



Q2 2023 Earnings Presentation

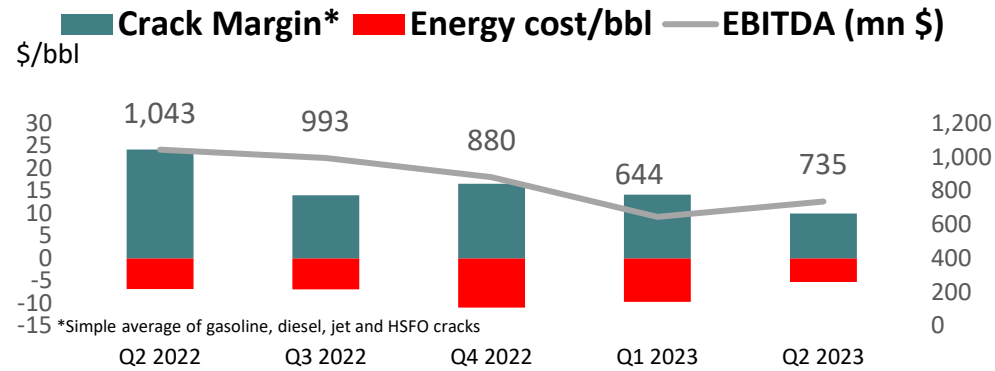
 **Koc** | 31 July 2023

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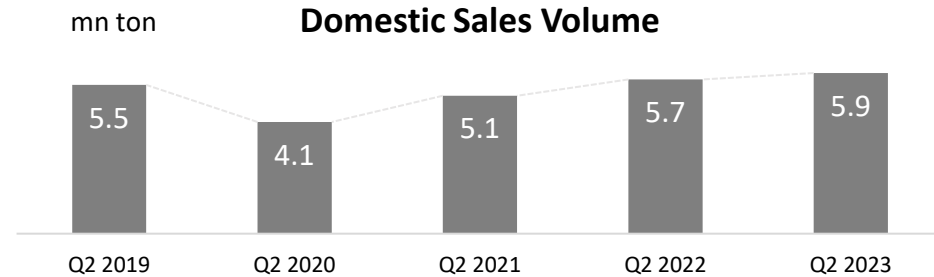
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Q2 2023 – Tüpraş Highlights



Strong Profitability with Lower Cost Base

- Lower cost base with the decrease in energy costs and wider differentials resulted in strong EBITDA generation
- Cracks remained above of 5-year averages

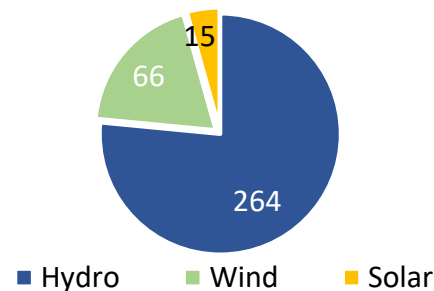


Highest domestic sales were recorded since 2019

- Highest domestic sales were recorded since 2019 as demand kept strong in Turkey in Q2



Total Installed Capacity (345 MW)



Solid steps taken for Zero Carbon Electricity (ZCE)

- Preliminary license rights have been granted for Entek's capacity applications of 325.7 MW
- Application for an additional 14 MW capacity increase and 20 MW hybrid licence have been approved and processes are ongoing for Süloğlu
- Tüpraş' applications for total capacity of 48 MW have been approved by EMRA

