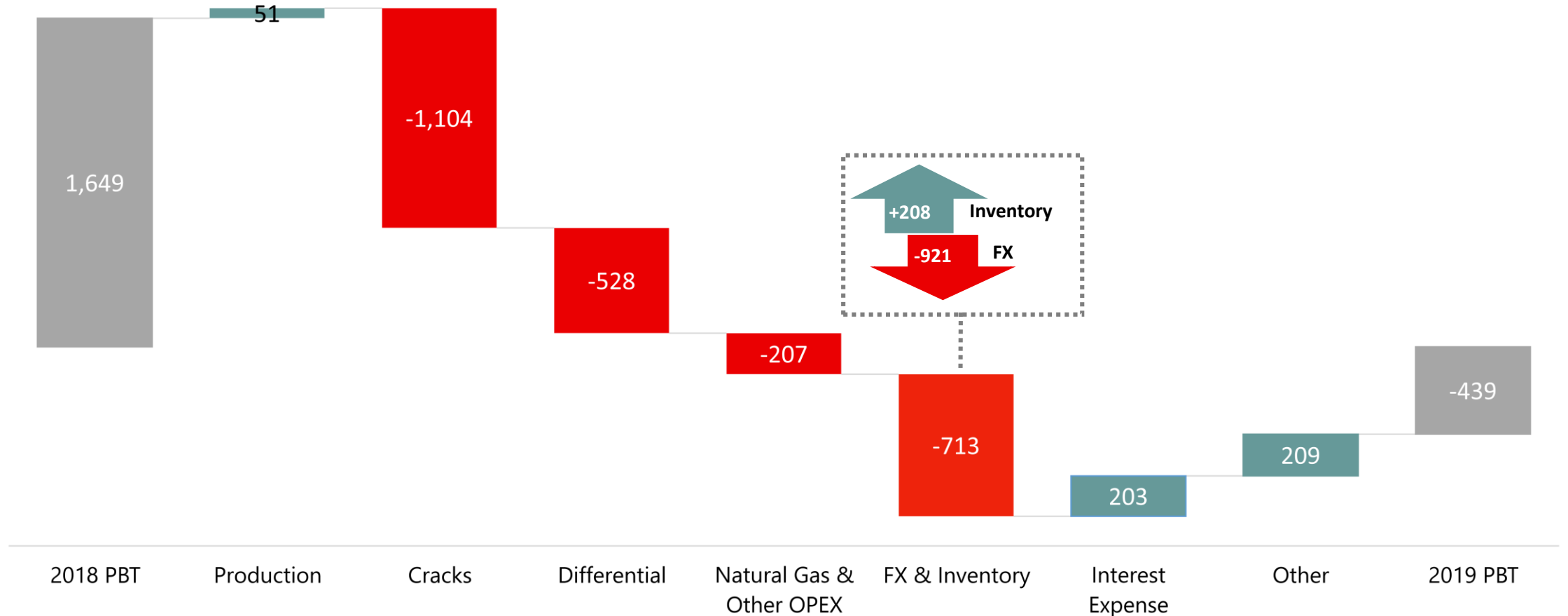
Proactive Financial Management

- Deleveraging continues despite operational headwinds
- Dynamic liquidity management ensures optimal cash and receivables management

Q4 Profit Before Tax Bridge (2018-2019)

Decline in Profit Before Tax was driven by weaker crack margins, narrower differentials and FX loss.

