



Tüpraş

Q1 2022 Earnings Presentation



Koc | 9 May 2022

Disclaimer

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Q1 2022 – Tüpraş Highlights

Sharp hikes in Natural Gas prices capped NRM growth

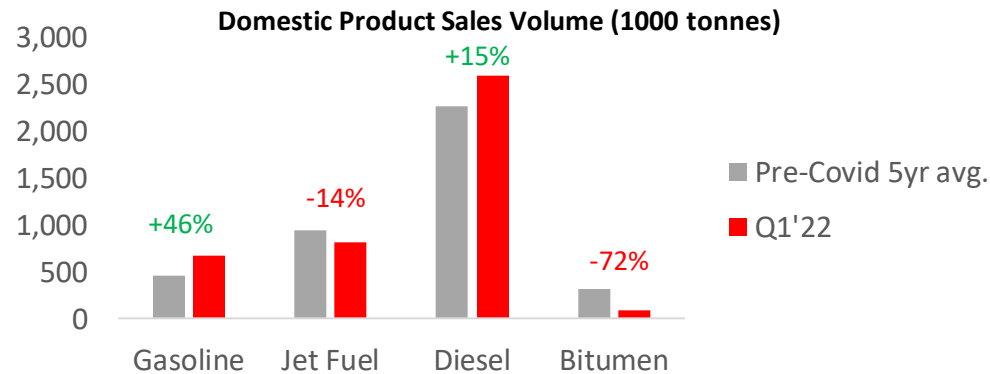
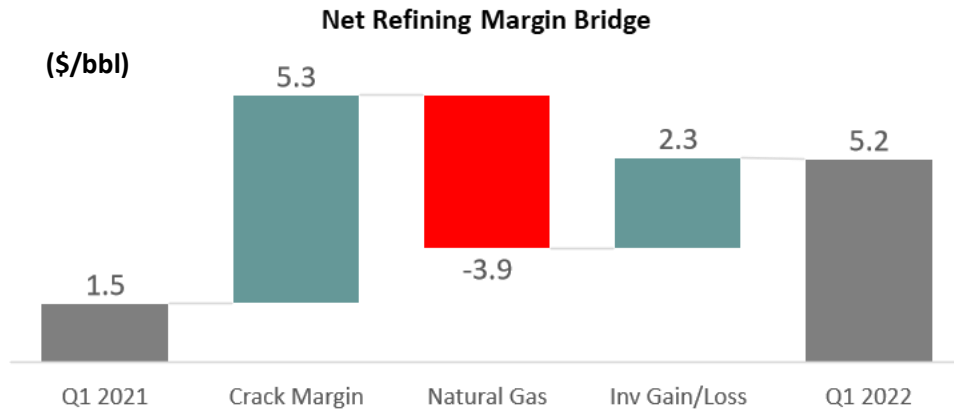
- Strong hikes in Natural Gas tariff limited Net Refining Margin (NRM) performance in Q1'22 despite historically high cracks.
- Inventory gains continue to support NRM.
- Ongoing strength of cracks indicates robust NRM trend will continue in Q2.

Strong Sales Trend in Main Products Continued

- Gasoline sales posted +46% growth compared to pre-covid levels indicating a change in customer behaviour after pandemic.
- Jet fuel demand is also close to pre-covid levels with increased flights.
- Weak bitumen sales' trend creates a hurdle on reaching peak capacity utilization.

Improving Profitability Continues to Recover Accumulated Losses

- We have recovered more than half of the accumulated losses incurred in 2019 and 2020
- We are planning to resume dividend payments once we recover rest of the accumulated losses.





Market

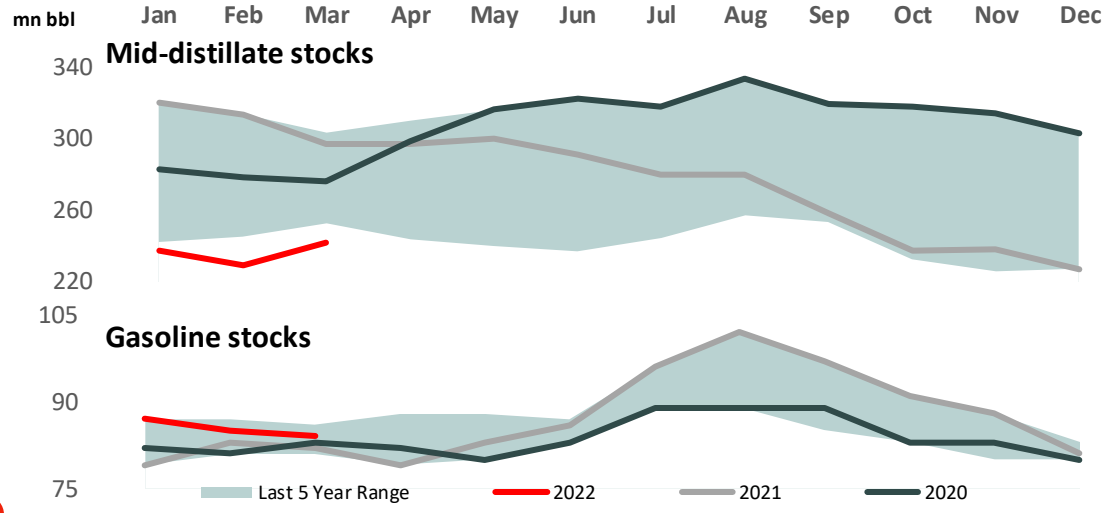
Q1 2022 – Key Market Highlights

Global Oil Market

Brent Crude Price surged above 100\$/bbl after Russia-Ukraine war

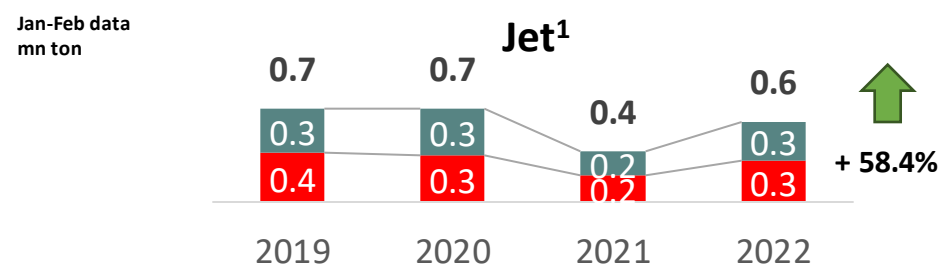


European refined product stocks continued to be drawn down with dwindling supply and ongoing strong demand



Turkish Market

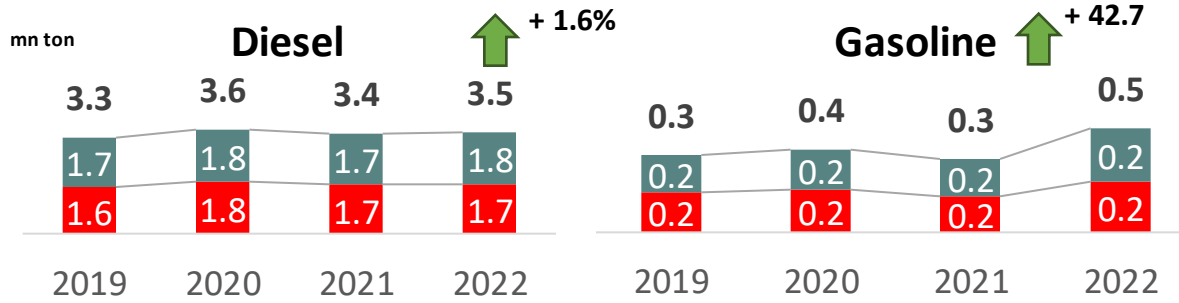
Visible recovery in jet fuel demand with ease of restrictions globally



Number of flights in Turkey, up by **44%** yoy while international flights led the recovery (78% higher yoy)

¹Including transit flight consumption

Switching from LPG to gasoline and continued industrial activity has led to firm road fuel consumption in Jan-Feb 2022



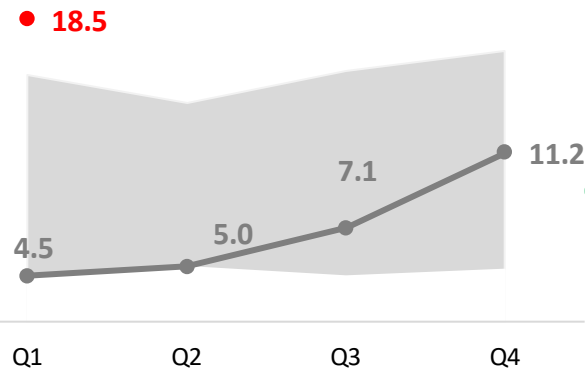
Road fuel consumption continued to be strong with increased mobility

Quarterly Crack Margin Comparison (\$/bbl) 2017 - 2022

Ongoing post-pandemic recovery in demand and supply issues emanating from Russia-Ukraine War led to record high mid-distillate cracks in Q1'22.