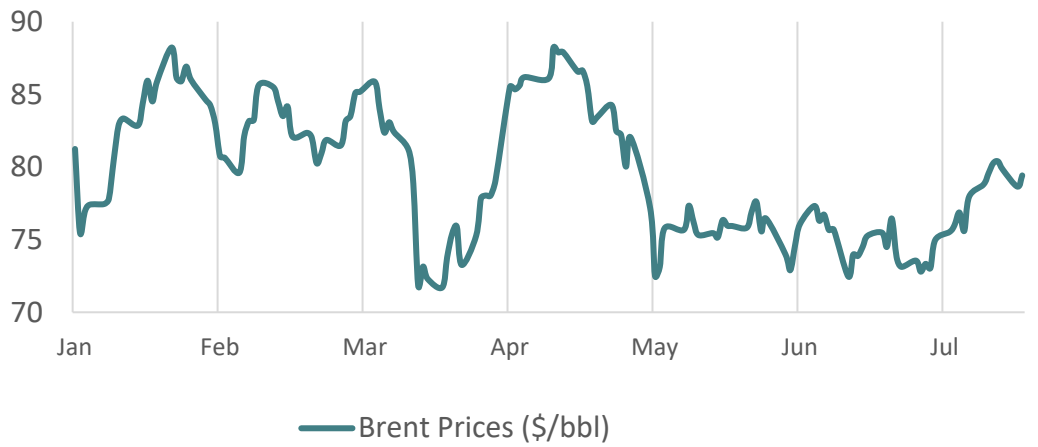


Market

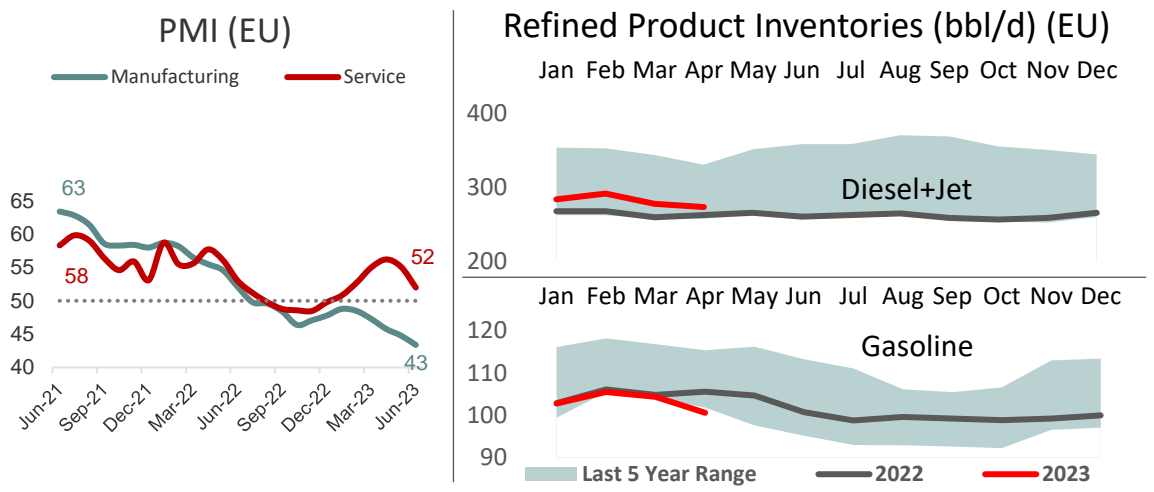
Q2 2023 – Key Market Highlights

Global Oil Market

Brent prices moved higher in April with OPEC’s production cut decision and kept in sideways after macro-related sell-off

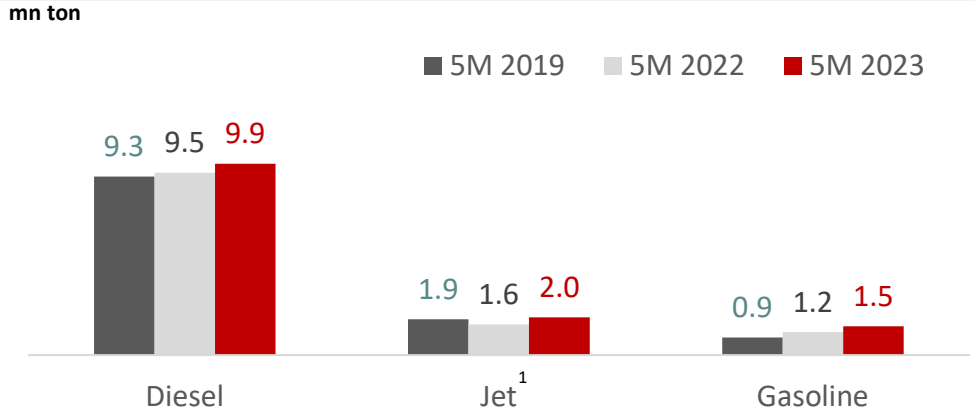


Services-led growth continues in Europe while contraction in industrial activities persists, leading to longer balance in mid-distillate inventories



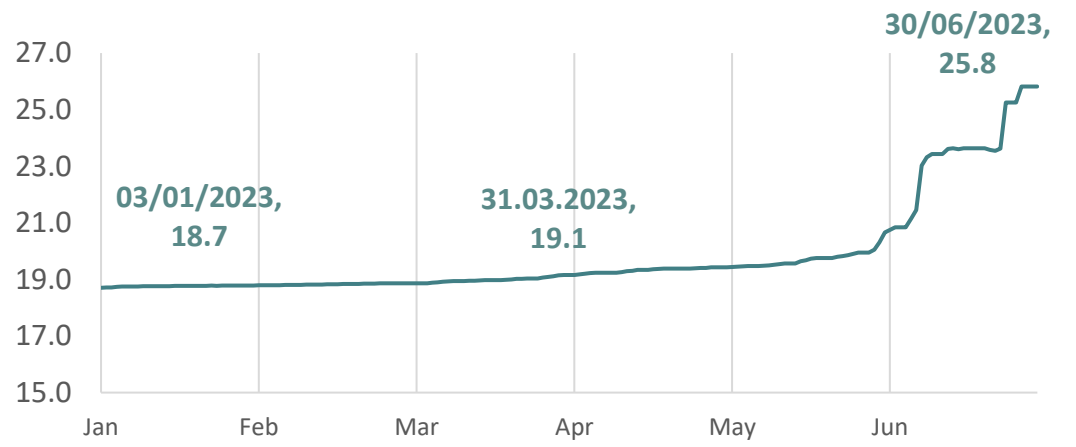
Turkish Market

Both road fuel and jet fuel demand was above of 2019 levels, with favorable seasonal dynamics.