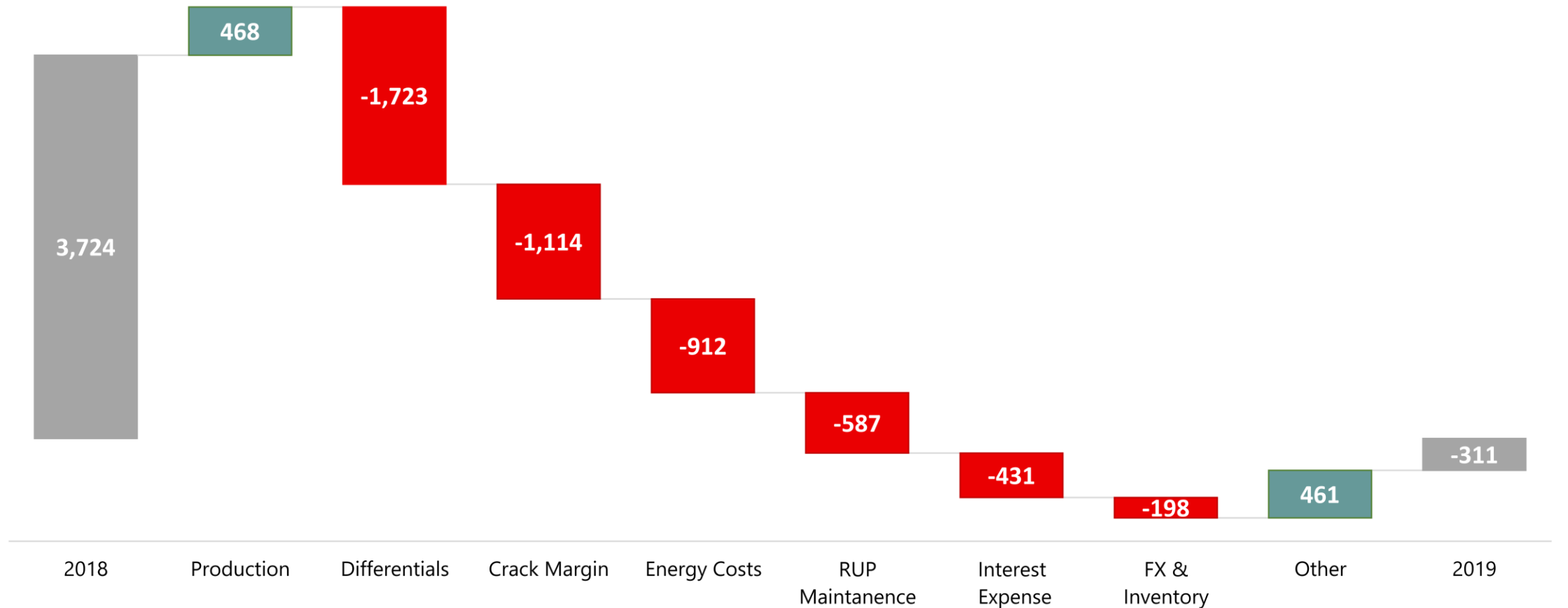
Million TL



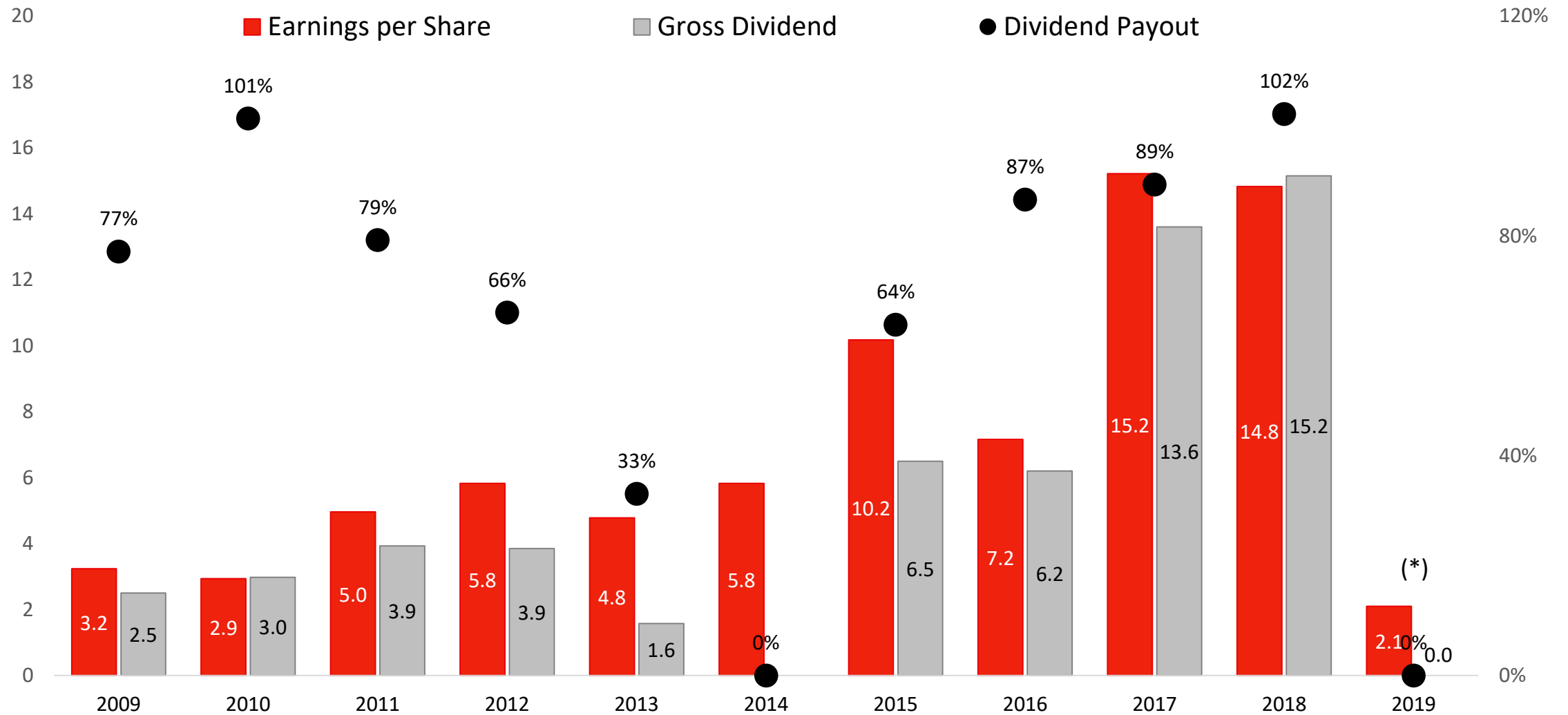
Annual Profit Before Tax Bridge (2018-2019)

2019 PBT was lower mainly due to narrow differentials, weaker crack margins and natural gas price hikes.

Million TL



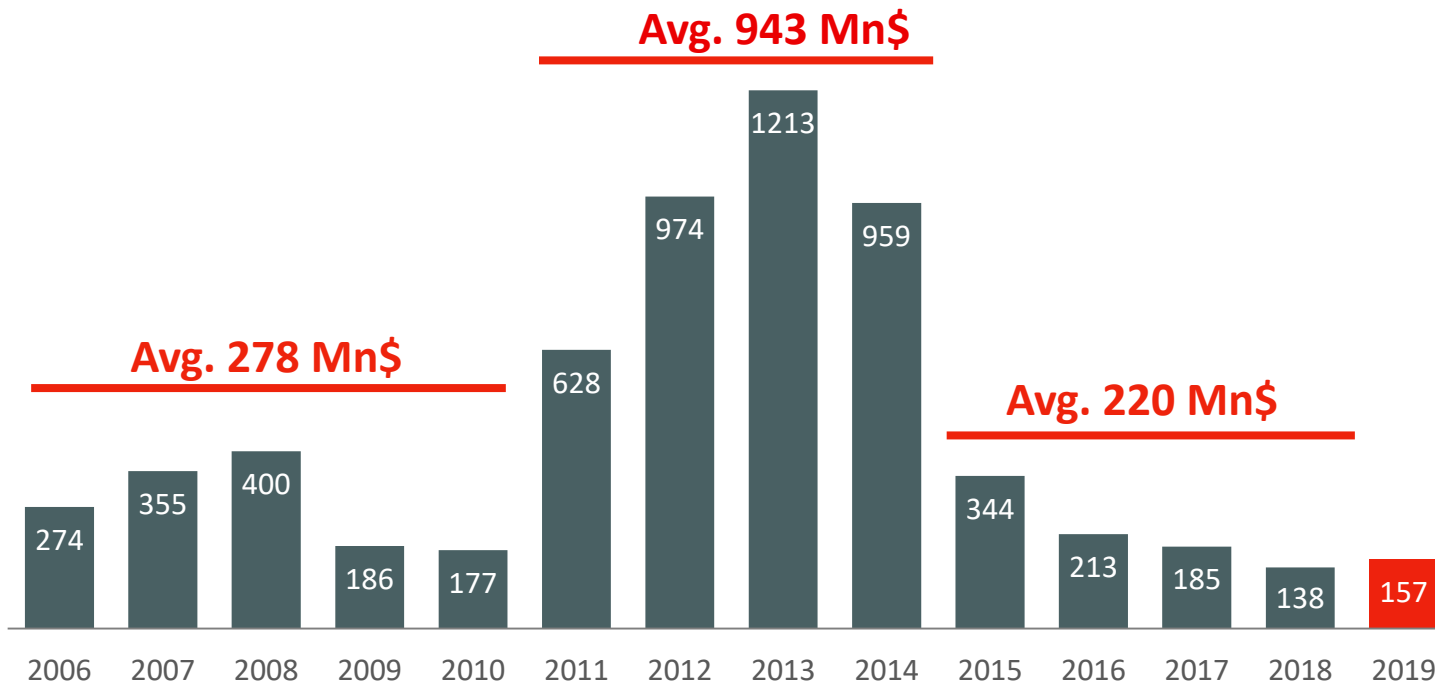
Dividend (TL)



(*) 2019 dividend payment decision was announced on Feb 12, 2020 and is subject to approval at AGM.

Investments (Million \$)