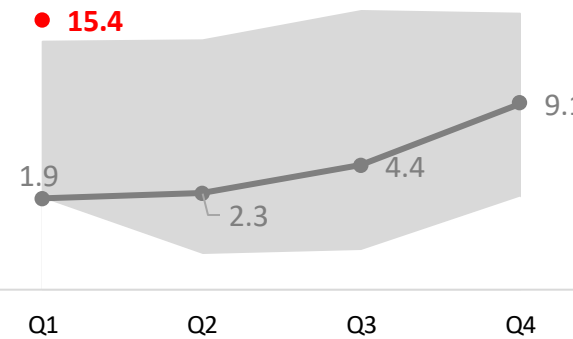
● — 2022 ● — 2021 ■ 2017-2021 Min - Max

Diesel



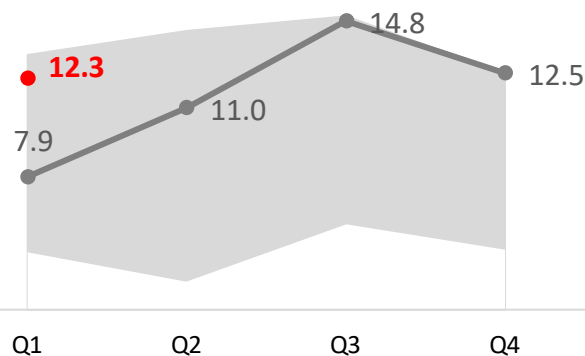
- + Improving PMIs and post-pandemic recovery continues to support demand
- + Decreasing Russian exports to Europe resulted in supply shortage, pushing up diesel cracks

Jet Fuel



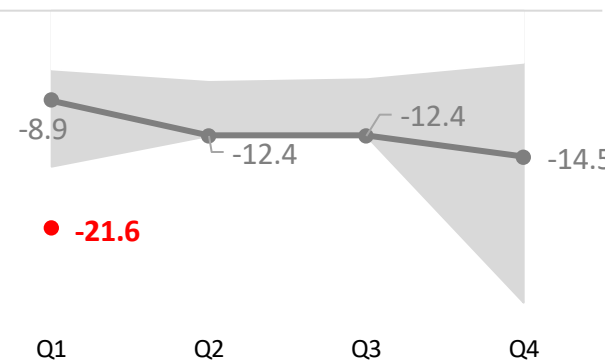
- + Air traffic continues to grow with pent up demand
- + Capped distillate supply supports jet fuel cracks

Gasoline



- + Increase in gasoline blending costs push up cracks
- + Opening in driving season supports demand

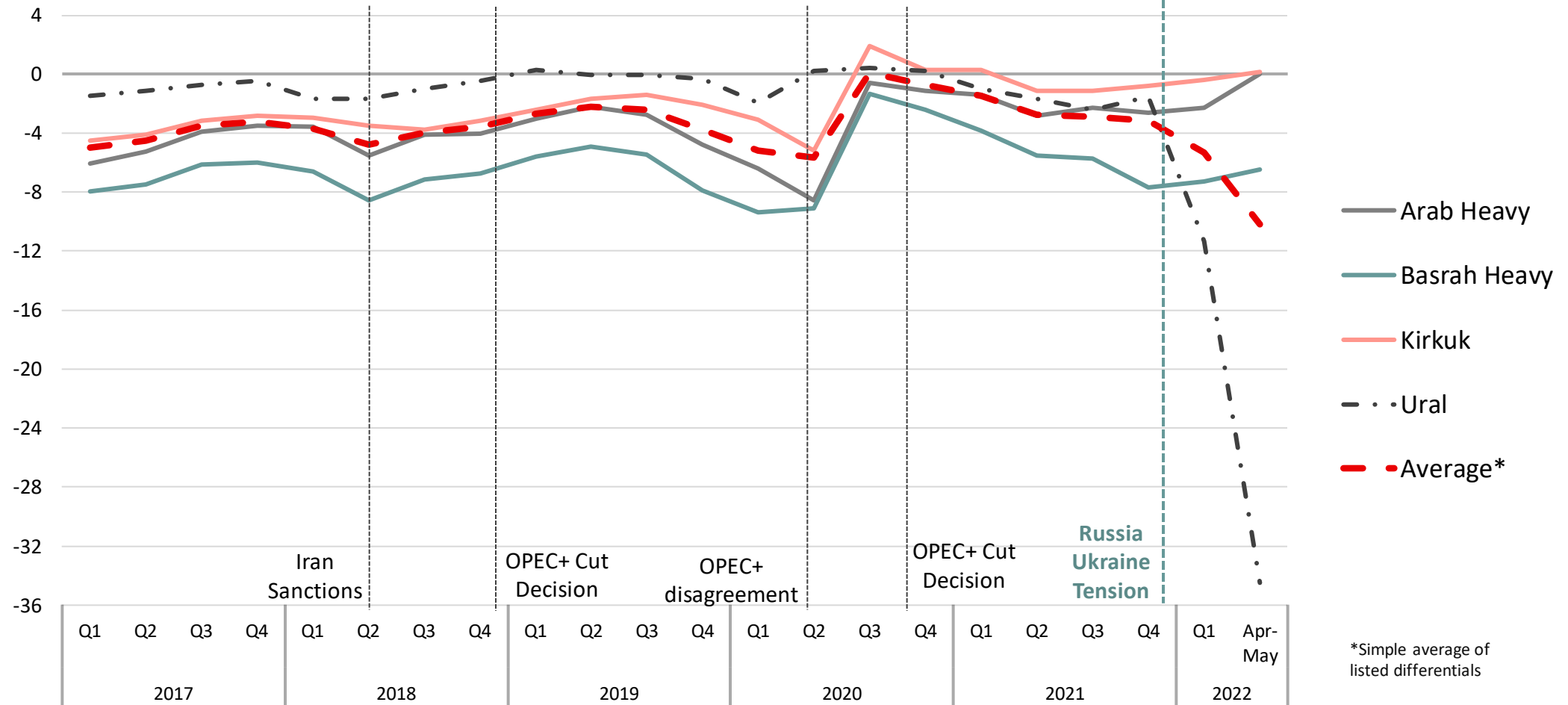
High Sulphur Fuel Oil



- Elevated Brent prices kept HSFO cracks down
- + Dropping supply of HSFO started to support cracks in March

Heavy Crude Price Differentials to Brent (\$/bbl)

Average differentials widened due to Ural, but other heavy grades are getting more expensive with self sanctioning.



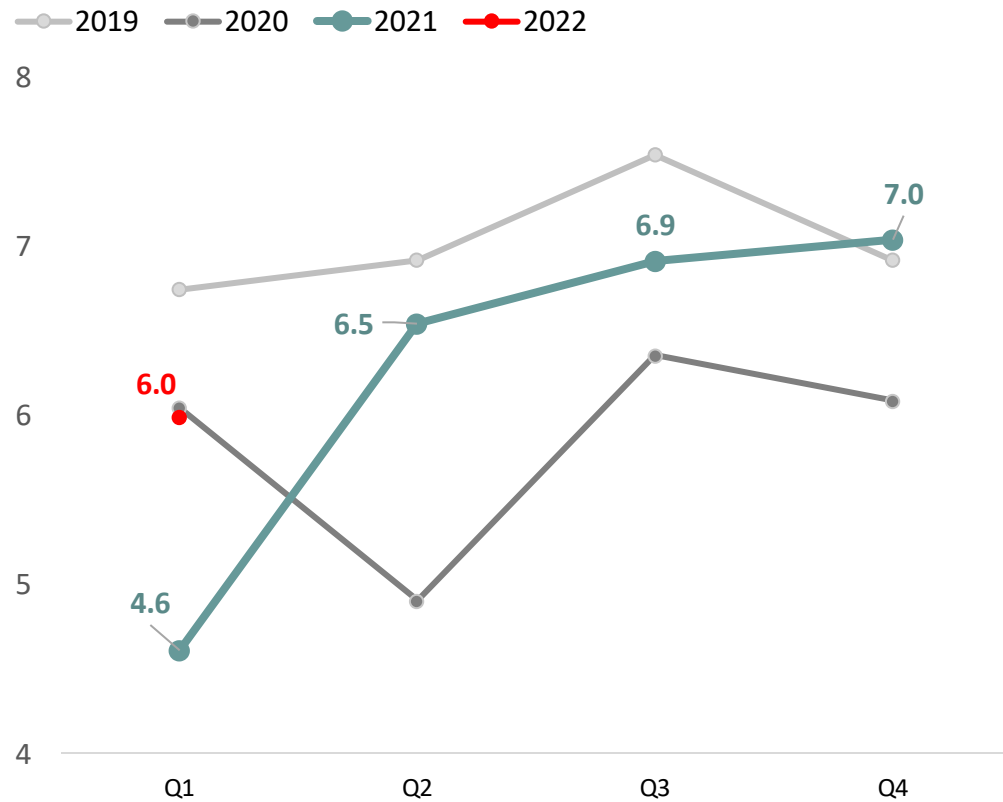


Operations

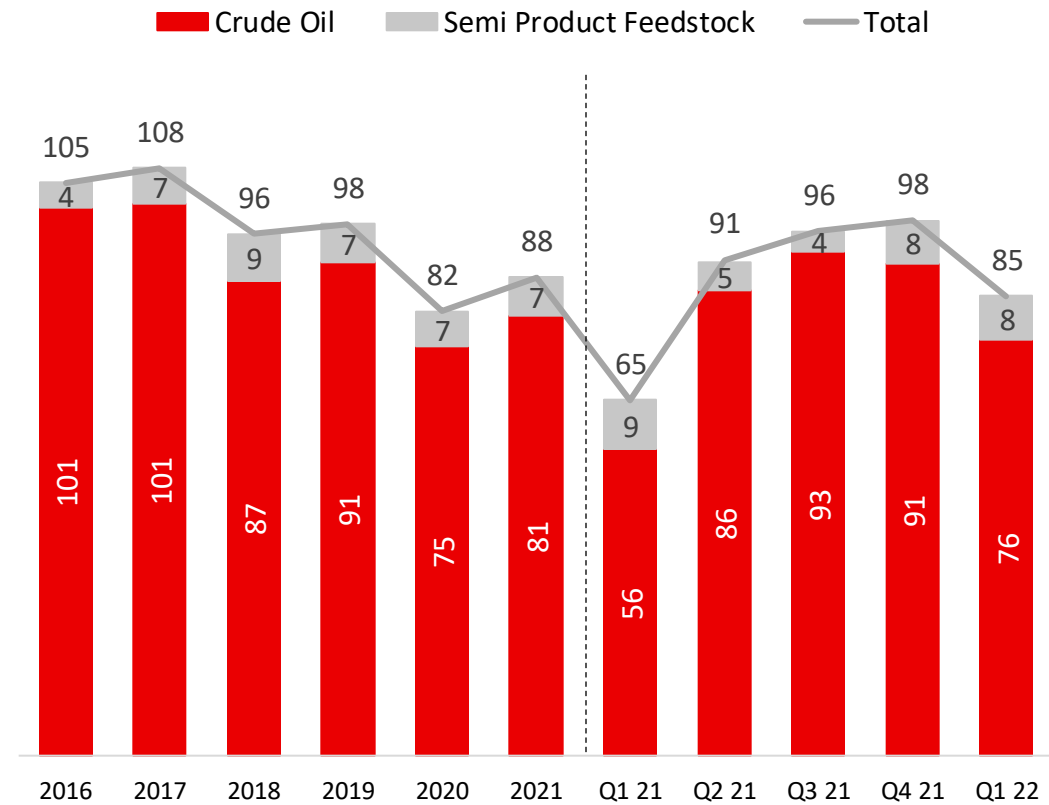
Capacity Utilization and Quarterly Production Volume

- Tüpraş produced 6.0 million tons in Q1 2022.
- Capacity utilization for Q1 2022 was 85%, down q-o-q due to seasonal maintenance.