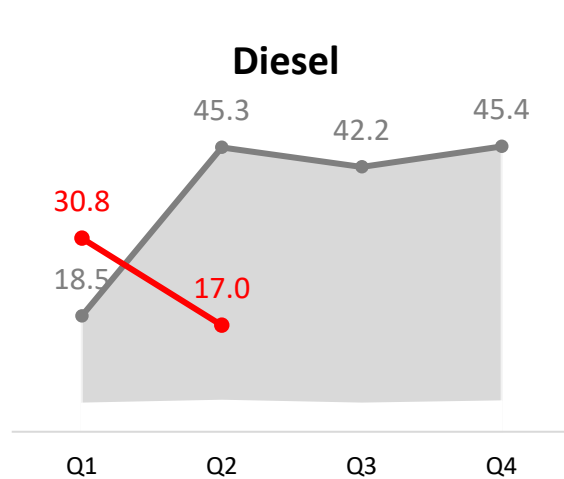
¹ Including transit flights

TL depreciation accelerated towards the end of Q2

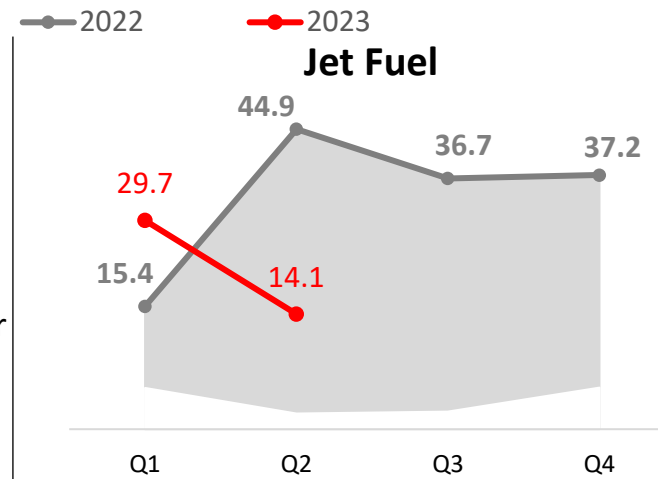


Quarterly Crack Margin Comparison (\$/bbl)

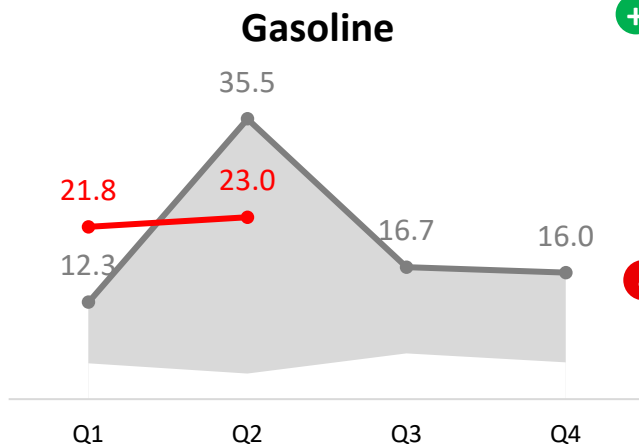
Mid-distillate cracks weakened from the high base of previous year while gasoline margins remained strong with better demand dynamics



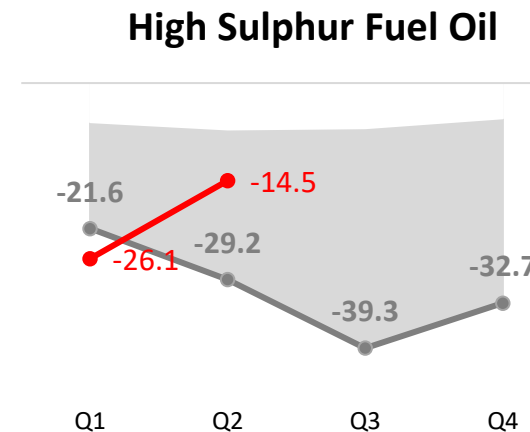
- Diesel cracks were lower compared to high base of last year.
- Main drivers of y-o-y decrease were inventory build-up, lower natural gas costs and recessionary pricing in Europe.



- Jet fuel cracks were lower y-o-y in parallel with trend seen in diesel cracks despite better seasonal dynamics of this year.



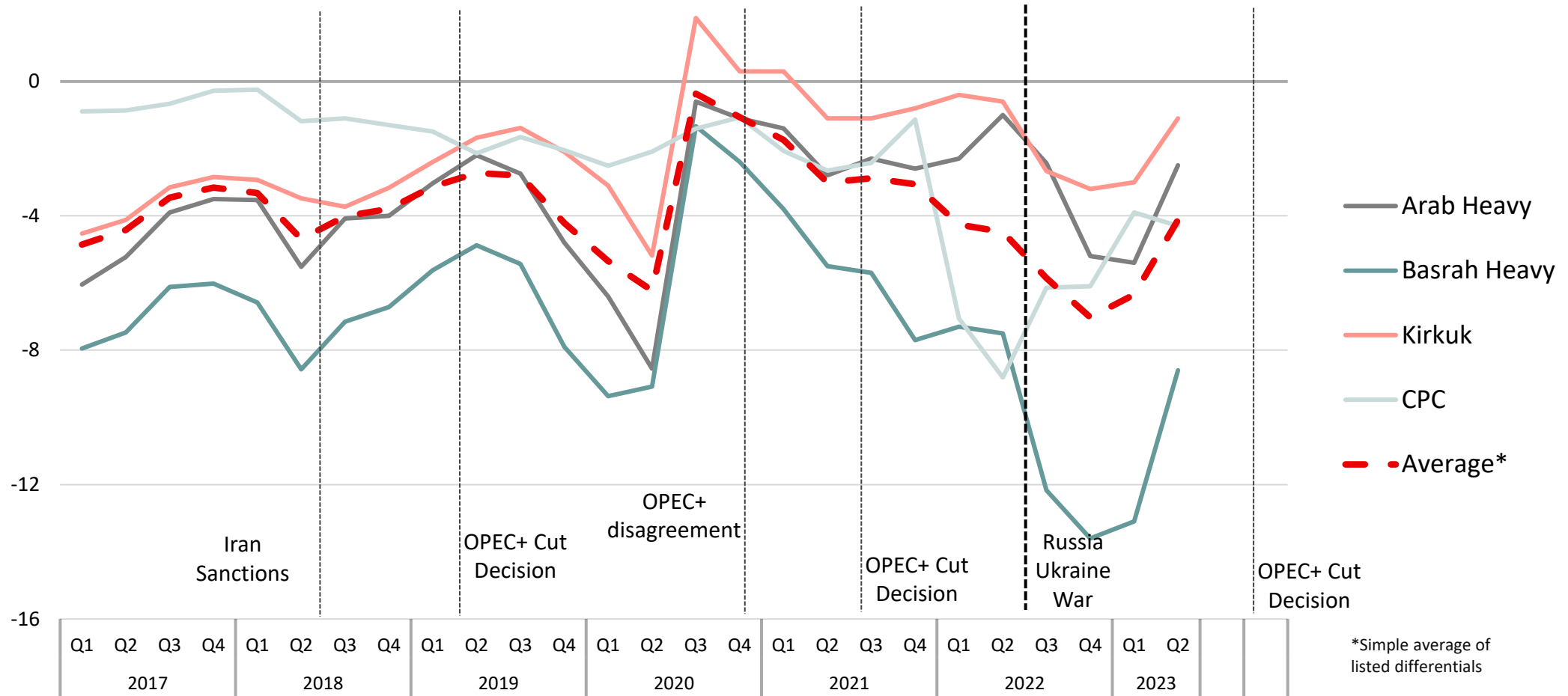
- + Gasoline cracks made a strong start this year with lower product inventories, higher blending costs and better demand dynamics
- Last year's high base effect was due to Russia-Ukraine war when blending costs were elevated with supply concerns.