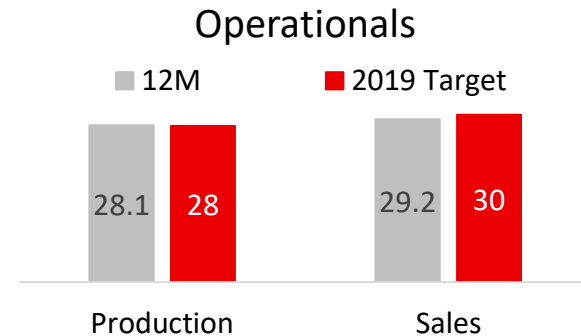
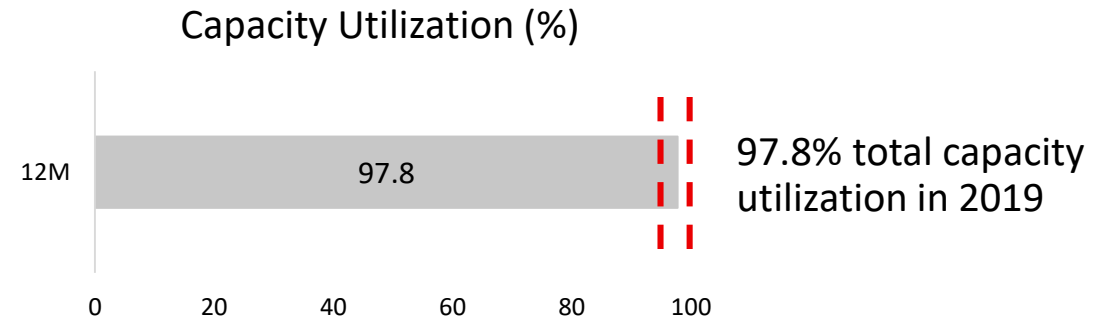
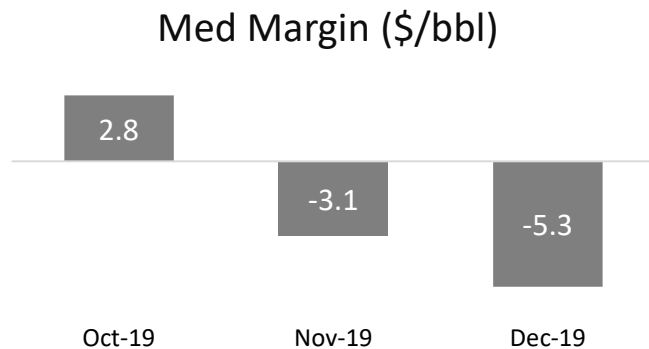
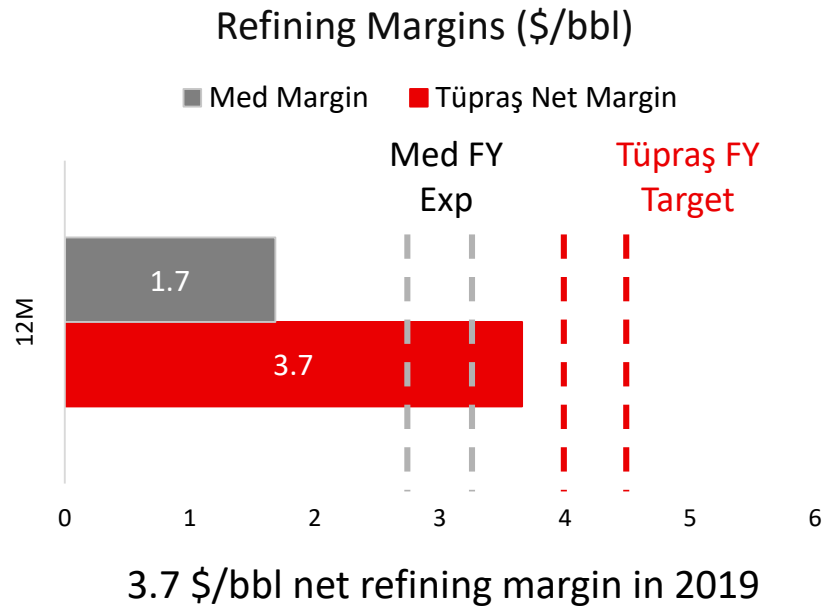
- 6.5 bn USD investments since privatization
- Reached 9.5 Nelson Complexity
- Capability to process heavier and more sour crude



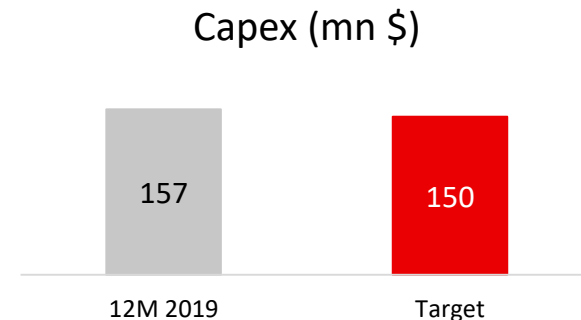
Ongoing Projects

- Revamp of Crude Units
- FCC Modernization
- New Sulphur Units
- Energy Saving Projects
- Optimization of conversion units

12M 2019 Results



29.2 mn tons of sales and 28.1 m tons of production in 2019



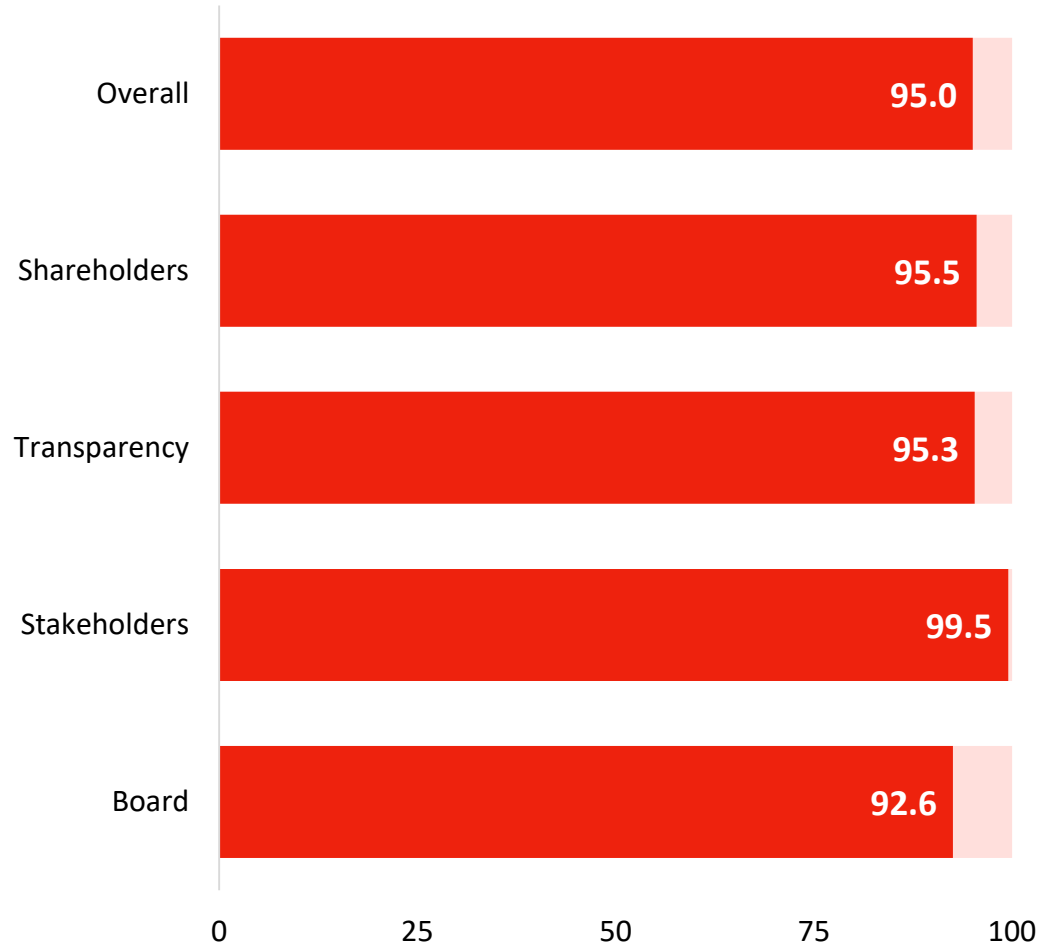
157 mn\$ refining CAPEX in 2019

Tüpraş Balance Sheet (Million TL)

	31.12.2019	31.12.2018	Diff.	Diff. (%)
Current Assets	27,919	20,962	6,957	33
Cash & C. Equivalents	10,652	5,983	4,669	78
Trade Receivables	4,788	5,429	-641	-12
Derivatives	304	176	128	73
Inventories	9,469	6,765	2,704	40
Pre-paid expenses	237	109	128	118
Other Current Assets	2,470	2,502	-32	-1
Long Term Assets	27,627	19,074	8,554	45
Financial Assets & Subsidiaries	1,397	1,271	126	10
Fixed Assets	20,587	12,397	8,190	66
Derivatives	99	168	-70	-41
Pre-paid expenses	199	378	-179	-47
Deferred Tax	3,768	3,566	201	6
Other Long Term Assets	1,578	1,293	285	22
Total Assets	55,546	40,036	15,510	39
Short Term Liabilities	28,120	15,950	12,171	76
Financial Loans	5,178	4,113	1,064	26
Trade Payables	17,816	7,496	10,320	138
Derivatives	79	236	-157	-66
Provisions	117	80	37	46
Other ST Liabilities	4,930	4,024	906	23
Long Term Liabilities	14,255	14,140	3,340	1
Financial Loans	13,898	13,836	62	0
Payables & Provisions	316	257	59	23
Derivatives	32	42	-10	-24
Other LT Liabilities	9	5	4	89
Total equity attributable to equity holders of the parent	12,998	9,825	3,173	32
Minority Interests	174	121	53	43
Total Liabilities & Equity	55,546	40,036	15,510	39