Quarterly Production (Million Tons)



Capacity Utilization (%)

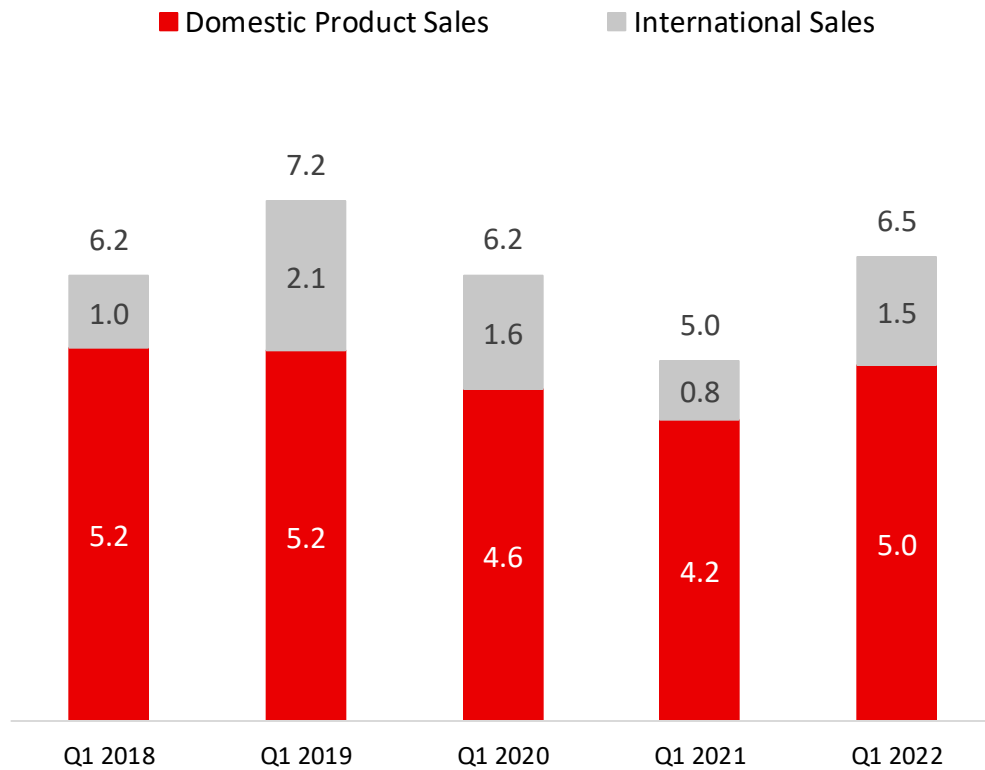


*Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards.

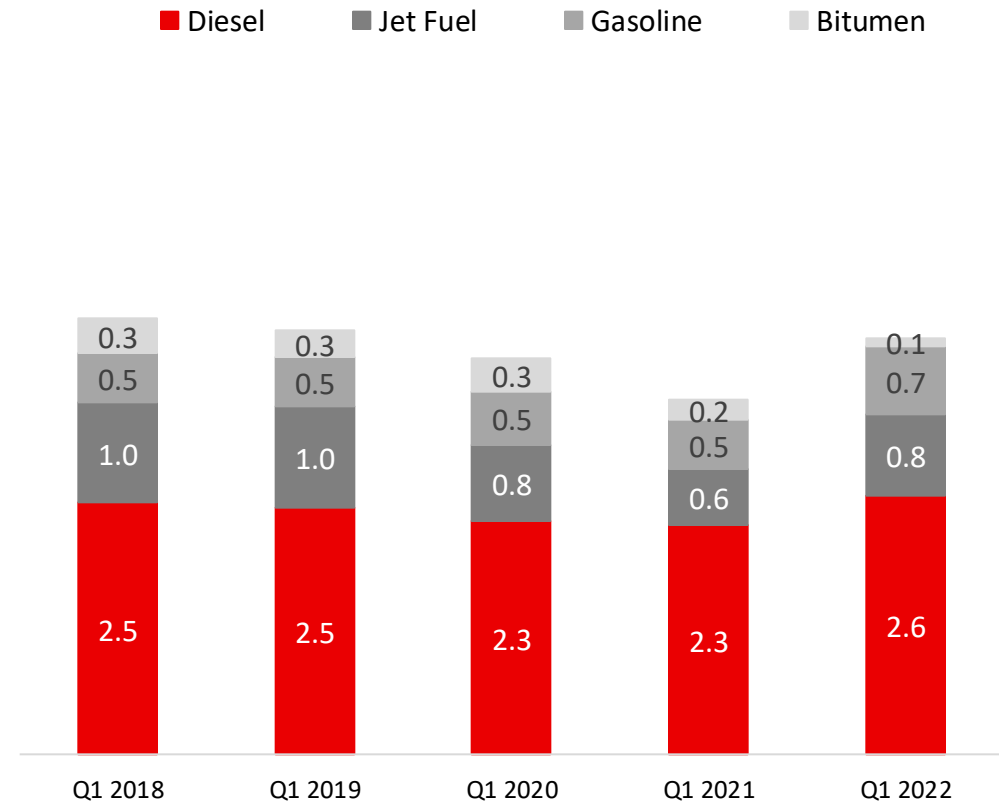
Product Sales in Q1 2022 (Million Tons)

- Tüpraş generated 6.5 million tons of sales in Q1 2022, 29% higher y-o-y.
- Y-o-y growth in domestic jet fuel, gasoline, and diesel sales were strong with increasing domestic demand.

Total Product Sales



Domestic Sales of Selected Products

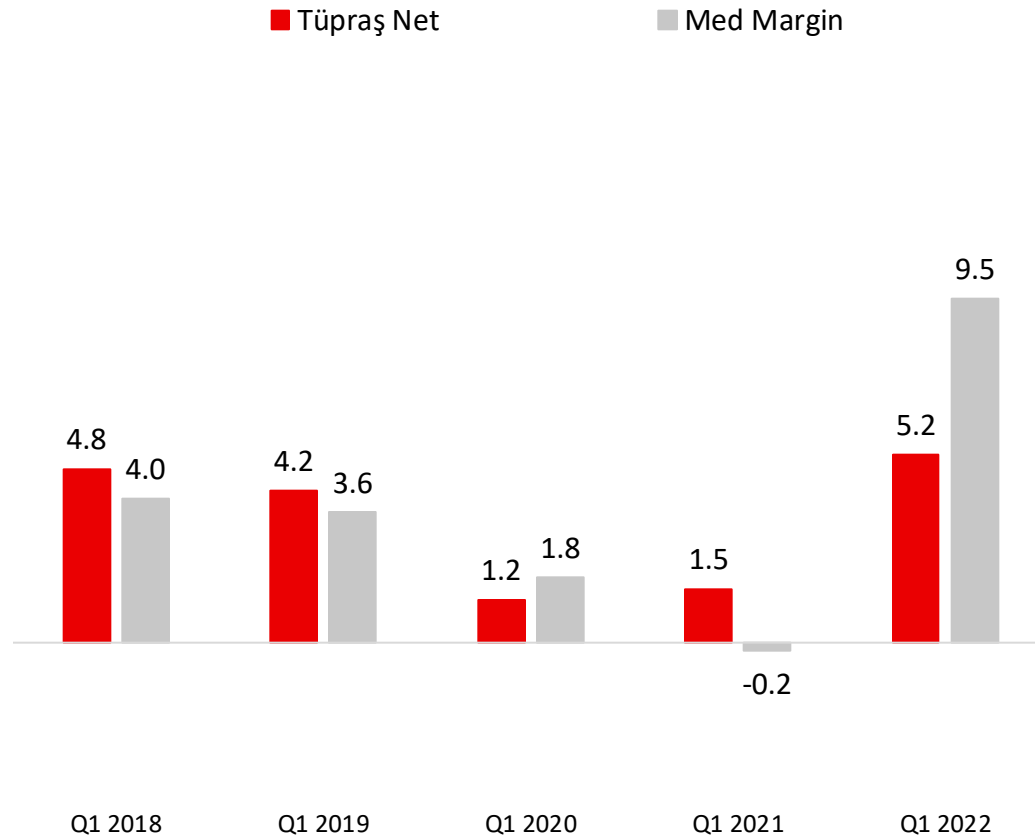




Financials

Tüpraş Net Margin and Med Complex Margin Comparison (\$/bbl)

Q1 Margins



- Tüpraş net refining margin was better y-o-y, supported with record high crack margins especially during March and y-o-y wider differentials.
- Med Margin was higher than Tüpraş net refining margin as a result of Ural being the only crude oil in the slate of Med.

(*) Net Refining Margin calculation includes crude oil inventory hedging effect starting as of Q1 2022 as our new hedging methodology has a material impact on inventory effect for the operating period. Effect of hedging operations were excluded in the previous periods' data.