- + HSFO cracks improved y-o-y with better demand and lower supply conditions after decrease in heavy grades with OPEC's cut decision.

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

Differentials narrowed in Q2 with OPEC's cut decision. As Basrah Heavy provides wider discounts compared to rest of the slate, average differentials continued to be supportive for operational profitability in Q2



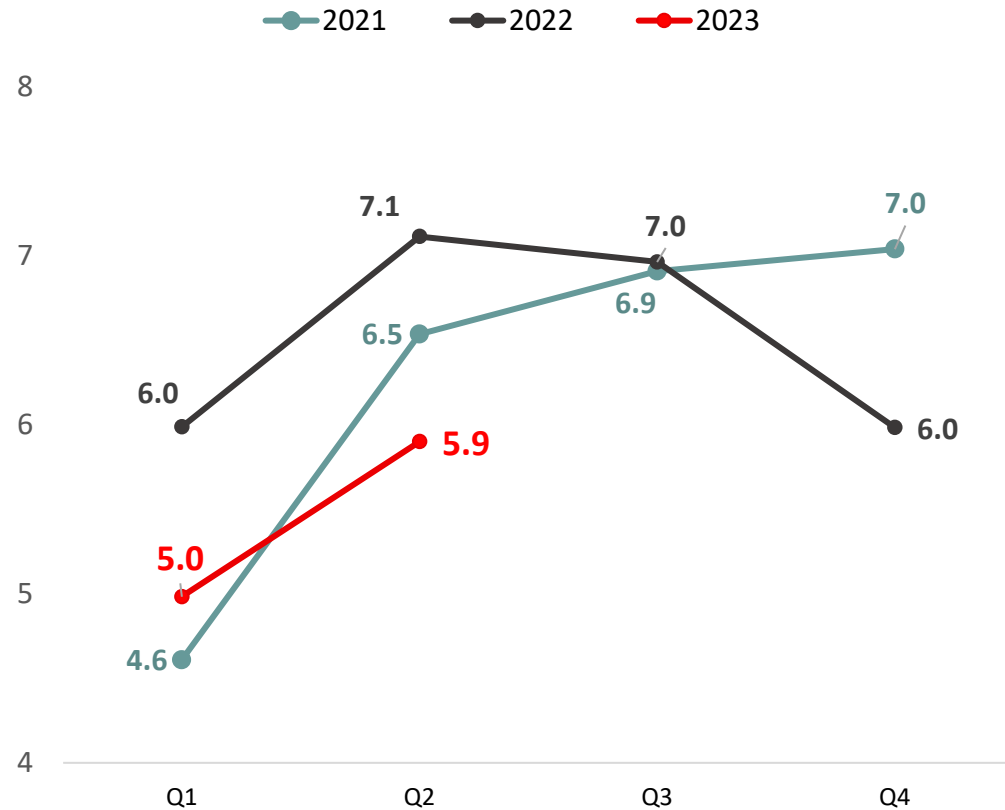