Leading Corporate Governance Score

Tüpraş BIST Corporate Governance Rating Score

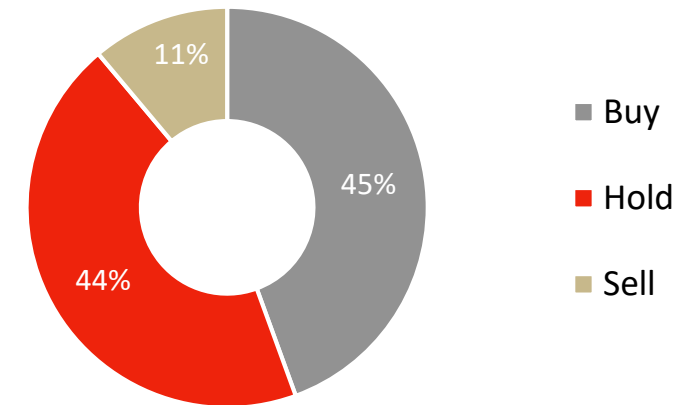


Source: SAHA Corporate Governance and Rating Services Inc. (October 2019)

Credit Rating Scores

Foreign Currency Long Term	FitchRatings	MOODY'S	S&P Global Ratings
Tüpraş	BB- (Stable)	B1 (Negative)	
Türkiye	BB- (Stable)	B1 (Negative)	B+ (Stable)
Koç Holding		B1 (Negative)	BB- (Stable)

Analyst Recommendations



Source: Bloomberg

Financial Policy

Financial Discipline: Risk management policies focusing on areas such as leverage, liquidity, counterparty risk, commodity, interest rate and currency exposure.

Leverage & Liquidity

Proactive in liquidity risk management & targets/limits for financial ratios:

- Net financial debt/EBITDA
- Net financial debt/Equity
- Current ratio
- Share of long term debt

Counterparty Risk Policy

Deposit is kept within bank-based limits:

- Credit rating assessment and strong capital base.
- Cap on the maximum deposit allocated to a single bank.
- Threshold for deposits subject to banks shareholders' equity.

Interest Rate & Fx

- The fixed/floating profile of financial debt.
- Proactive management of FX risk with derivative instruments
- Zero FX exposure target.

Commodity Hedging Policy

Inventory Hedging Policy:

- Operational hedge: Optimum stock policy & forward pricing mechanism.
- Financial hedge: Expected inventory exposure for the year end is hedged by using derivatives.
- Hedging ratio increasing throughout the year.

Crack Margin Hedging Policy:

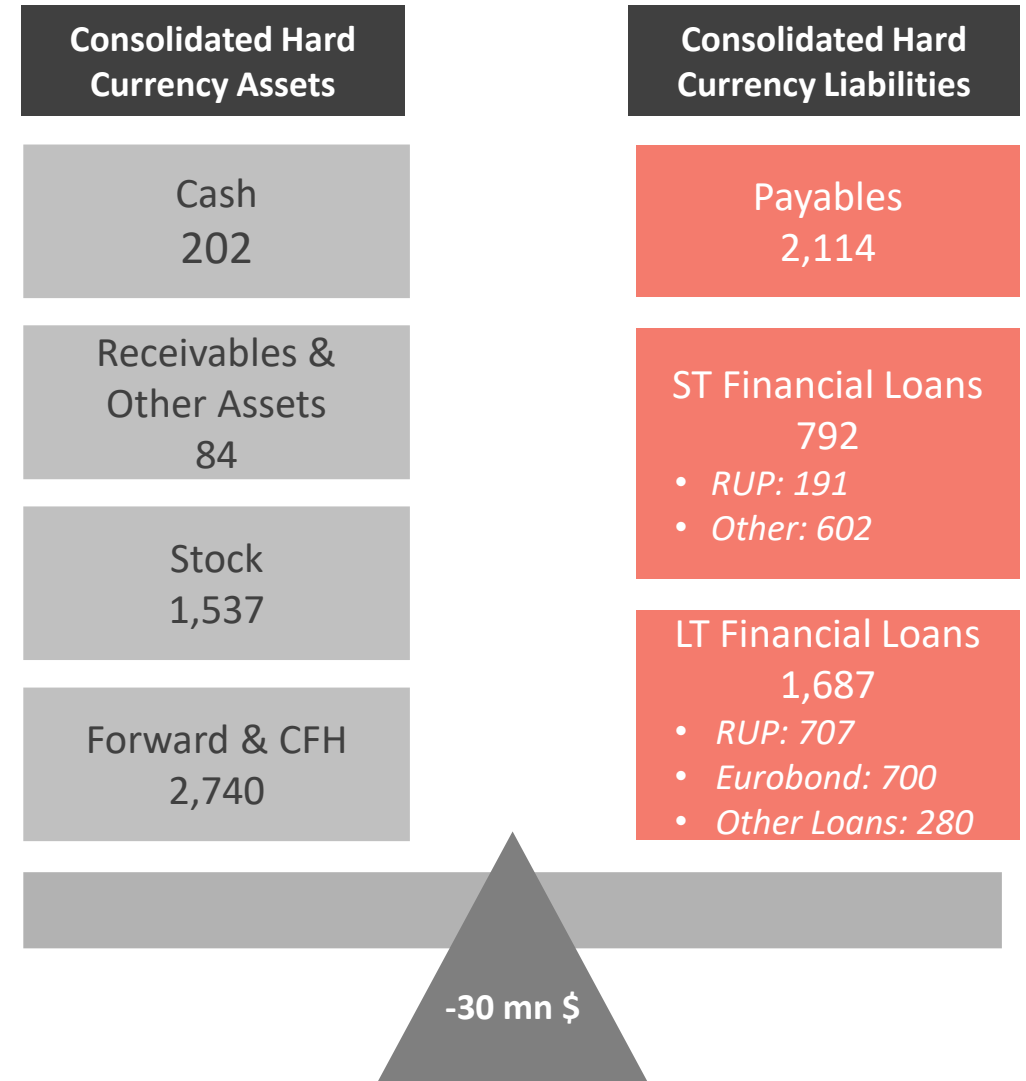
- Financial hedge: Crack margin (gasoline, diesel, jet fuel, fuel oil) risk mitigation by using derivatives.
- Hedge ratio between %0-%50 with up to 1 year hedge tenor

FX Exposure Management (31 December 2019)

Tüpraş continues to employ strict FX policies to mitigate currency risks stemming from volatility.

- A significant portion of the Group's crude oil and refined product purchases are denominated in US Dollars. In addition, the Group finances its capital expenditures mostly through borrowings denominated in US Dollars.
- Natural Hedge: The Group is able to mitigate some of the impact of volatility in exchange rates through natural hedges: crude oil and refined product inventories are US Dollar denominated assets.
- Cash flow Hedge: RUP Facility financing loans designated as hedging instruments of highly probable export revenues.
- As a general Koç Holding financial policy, Group companies are allowed to keep foreign exchange positions within certain limits.