Income Statement (Million TL)

Million TL	Q1 2022	Q1 2021	%
Net Sales	76,541	19,821	286%
COGS	-71,237	-18,294	289%
Gross Profit	5,304	1,527	247%
Operating Expenses	-1,050	-557	89%
Income/Loss from other operations	-1,498	-1,584	-5%
Operating Profit	2,756	-614	-
Inc./Loss from Eq. Pick ups & Inv. activities	210	10	2055%
Operating Profit Before Fin. Income/Loss	2,967	-604	-
Financial Income /Expense	-1,904	-356	435%
Profit Before Tax	1,062	-960	-
Net Profit (excluding minority interest)	896	-760	-
EBITDA *(mn. TL)	4,668	1,170	299%
Inventory Gain/Loss (mn. TL)	4,102	1,512	171%
EBITDA* (mn. TL) CCS	565	-342	-

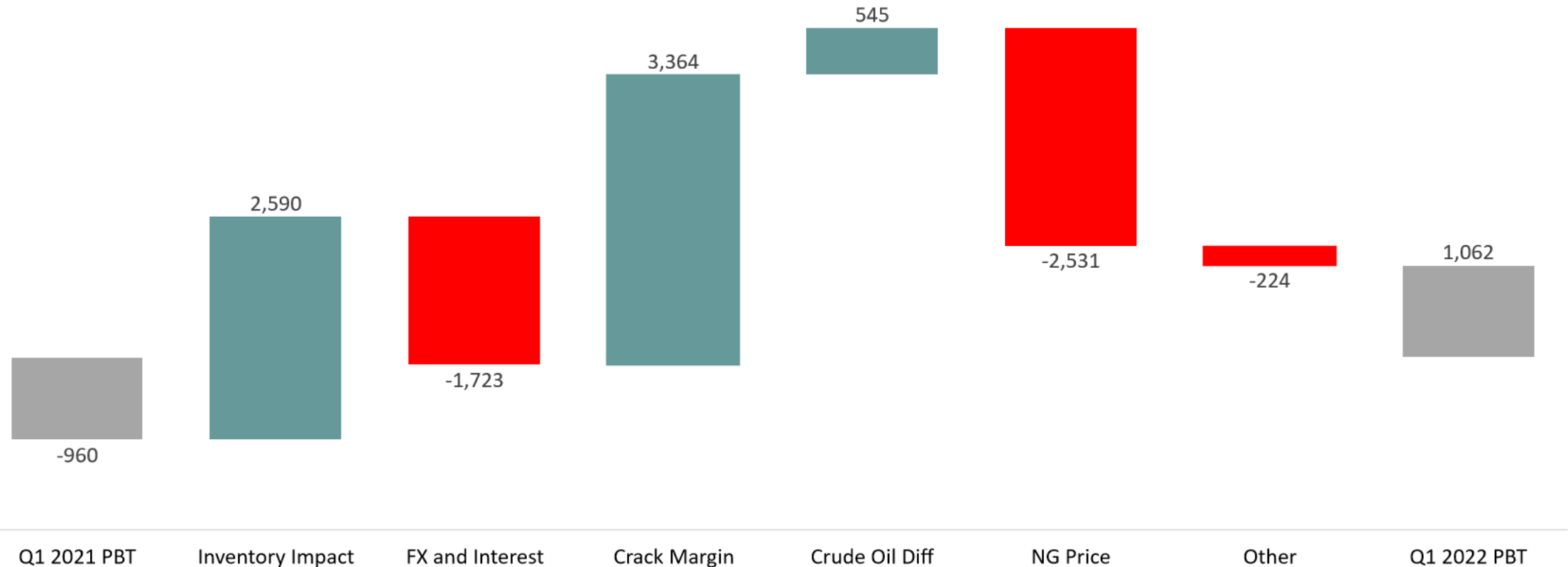
Key Highlights of Income Statement

- Y-o-y increase in Opex is mainly driven by higher logistics expenses due to higher sales, inflation and TL depreciation in Q1'22.
- Opet's contribution to net income was 208 MTL, recorded under income from equity-pickup.
- Sharp depreciation in TL has resulted in elevated FX losses in Q1'22.

Profit Before Tax Bridge (Q1 2021 – Q1 2022)

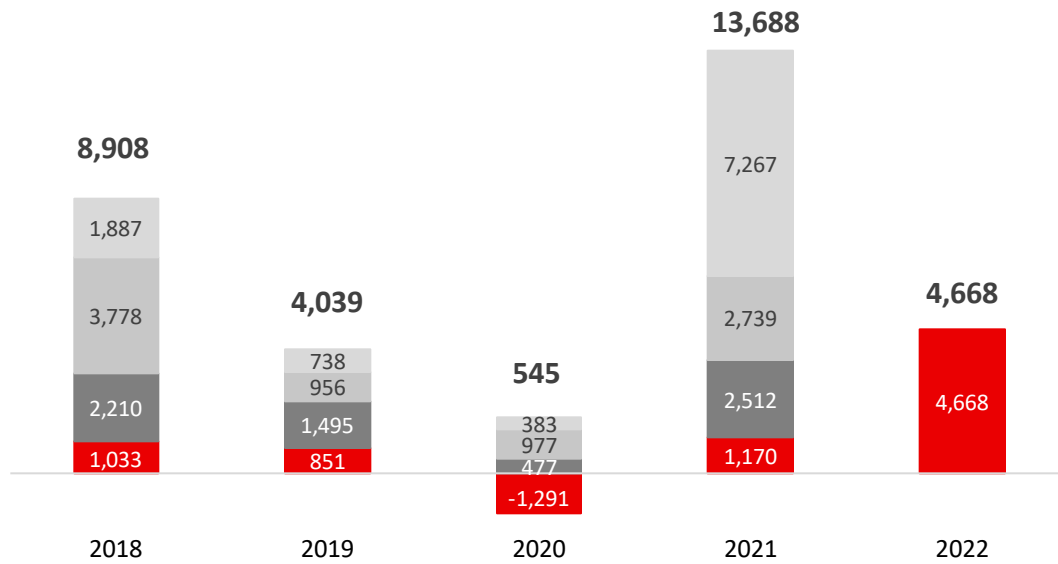
Despite elevated energy expenses and TL devaluation; strong crack margins, inventory gains and wider differentials were supportive for PBT .