Operations

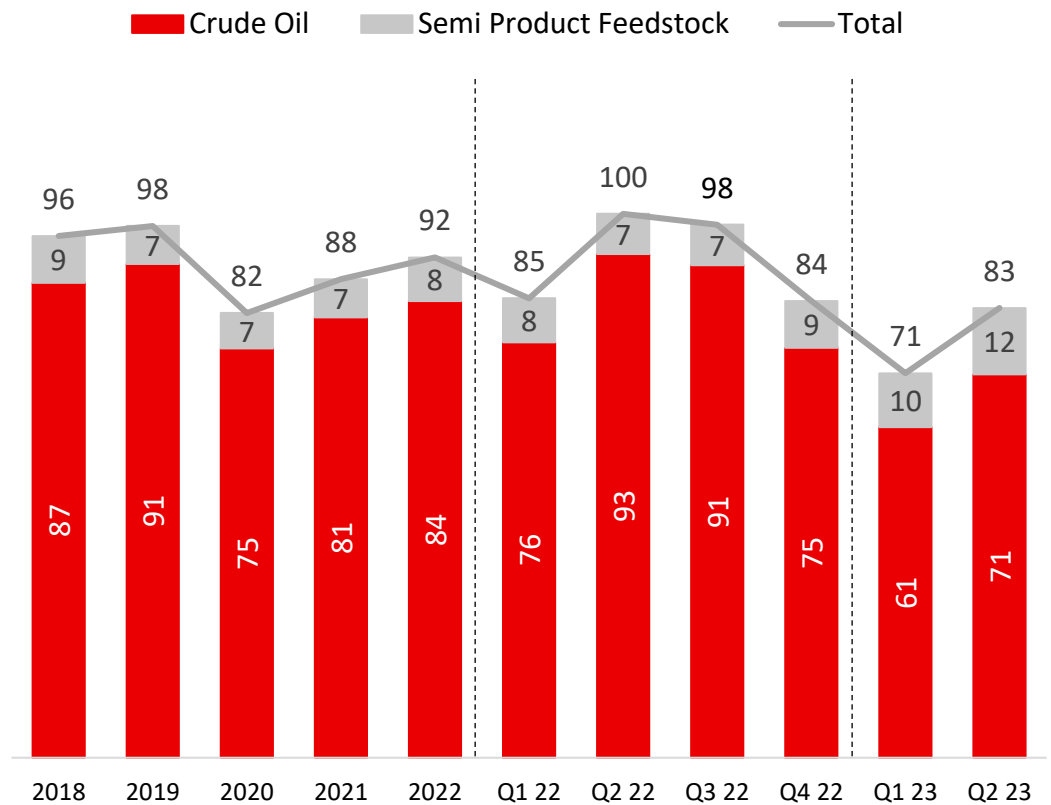
Capacity Utilization and Quarterly Production Volume

- Tüpraş produced 5.9 million tons in Q2 2023.
- Capacity utilization for Q2 2023 was 83%, due to continued maintenances in 2nd quarter

Quarterly Production (Million Tons)



Capacity Utilization (%)

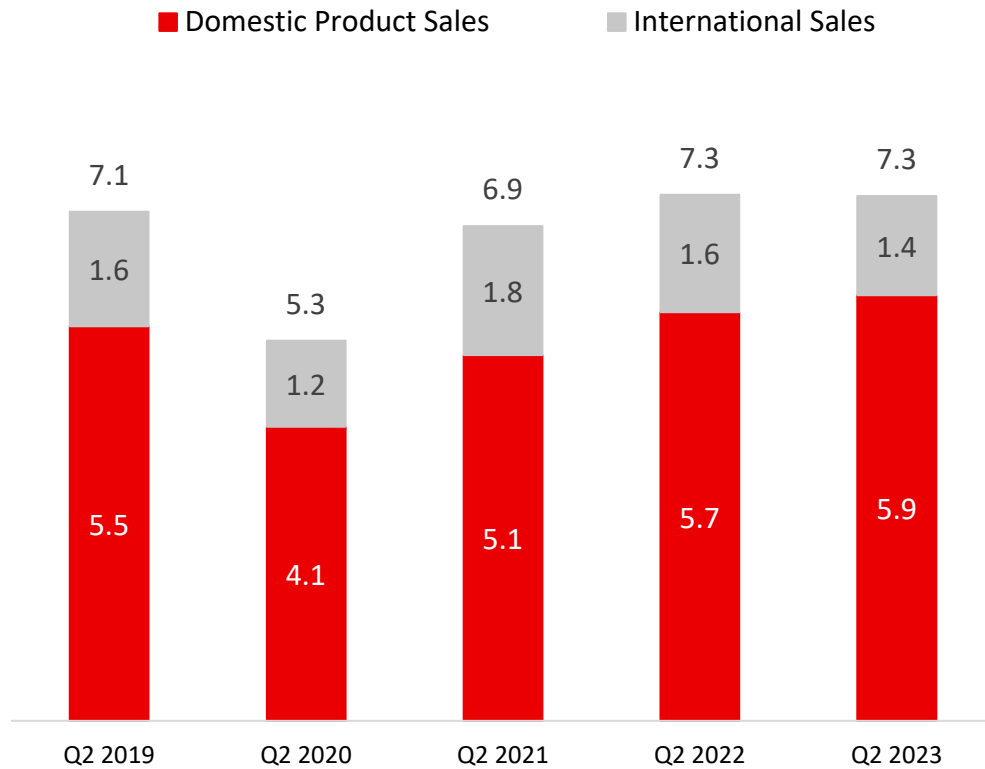


*Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards.