* Cash flow hedge accounting : 813 mn \$





Appendix

2020 Refinery Maintenance Schedule

Refinery	Unit	Quarter	Duration (weeks)	Status
Batman	Plt 100/1100 Crude Oil & Vacuum	Q1-Q2	5	
İzmir	U-100 Crude	Q1	6*	
	U-4000 FCC	Q4	6	
	U-9200 CCR	Q1 & Q4	3 & 7	
	U-9600 Isomerization	Q4	8	
	U-9900 MQD	Q4	7	
İzmit	Plt-6 Desulphurizer	Q4	4	
Kırıkkale				

* This activity had started in Q4-19. Duration figure indicates the portion carried out in 2020

2020 Expectations

Med Complex Refining Margin 1.5-2.5 \$/bbl

- Ural-Brent differential widening compared to 2019
- Weak outlook for HSFO

Tüpraş Net Refining Margin 4.5-5.5 \$/bbl

- IMO driven growth in mid-distillate cracks
- Gasoline cracks remain flat, HSFO to remain weak
- Heavy Crude Differentials to widen
- **~28 mt production, ~29mt sales and 95 - 100% capacity utilization**

Refining Capex 200 million \$

- Sulphur treatment units, improvement in storage units

Competition - STAR Refinery

Timeline



- Feasibility studies began in 2010 and construction kicked off in 2011
- Goldman Sachs has acquired a 13% stake in SOCAR Turkey for \$1.3 billion.
- Total investment size 6.3 bn USD, with 3.3 bn USD credit agreement.
- Following the completion of construction late 2018, reached full capacity utilization in August 2019

Turkish Market Structure (mn tons)

Turkey Demand	Tüpraş	STAR	Total	Turkish Market Demand	Balance
LPG	1.1	0.3	1.4	4.1	-2.7
Petchem F.	0.2	2.6	2.8		
Gasoline	6.1		6.1	2.4	3.7
Jet Fuel	5.2	1.6	6.8	5.2	1.6
Diesel	10.7	4.5	15.2	26.5	-11.3
Fuel Oil	1.8		1.8	1.3	0.5
Bitumen	3.1		3.1	3.1	
Pet coke	0.8	0.7	1.5	4.6	-3.1
Total	~30	~10	~40		

Competition - Regional Competition

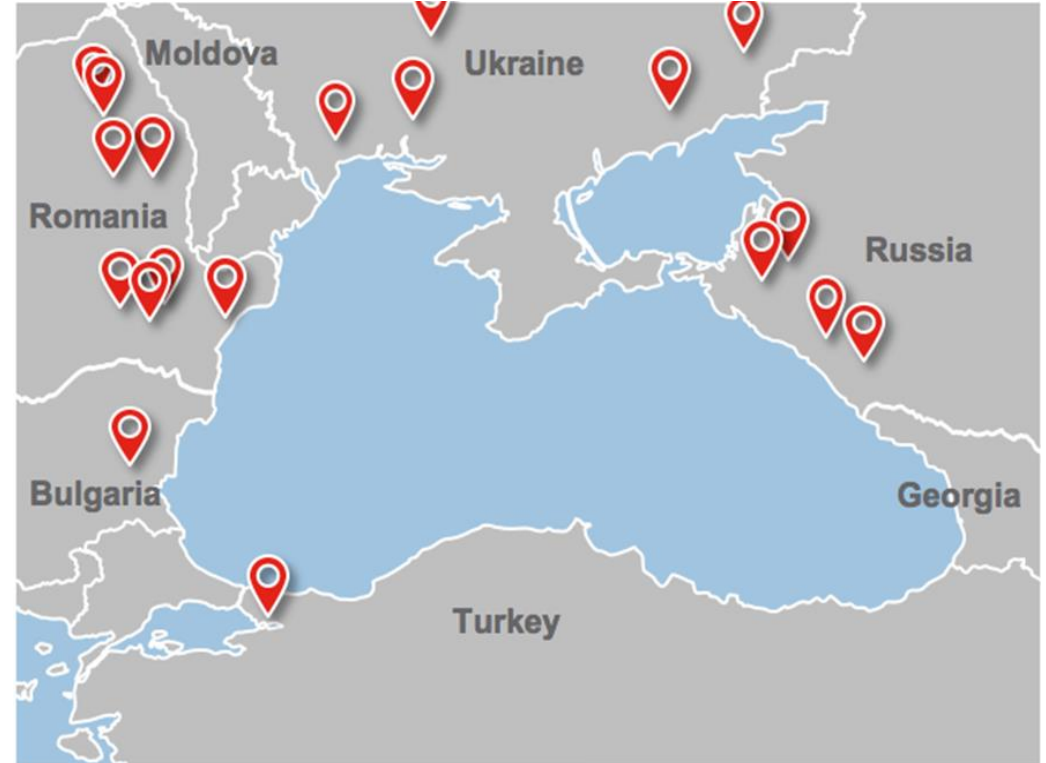
- Tüpraş competes with 71 refineries in the Mediterranean and Black Sea markets.
- Mediterranean regional product balance is also affected from Middle East, North West Europe and Asia flows

Mediterranean



54 Refineries ~7.8mbd

Black Sea

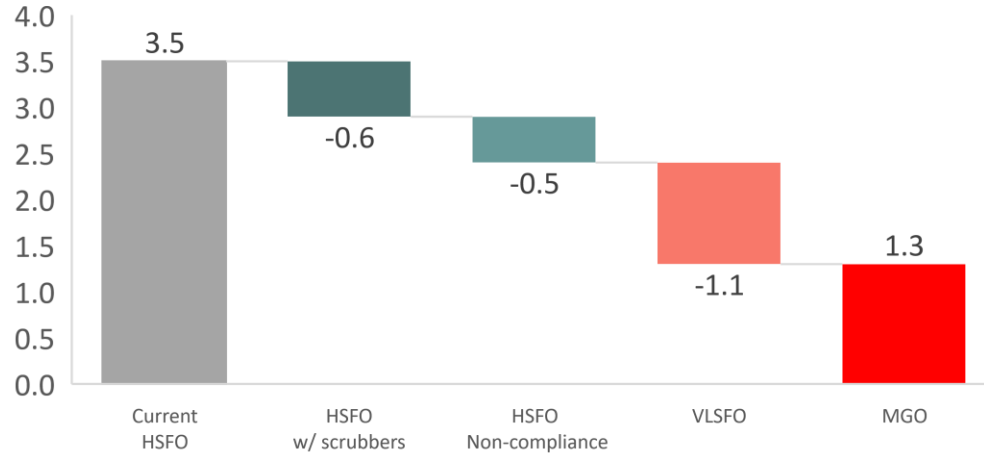


17 Refineries ~1.8mbd

IMO 2020: Changes in Bunker Specification and Its Effects

Current Outlook

HSFO replacement expectations

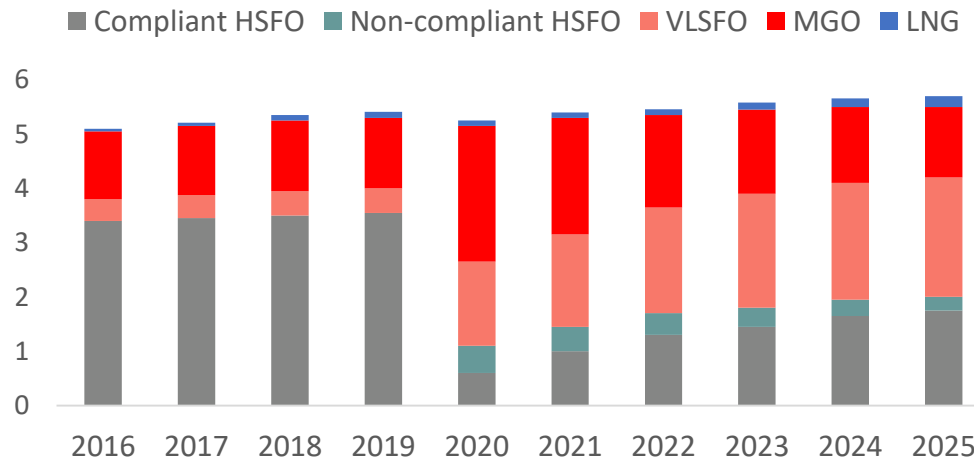


Current compliant fuels

- **Marine Gasoil (Diesel):** Easiest solution as it is already available
- **Very Low Sulphur Fuel Oil (VLSFO):** Either through FCC with sweet crudes or by blending
- **Scrubbers:** As of 07/02/20, ~3.4K vessels are either fitted or scheduled to be fitted and ~0.6K vessels are on order book to be delivered with scrubbers
- **LNG:** requires significant investments at ports