Million TL

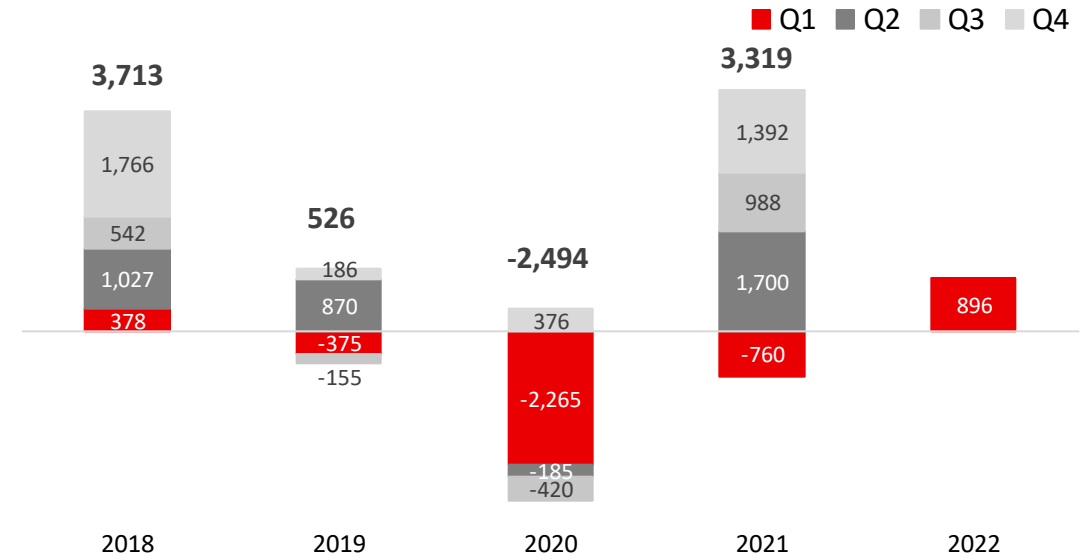


Financial Highlights

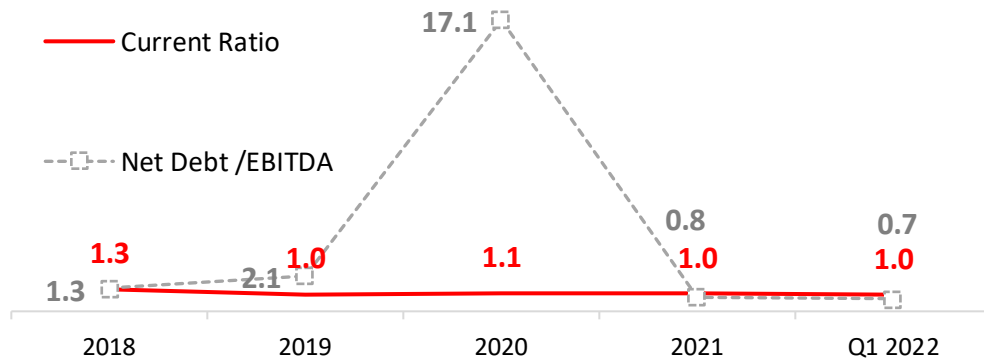
EBITDA (mn TL) ■ Q1 ■ Q2 ■ Q3 ■ Q4



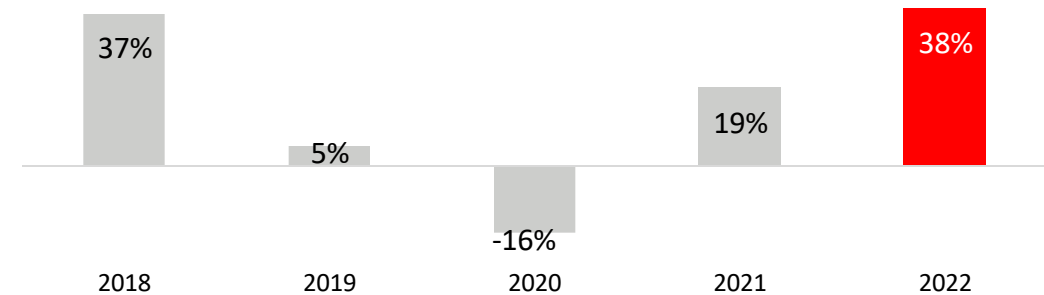
Net Income¹ (mn TL) ■ Q1 ■ Q2 ■ Q3 ■ Q4



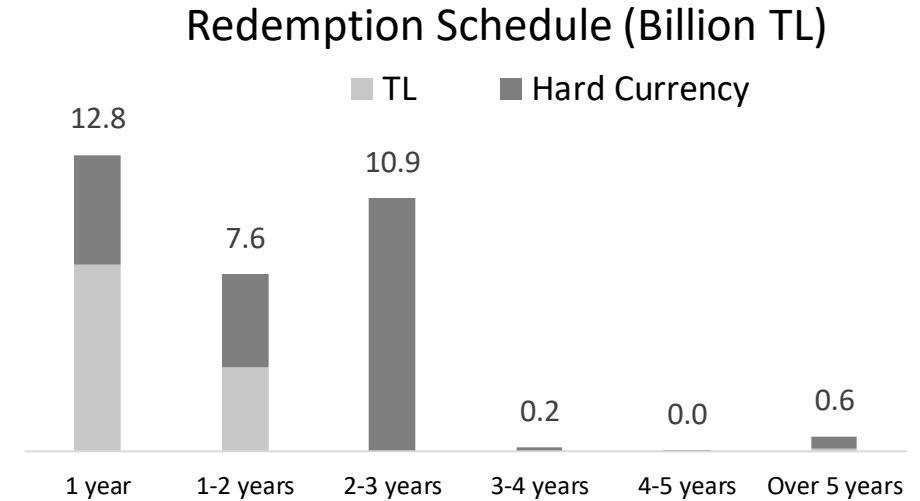
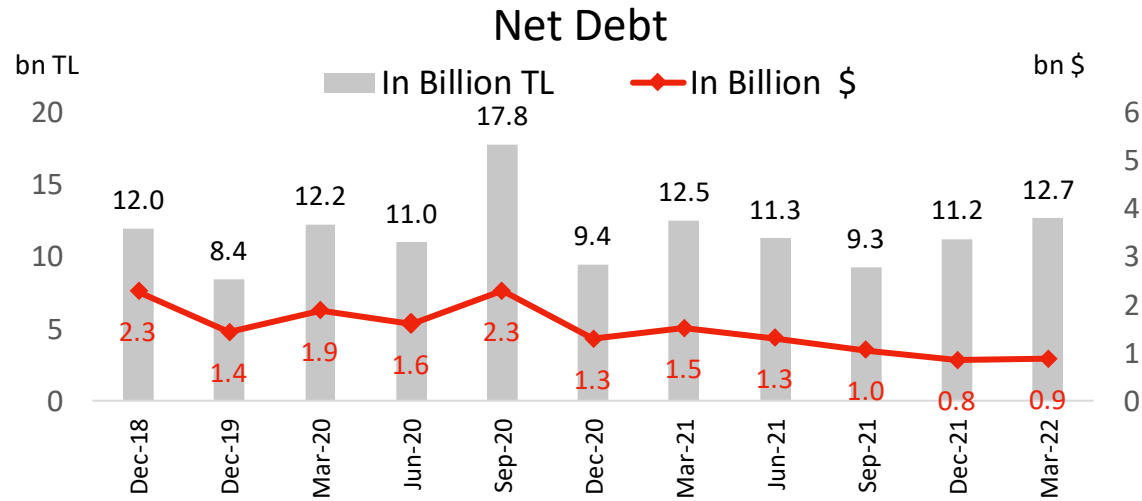
Current Ratio & Net Debt / EBITDA



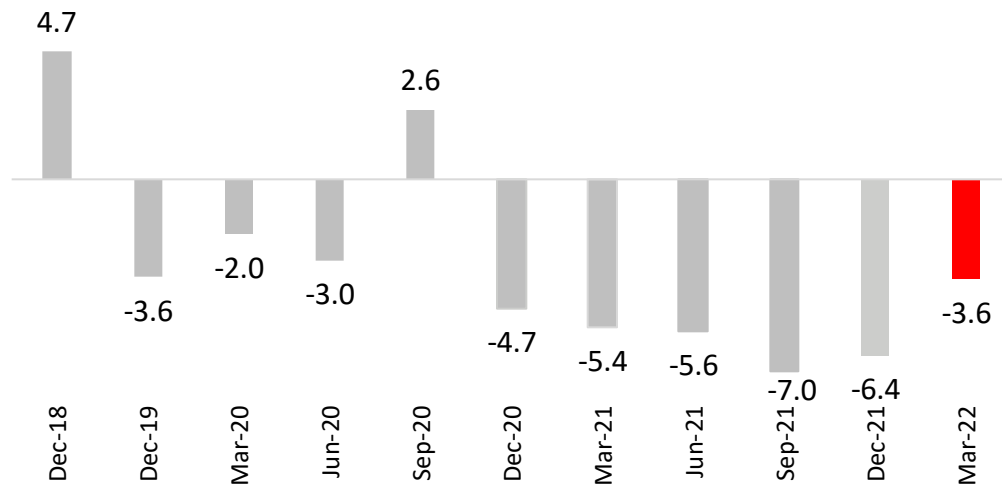
Return on Average Equity (%)



Balance Sheet Analysis



Working Capital Requirement (Billion TL)

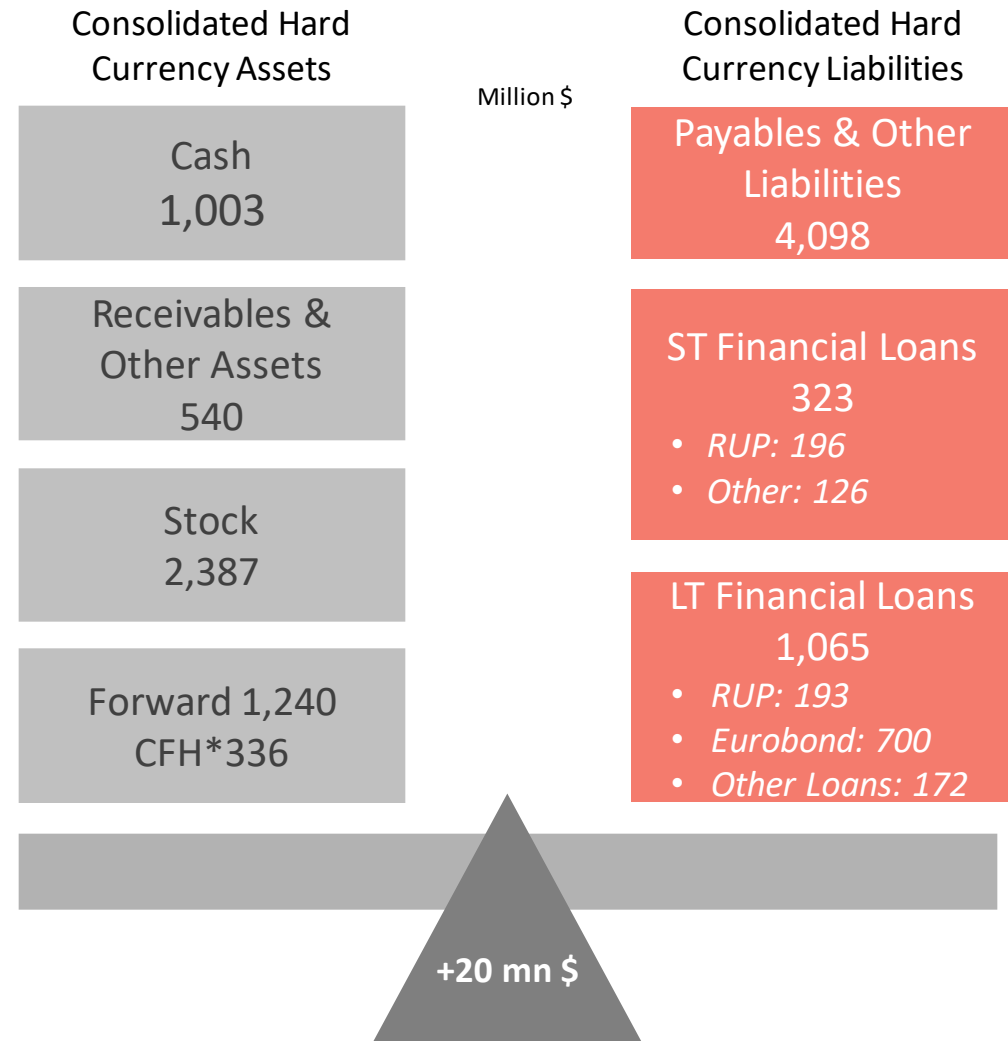


Financial Management

- Sharp rise in Brent prices reduced working capital buffer
- Steady collections and intact payable calendar supports liquidity

FX Exposure Management (31 March 2022)

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



*Cash Flow Hedge



Outlook for 2022

2022 Refinery Maintenance Schedule

Refinery	Unit	Starting Quarter	Duration (weeks)	Purpose	Status
Batman	Crude Oil & Vacuum	Q1	15	Seasonal	Done
	Crude Oil & Vacuum	Q4	4		Planned
izmir	Vacuum	Q1	6	Periodic Maintenance	Done
	Lube Complex	Q1	7		Done
	Crude Oil	Q4	9	Revamp	Planned
	CCR & Isomerization	Q4	9		Planned
	Desulphurizer	Q4	9		Planned
	HYC	Q4	4		Planned
izmit	Isomerization	Q1	5	Periodic Maintenance	Done
	Vacuum	Q1	3		Done
	Desulphurizer	Q1	3		Done
	Crude Oil & Vacuum	End of Q3	6		Planned
	HYC	End of Q3	6		Planned

2022 Expectations

Med Complex Refining Margin Expectation Withdrawn

Tüpraş Net Refining Margin 8 - 9 \$/bbl

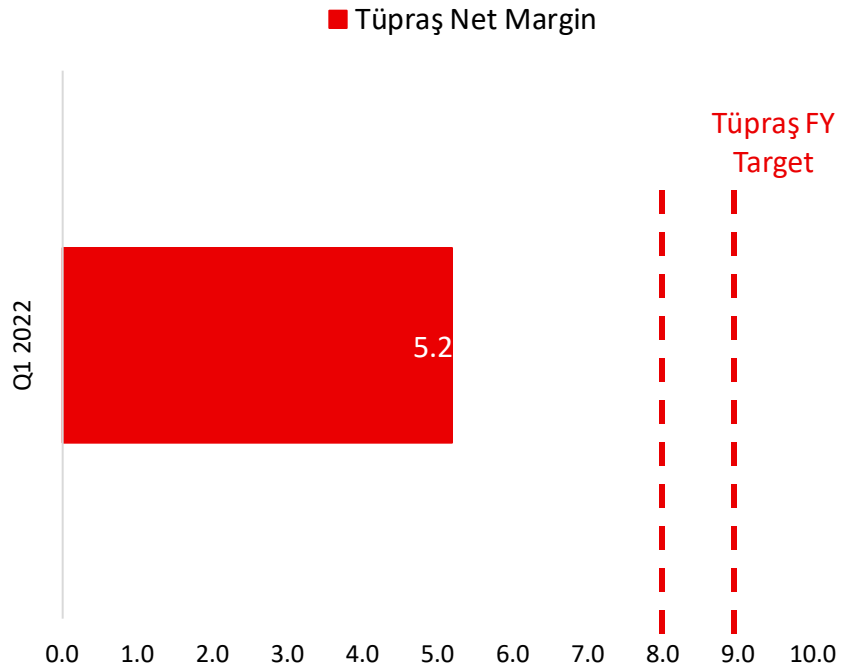
- Elevated cracks to normalize towards the end of Q2
- 26-27 mt production, 28-29 mt sales and 90 - 95% capacity utilization