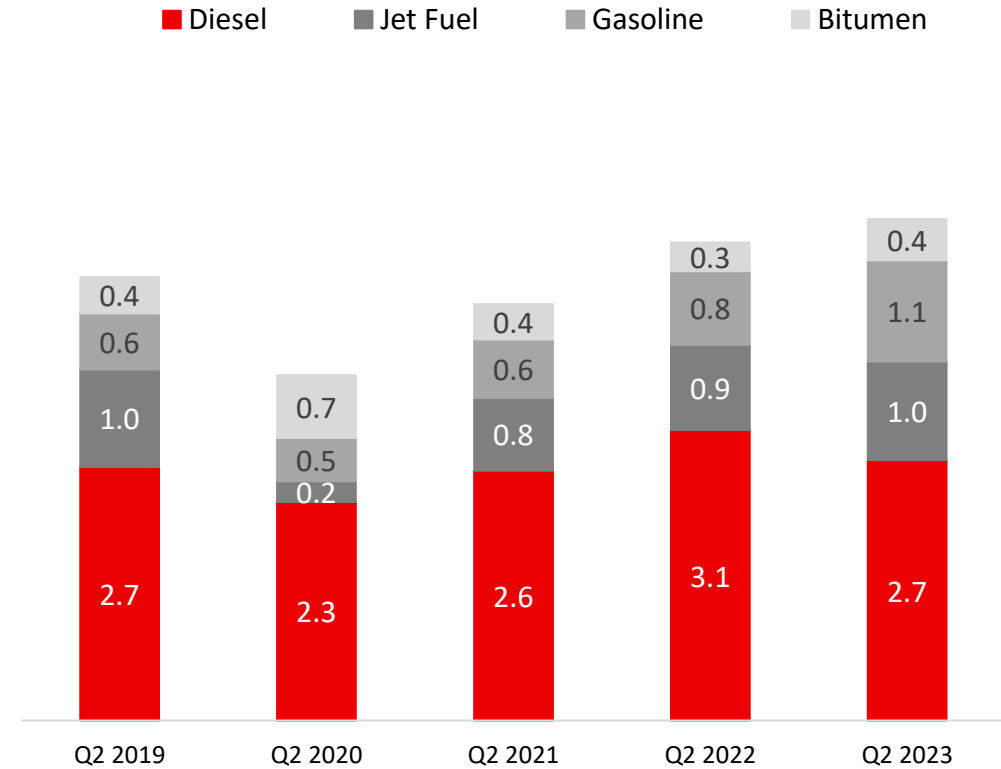
Product Sales in Q2 2023 (Million Tons)

- Tüpraş generated 7.3 million tons of sales in Q2 2023, remained flat y-o-y.
- Domestic sales were 4% higher y-o-y in Q2 2023 with better gasoline, jet fuel and bitumen sales.

Total Product Sales

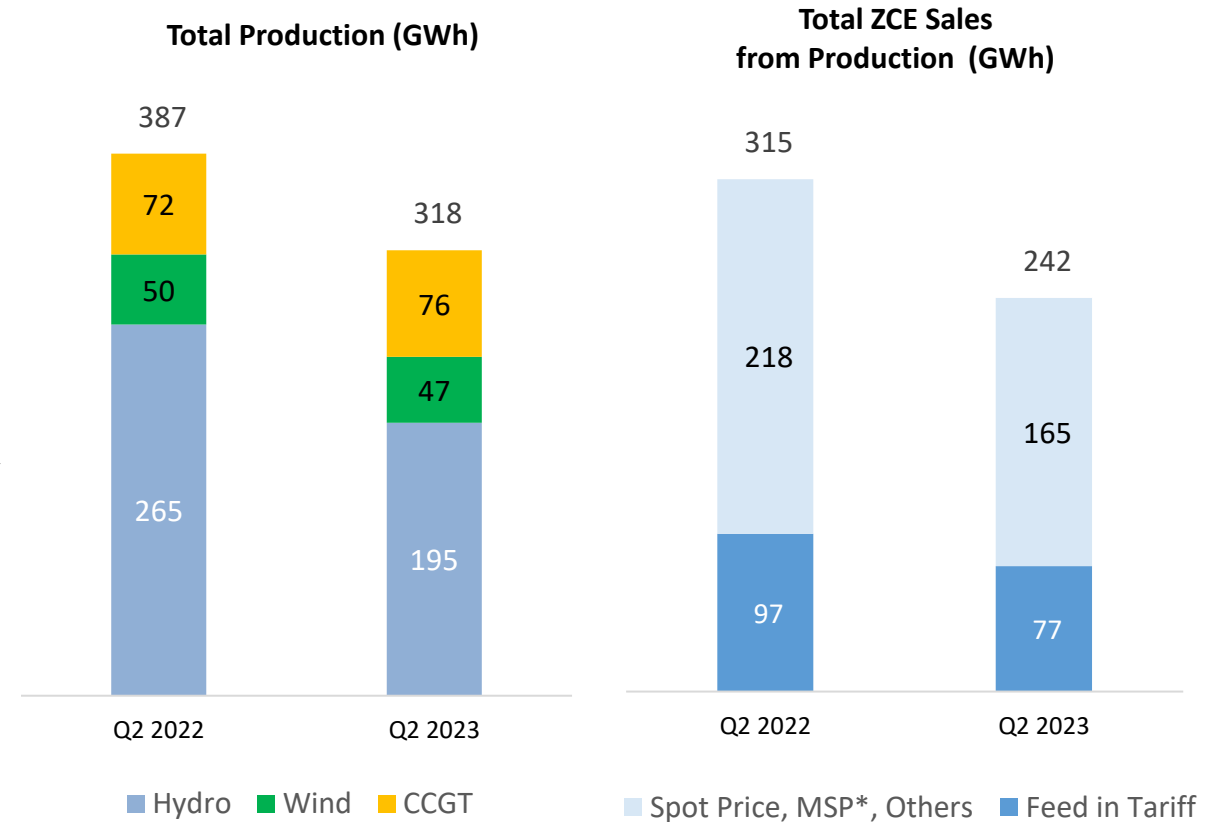
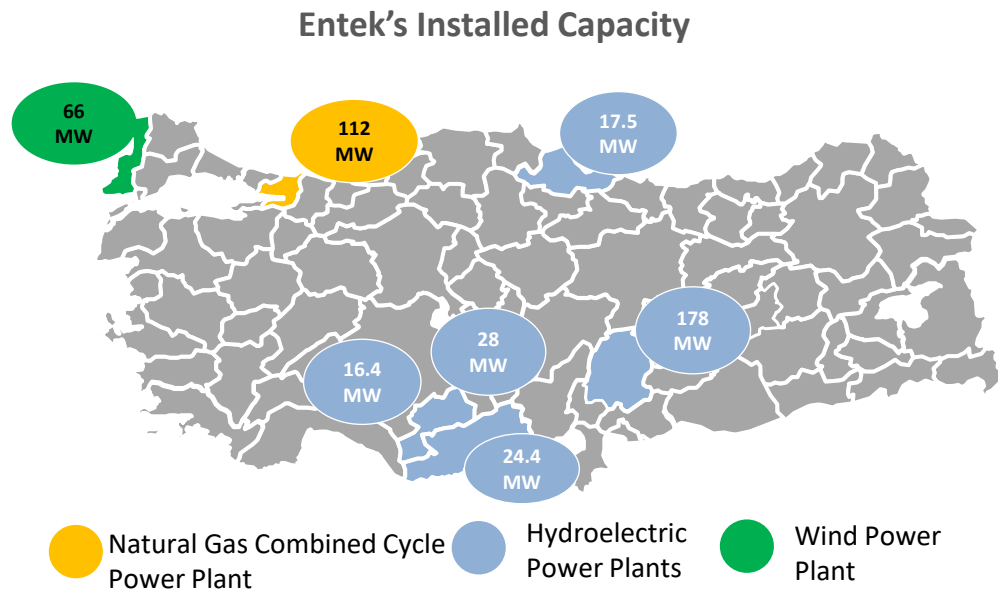