Beyond 2020

Long term outlook for marine fuels



Demand shift beyond 2020

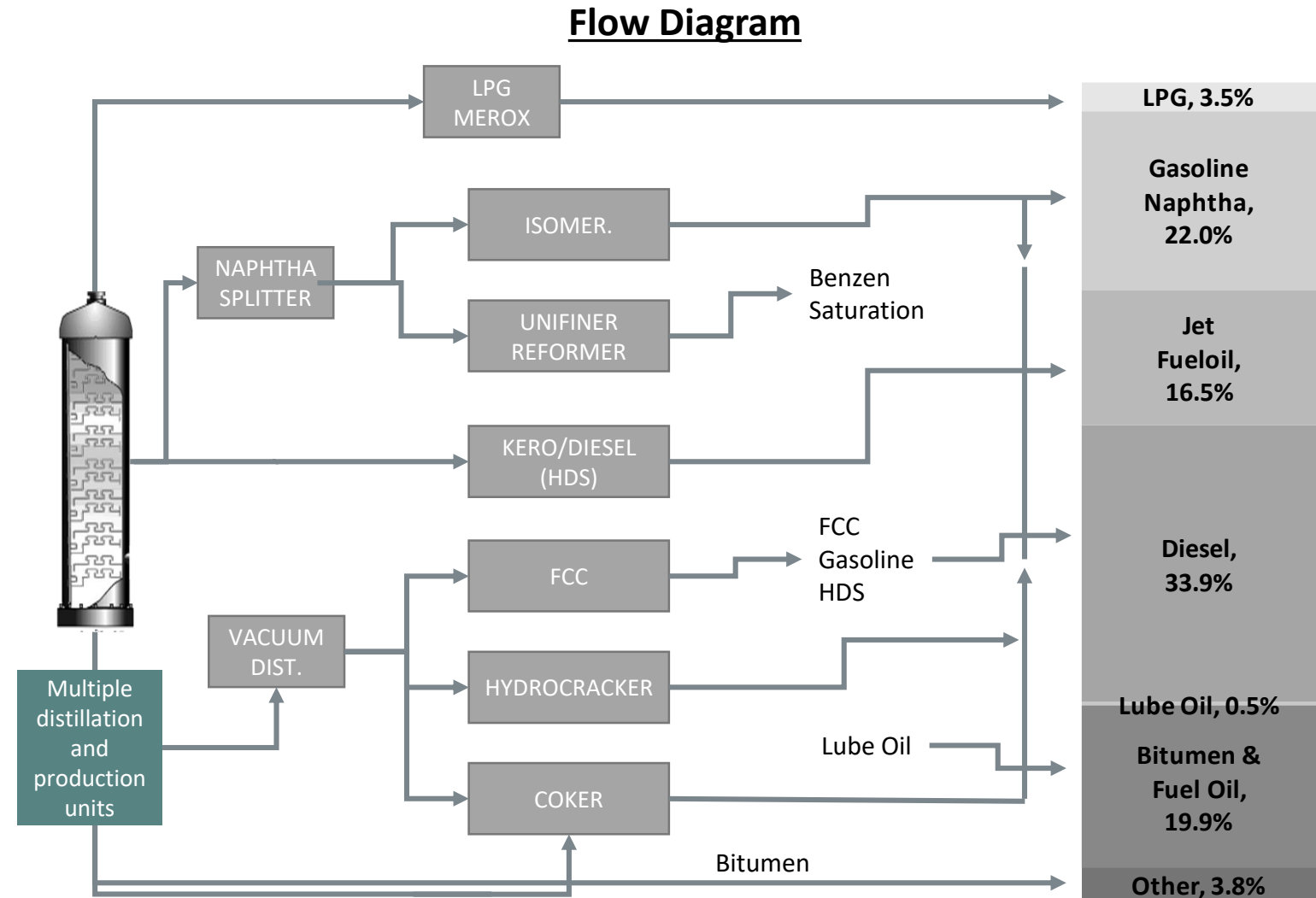
- VLSFO is the initial choice, followed by MGO
- Fuel choice might change through the years as availability & compatibility issues get resolved
- Compliant HSFO use grows as scrubber numbers rise from ~2K after Jan 1st, 2020 (some ports started bans on open-loop scrubbers thus this projection might change)

Source: Market Reports

Tüpraş Production Flow and Yield Breakdown

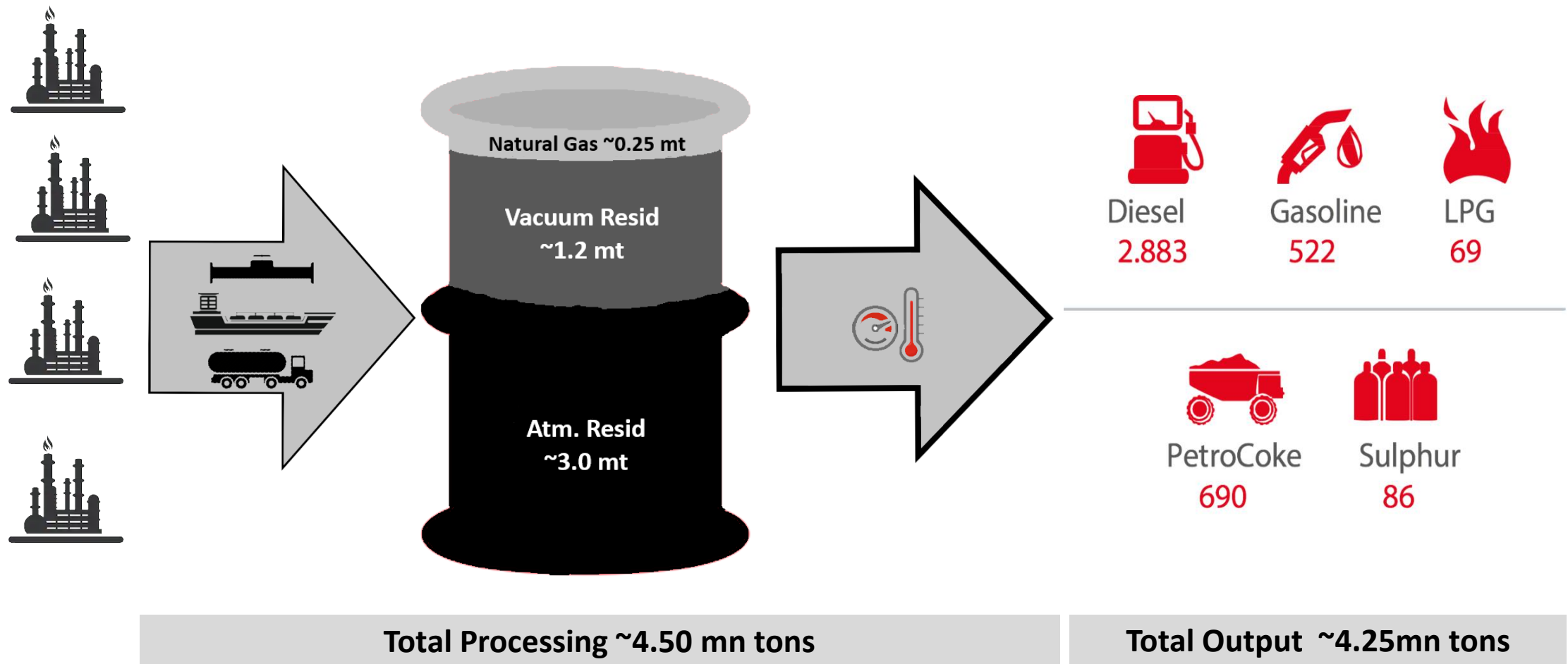
- Tüpraş has 30 million tons of production capacity
- Tüpraş operates 4 refineries with an integrated system optimization program