Consolidated Capex ~300 million \$

- ~45% of capex for sustainability focused energy efficiency and environmental projects
- ~80 mn USD of capex is for logistics investments

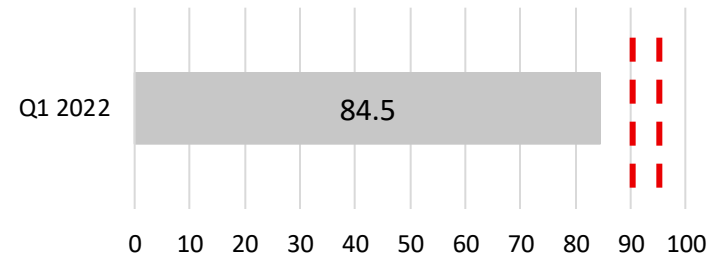
Q1 2022 Results

Refining Margins (\$/bbl)



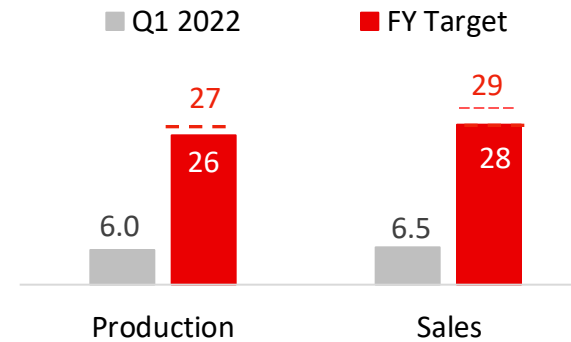
5.2 \$/bbl net refining margin in Q1 2022

Capacity Utilization (%)



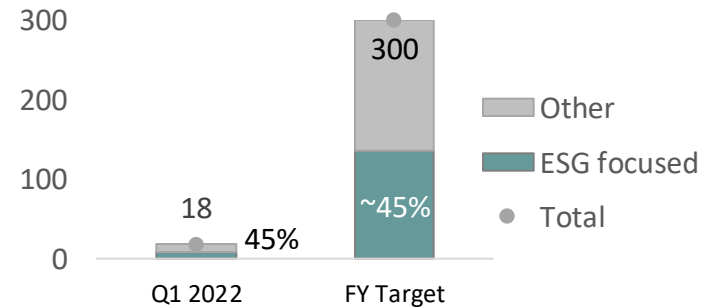
85% total capacity utilization in Q1 2022

Operational (mn Ton)



6.5 mn tons of sales and 6.0 mn tons of production in Q1 2022

Total Capex (mn \$)^(*)

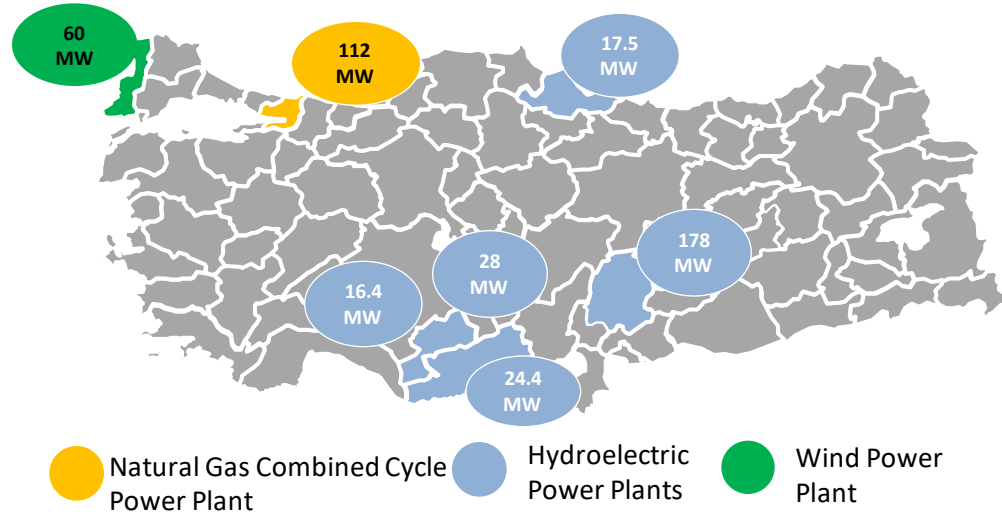


18 mn \$ total CAPEX in Q1 2022, with 45% spent on ESG related investments

Strategic Transition Plan – Latest Updates

Transfer of Entek Shares

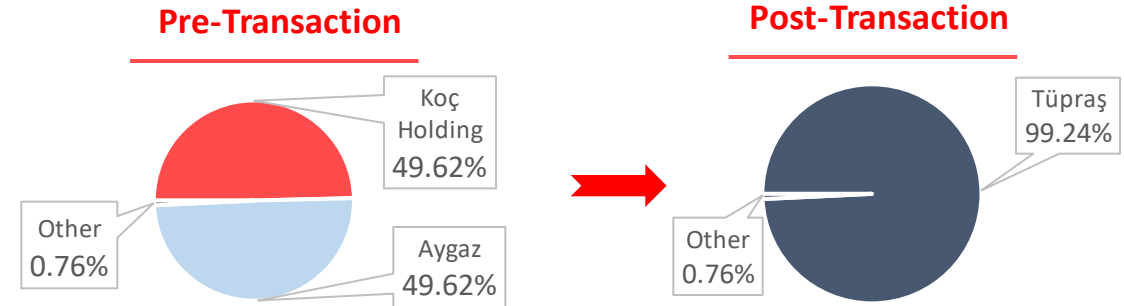
Entek's Installed Capacity



Roadmap of Transaction

- ✓ Expert valuation report completed
- ✓ Conversion rates disclosed at Public Disclosure Platform on 25 April 2022
- ✓ subject to approval by the Capital Markets Board (CMB)
- ✓ Formal application to CMB completed

Entek's Shareholding Structure



Tüpraş ZCE Investments

Tüpraş	Tüpraş Installed Capacity & ZCE Licence Applications		İzmit Refinery	İzmir Refinery	Kırıkkale Refinery	Batman Refinery	Total
	Installed Capacity	(MW)	205	92	84	5	386
	Licences Received for Solar & Wind Power	(MW)	2.5 (S)	1.2 (S), 12.6 (W)			16.3
	New Applications (March)	(MW)	12.5 (S)	-	12.6 (S)	5 (S)	25.1

 **Tüpraş**

 **Koç**

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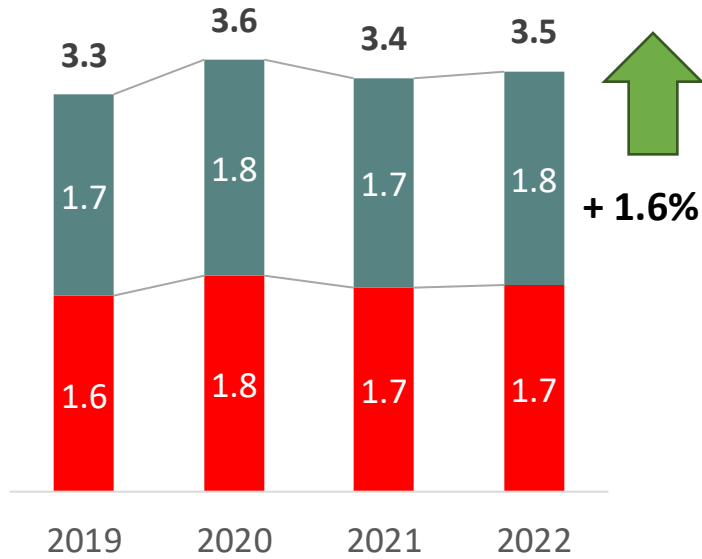
Appendix