Domestic Sales of Selected Products



Electricity Production & Sales in Q2 2023

- Entek generated 318 GWh electricity in Q2 2023.
- Total Zero Carbon Electricity (ZCE) sales from production decreased by 23% y-o-y in Q2 2023 due to lower hydrology





Financials

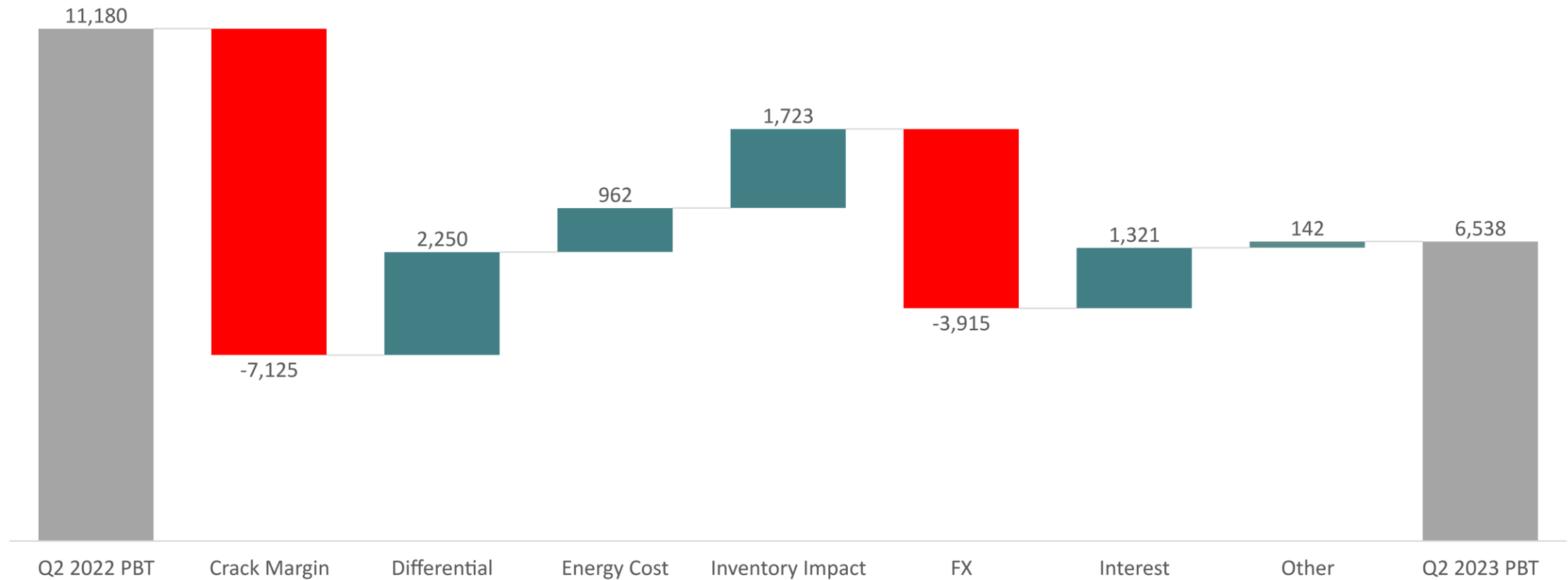
Income Statement (Million TL)