Key Units	# of Units	Capacity (m ³ /d)
CRUDE OIL	8	99,420
VACUUM DIST.	8	42,752
HYDROCRACKER	4	18,032
ISOMERATION	3	7,804
UNIFINER REFORMER	5	16,225
KERO/DIESEL (HDS)	9	37,265
FCC	2	4,650
COKER	1	9000
NAPHTA SPLITTER	8	
LPG MEROX	6	



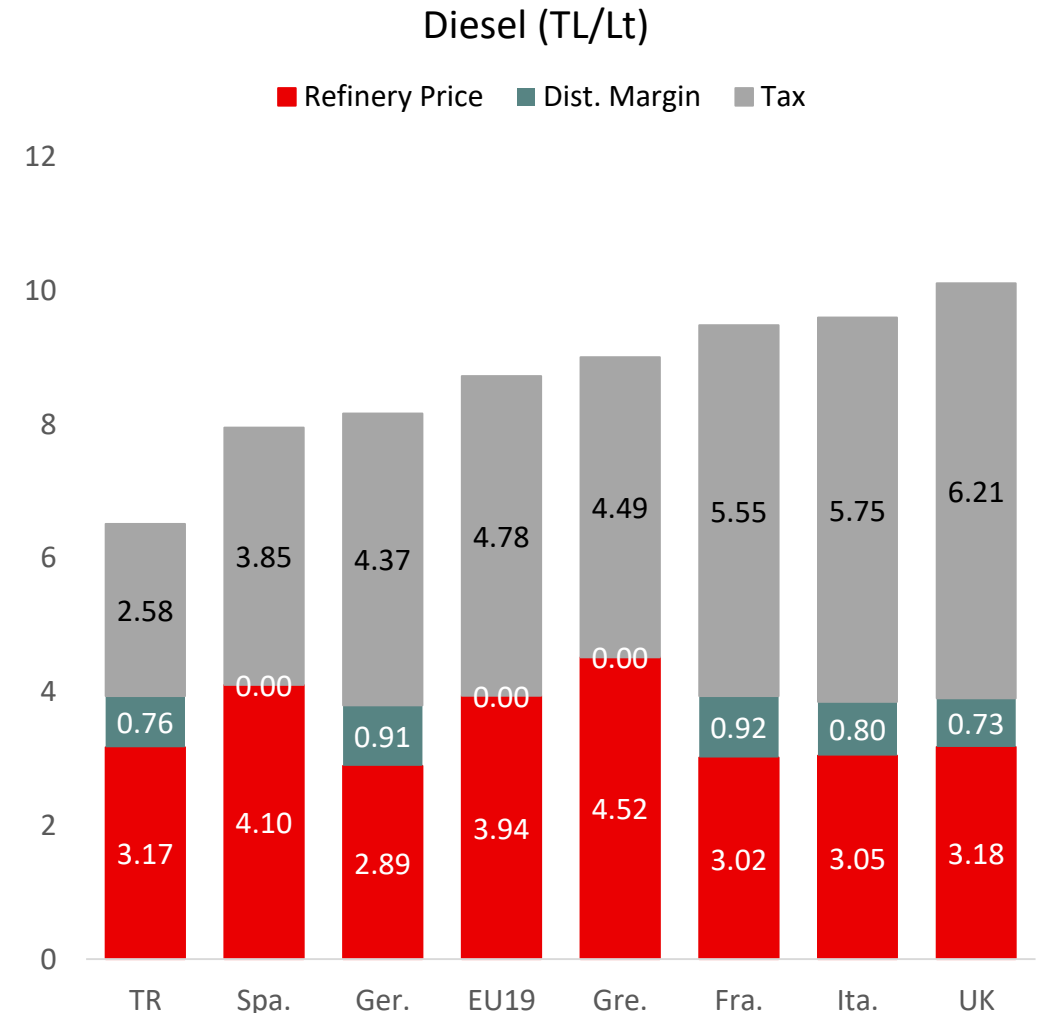
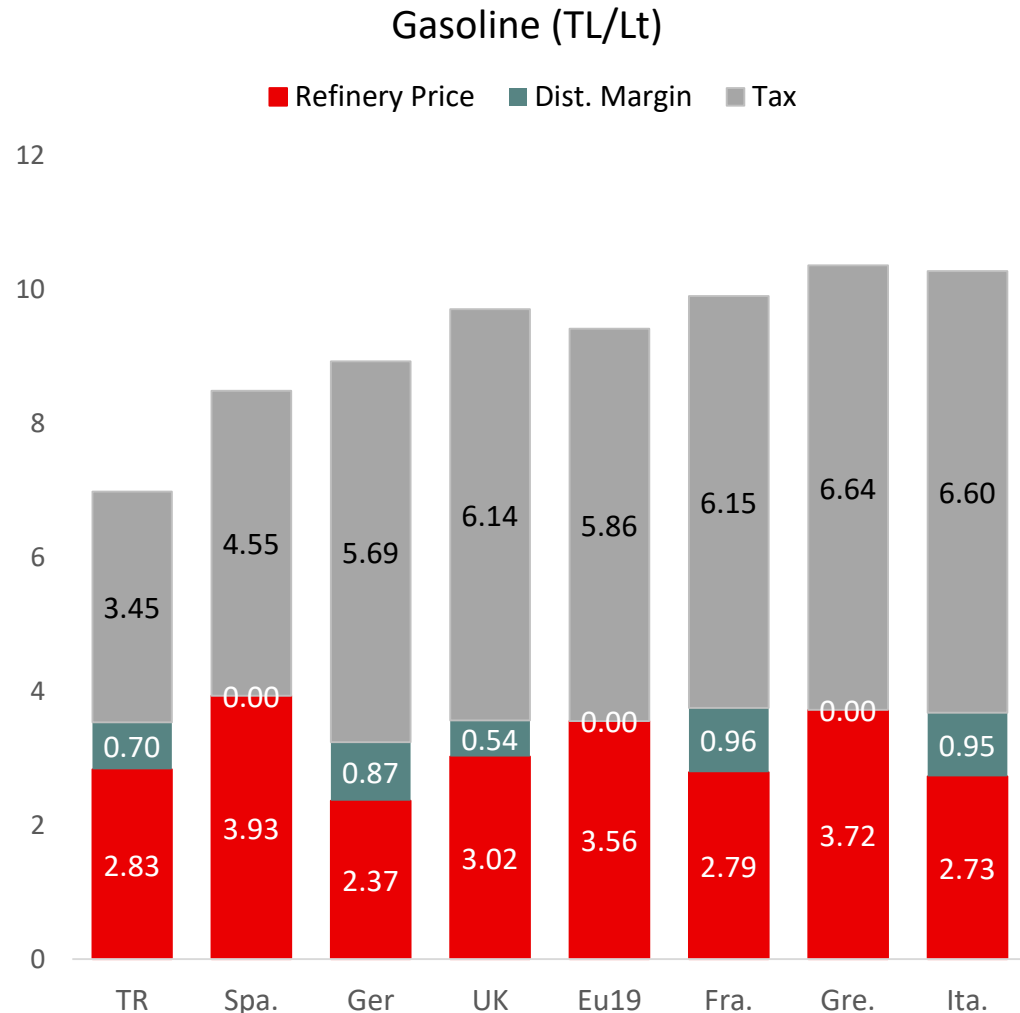
RUP Feedstock and Production

- Residuum Upgrade Plant (RUP) was completed in 2015 and it is the main conversion unit of Tüpraş.
- First periodic maintenance was completed in Q2 2019.