Turkish Market, 2M 2022

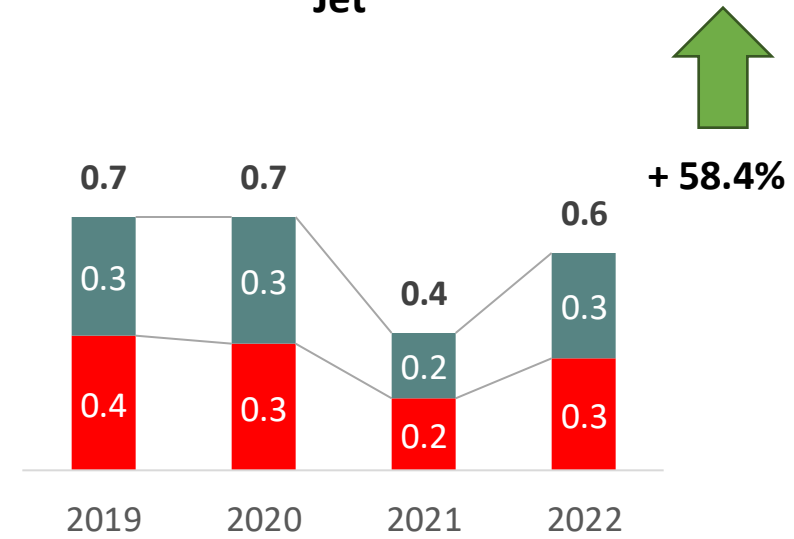
January February

Million Tons

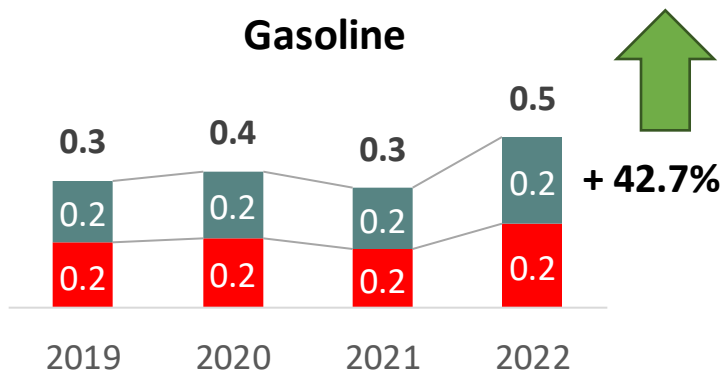
Diesel



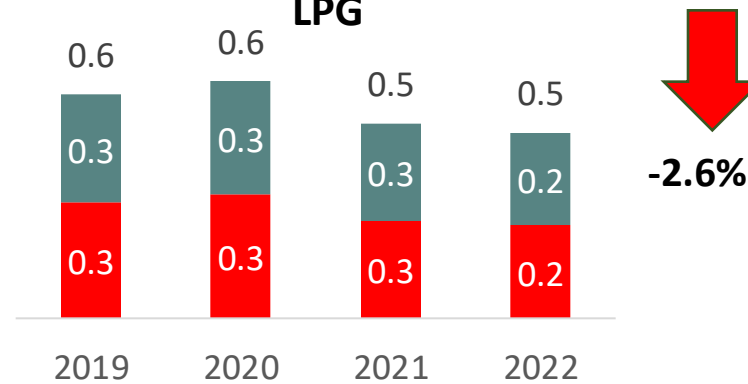
Jet¹



Gasoline



LPG



¹Transit flight consumption included

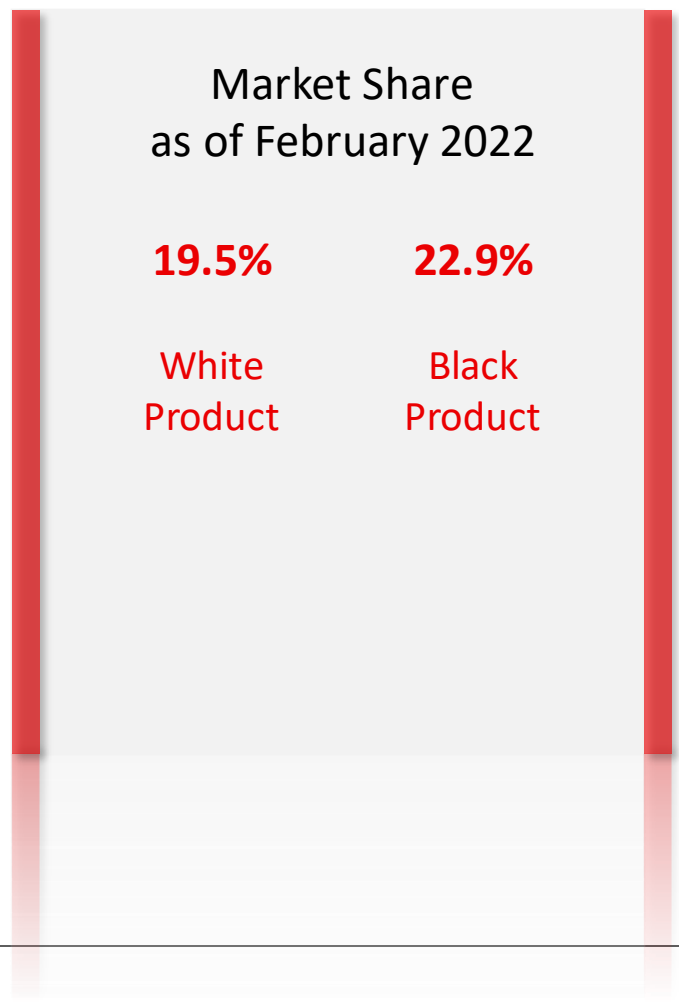
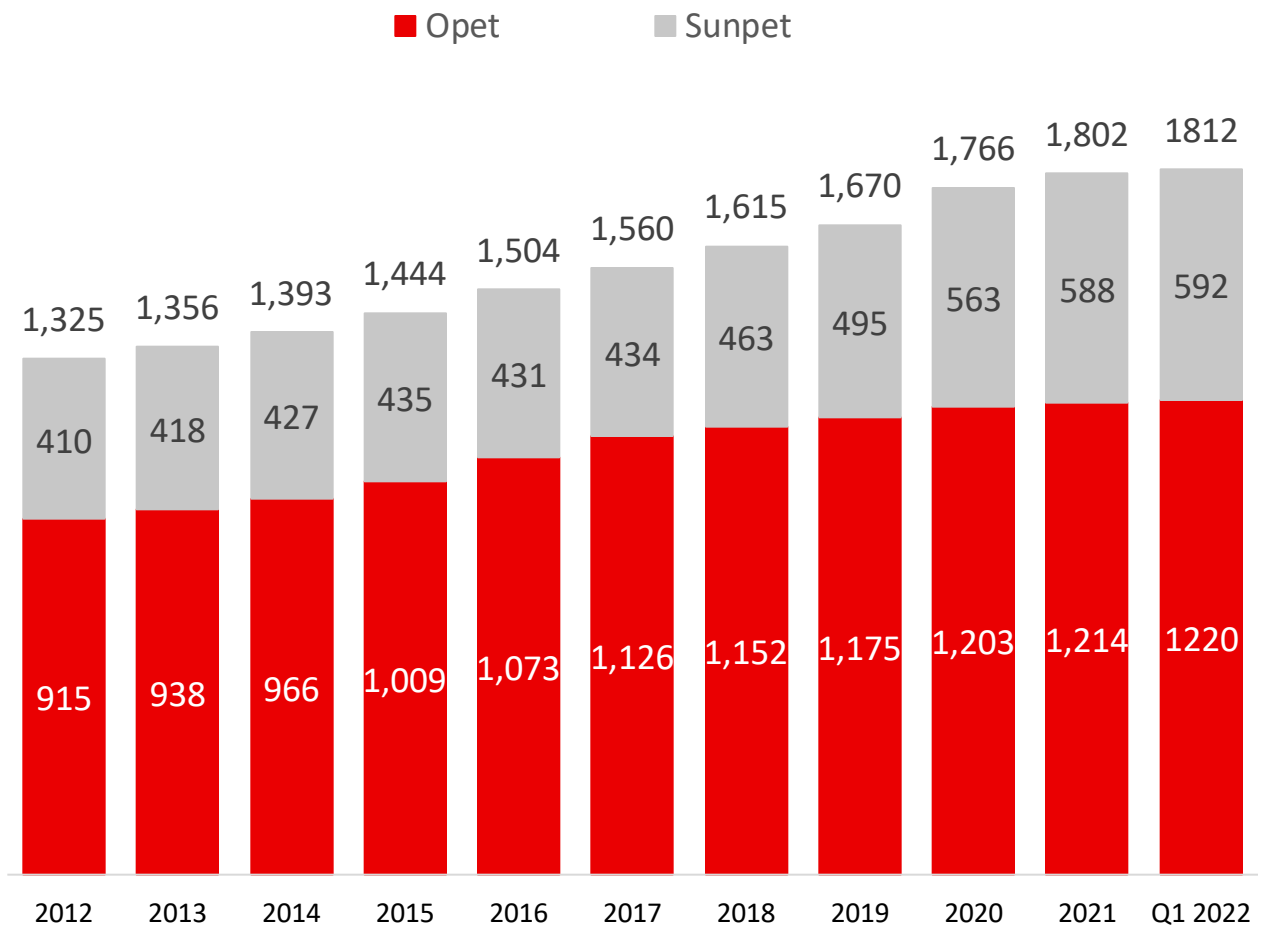
09/05/2022

Earnings Presentation

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Turkish Market

Opet has 1,812 fuel stations as of March 2022 end.



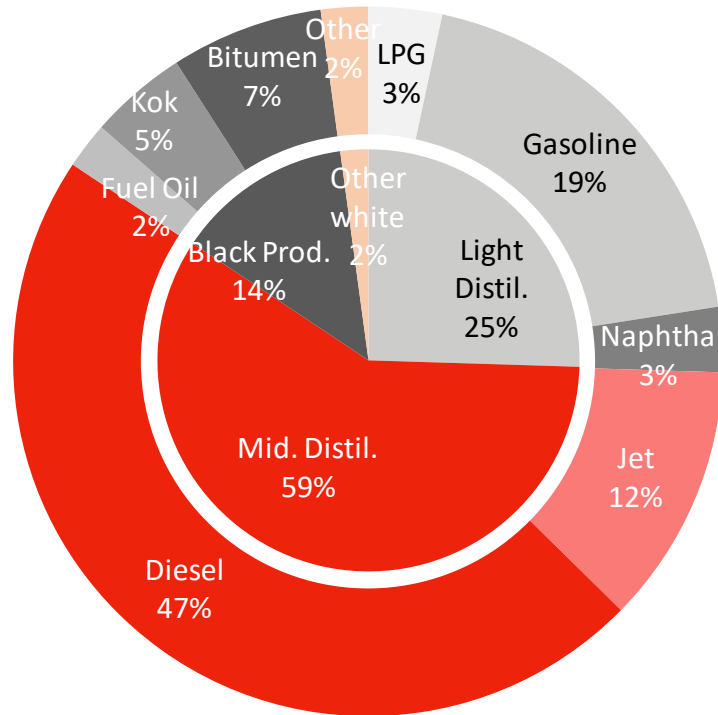
Crack Margin Effect on Tüpraş in Q1 (FOB Italy Prices)

Product	Product Price (\$/ton)		Tüpraş Production Yields	Crack Margin (\$/bbl)	
	Q1 2022	Q1 2021		Q1 2022	Q1 2021
LPG	778	511	5.1%	-32.2	-15.4
Gasoline	923	558	20.8%	12.3	7.9
Naphtha	846	522	2.8%	-5.9	-2
Jet Fuel	919	494	13.3%	15.4	1.9
Diesel	892	487	39.2%	18.5	4.5
Diesel 1000	863	480	0.4%	14.5	3.6
Fuel Oil 1%	618	404	0.0%	-6.2	1.4
Fuel Oil 3.5%	518	337	5.7%	-21.6	-8.9
Others	490	333	6.7%	-13.2	-3.2
Dated Brent (\$/bbl)	101ç4	60.9			

Total Crack Margin (\$/bbl)			Total Process (Q1 2022)	Total Effect mn \$	Total Effect mn TL
Q1 2022	Q1 2021	Difference			
8.0	2.7	5.3	45.9	242	3,364

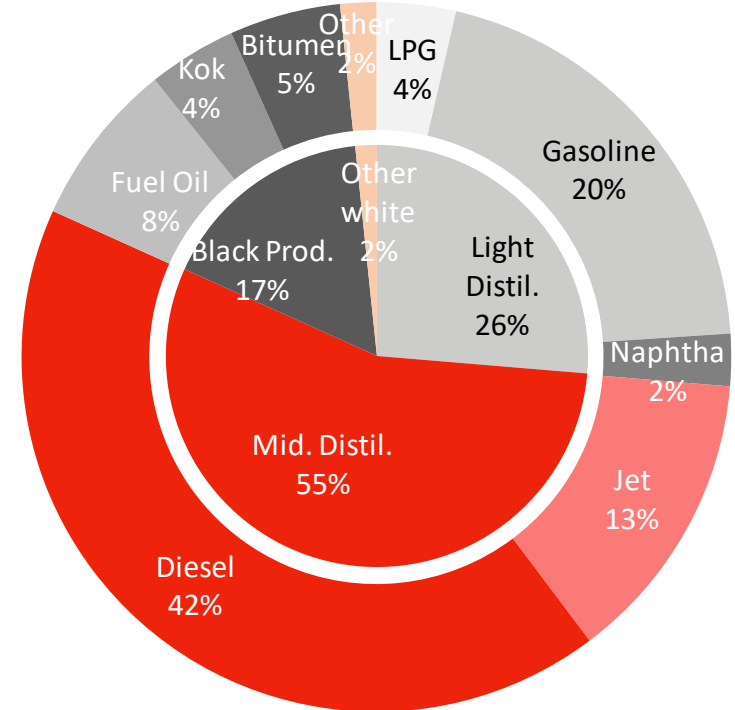
Q1 Product Yields

Q1 2021



White Product Yield (%)	85.2%
Production	4.6 mn tons
API	31.9

Q1 2022



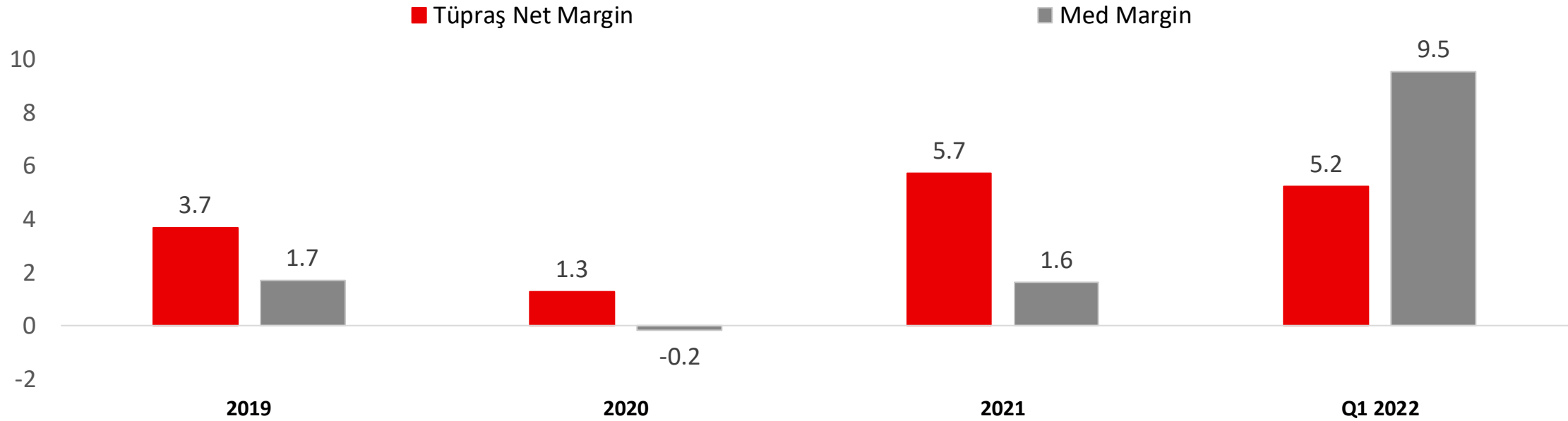
White Product Yield (%)	82.1%
Production	6.0 mn tons
API	31.3

Tüpraş Balance Sheet (Million TL)

	31.03.2022	31.12.2021	Diff.	Diff. (%)
Current Assets	78,451	65,429	13,022	20
Cash & C. Equivalents	19,579	20,400	-821	-4
Trade Receivables	19,191	13,517	5,674	42
Derivatives	550	3,818	-3,268	-86
Inventories	34,126	23,756	10,370	44
Pre-paid expenses	420	186	233	125
Other Current Assets	4,586	3,751	834	22
Long Term Assets	38,201	37,106	1,095	3
Financial Assets & Subsidiaries	2,163	2,156	7	0
Tangible & Intangible Fixed Assets	26,555	26,537	18	0
Derivatives	88	44	44	99
Pre-paid expenses	109	95	15	15
Deferred Tax	7,304	6,378	927	15
Other Longterm Assets	1,981	1,897	85	4
Total Assets	116,652	102,535	14,117	14
Short Term Liabilities	80,726	64,002	16,725	26
Financial Loans	12,792	11,399	1,393	12
Trade Payables	56,954	43,704	13,250	30
Derivatives	5,033	3,302	1,731	52
Provisions	348	200	148	74
Other ST Liabilities	5,600	5,396	204	4
Long Term Liabilities	19,960	20,706	-746	-4
Financial Loans	19,449	20,219	-770	-4
Payables & Provisions	490	448	42	9
Derivatives	13	29	-16	-56
Other LT Liabilities	9	11	-2	-15
Total equity attributable to equity holders of the parent	15,657	17,557	-1,901	-11
Minority Interests	308	270	38	14
Total Liabilities & Equity	116,652	102,535	14,118	14

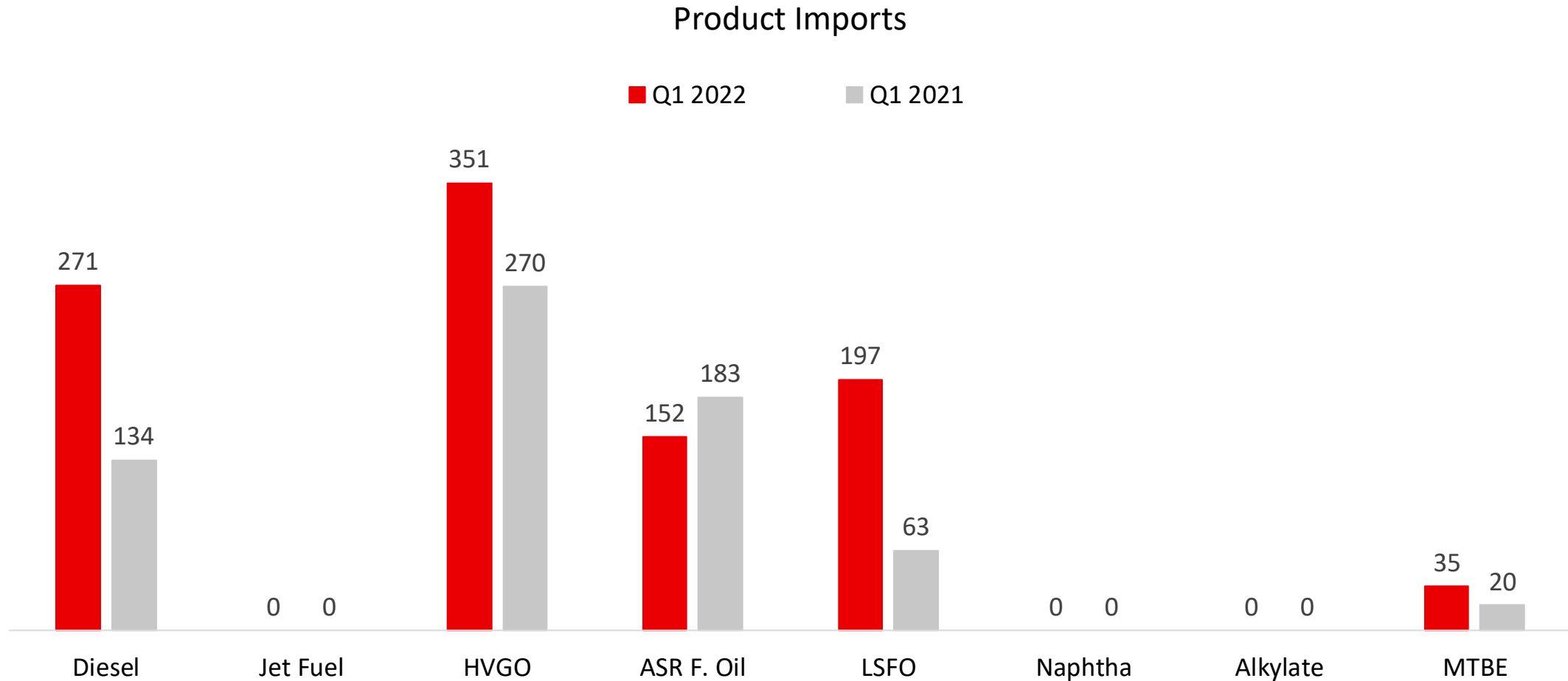
Tüpraş and Med Margins (\$/bbl)

Average Margins



(\$/bbl)	Gross Margin	Inventory Effect	Clean Gross Margin	Clean NET Margin	Net Margin	Med Margin
Q1 2021	7.7	2.5	5.2	-1.0	1.5	-0.2
12M 2021	10.5	2.1	8.4	3.6	5.7	1.6
Q1 2022	11.8	4.7	7.1	0.5	5.2	9.5

Finished Product and Semi Product Imports (Thousand Tons)



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