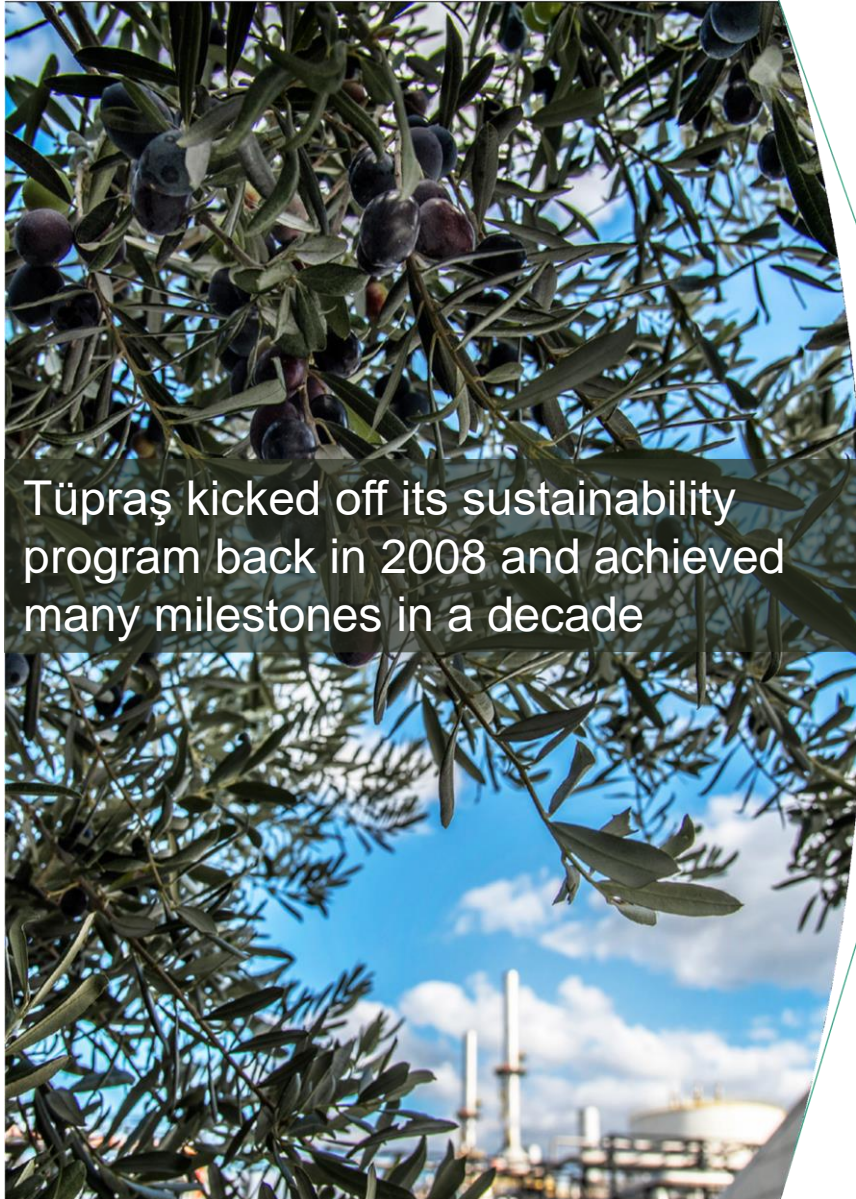
European Pump Price Comparison

Turkish fuel prices are highly competitive with other European countries.



European prices as of 16th December - Turkey's prices as of 24th December 2019

Tüpraş - ESG - Over a Decade of Dedication



Tüpraş kicked off its sustainability program back in 2008 and achieved many milestones in a decade

~480

energy efficiency projects leading to
~35,000 TJ saving
and
2.4 mt CO2
reduction

31%

increase in solid
waste recovery

36%

decrease in fresh
water usage

20 points

drop in Energy
Intensity

~205 MTL

donations and
sponsorships

75%

increase in female
employee numbers

~1mn

workhours dedicated to
OHS training

+1.3 points

increase in Corporate
Governance rating

17%

female representation in senior and mid-level
management



See our Sustainability Report for details

Environmental Responsibility



- Kırıkkale Refinery **won the first place**, İzmit Refinery the second and Batman Refinery the third in the Industrial Energy Efficiency Project Competition.
- İzmit Refinery **won the first prize** in the Sustainable Business Awards - Water Management Category.
- Achieved **69.5%** water recycle ratio
- Achieved **88.6%** solid waste recovery

Social Support



- Signed agreement to support **HeForShe** (Global cooperation with **UN Women** and **Fenerbahçe Sports Club**)
- 62% of ex-crude procurement activities were conducted through **local businesses**.

Governance Excellence



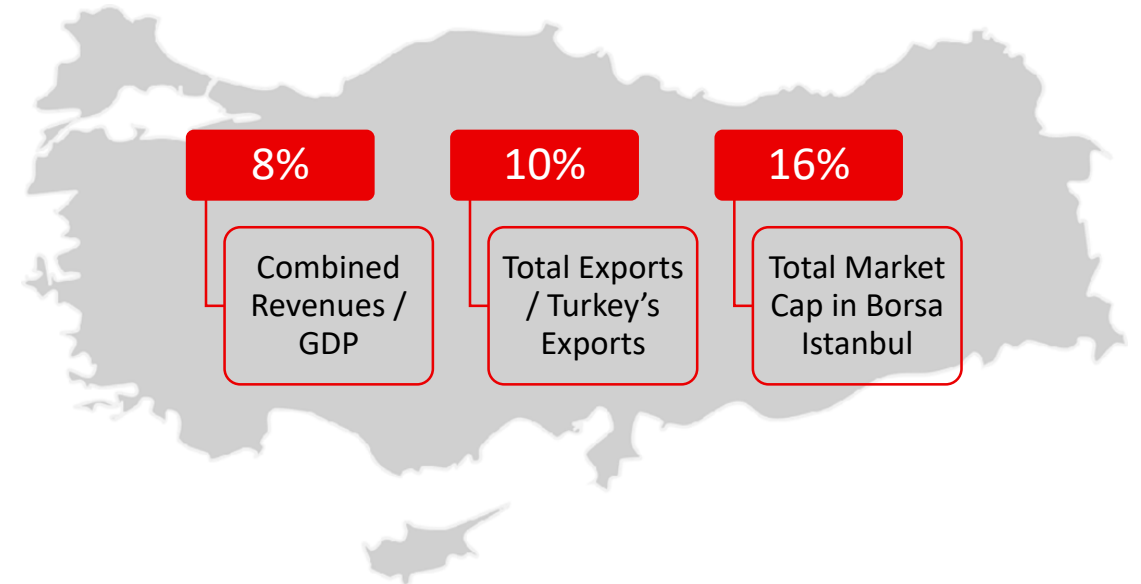
- **9.50** Corporate Governance Rating
- **13%** Female Representation at the Board,
- **17%** Female Representation in Upper and Mid-Level Management.

Turkey's Leading Investment Holding Company

- Koç Holding is Turkey's largest industrial and services group in terms of revenues, exports, employees, taxes paid and market capitalization
- The only Turkish company in Fortuna 500¹.
- 20% CAGR in consolidated profit² the last five years

Pioneer in its Sectors

- Leading positions with clear competitive advantages in sectors with long-term growth potential such as energy, automotive, consumer durables and finance.



Notes : Data as of YE18, 2018 GDP reflects the projection of Turkish government's New Economic Program.

(1) 2018 Report

(2) In TL terms between 2014-18

 **Tüpraş**

 **Koç**



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Sustainability
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