Million TL	Q2 2023	Q2 2022**	%	H1 2023	H1 2022**	%
Net Sales	104,405	137,484	-24%	197,232	215,130	-8%
COGS	-86,931	-119,367	27%	-165,761	-191,317	13%
Gross Profit	17,474	18,118	-4%	31,471	23,813	32%
Operating Expenses	-2,644	-2,080	-27%	-4,849	-3,161	-53%
Income/Loss from other operations	-6,408	-3,538	-81%	-7,028	-5,061	-39%
Operating Profit	8,422	12,499	-33%	19,593	15,591	26%
Inc./Loss from Equity pick ups	272	156	74%	538	367	47%
Operating Profit Before Fin. Income/Loss	8,694	12,655	-31%	20,131	15,958	26%
Financial Income /Expense	-2,156	-1,475	-46%	-2,908	-3,446	16%
Profit Before Tax	6,538	11,180	-42%	17,224	12,512	38%
Net Profit (excluding minority interest)	7,217	10,799	-33%	13,965	11,902	17%
EBITDA *(mn. TL)	15,204	16,431	-7%	27,340	21,455	27%
Inventory Gain/Loss (mn. TL)	4,655	2,931	59%	4,633	7,034	-34%
EBITDA* (mn. TL) CCS	10,550	13,500	-22%	22,707	14,422	57%

Profit Before Tax Bridge (Q2 2022 – Q2 2023)

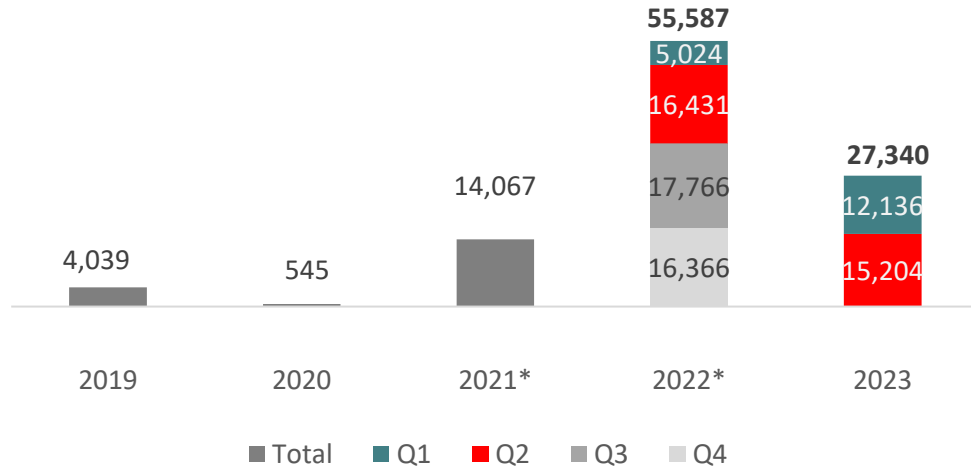
Favorable differentials, lower energy costs, higher inventory gain and net interest income partially offset the negative impact coming from weaker cracks that were lowered from high base of last year

Million TL

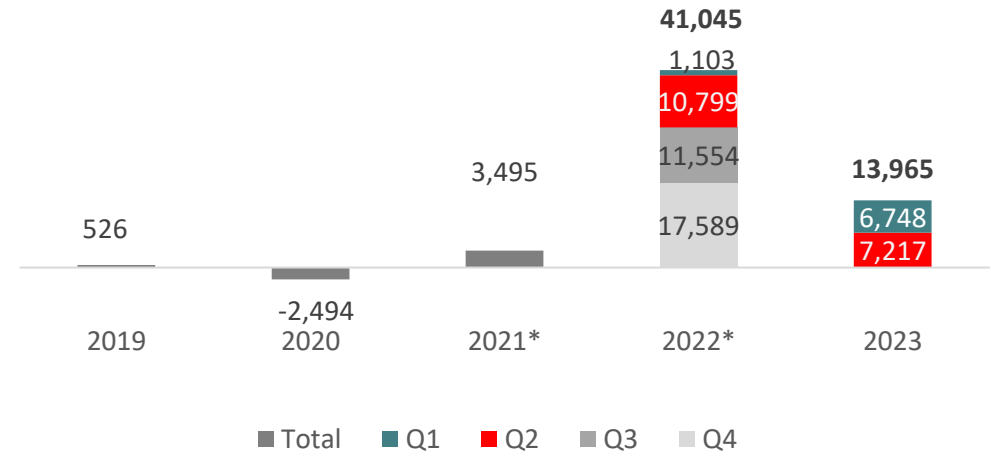


Financial Highlights

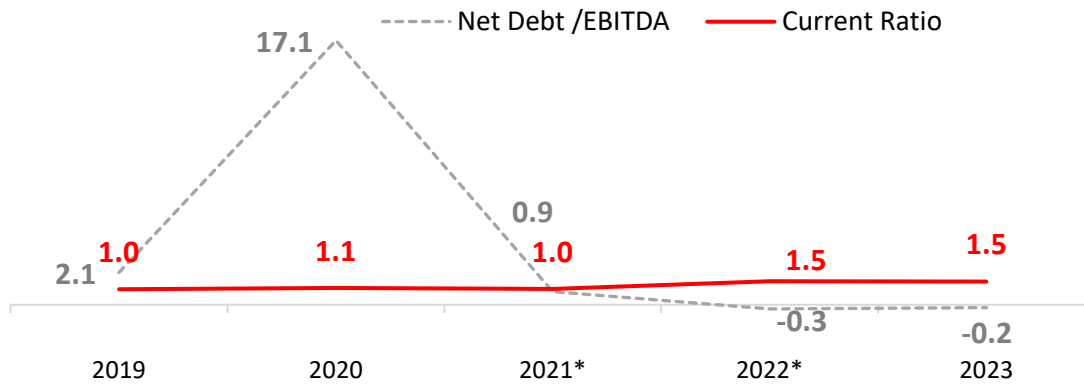
EBITDA (mn TL)



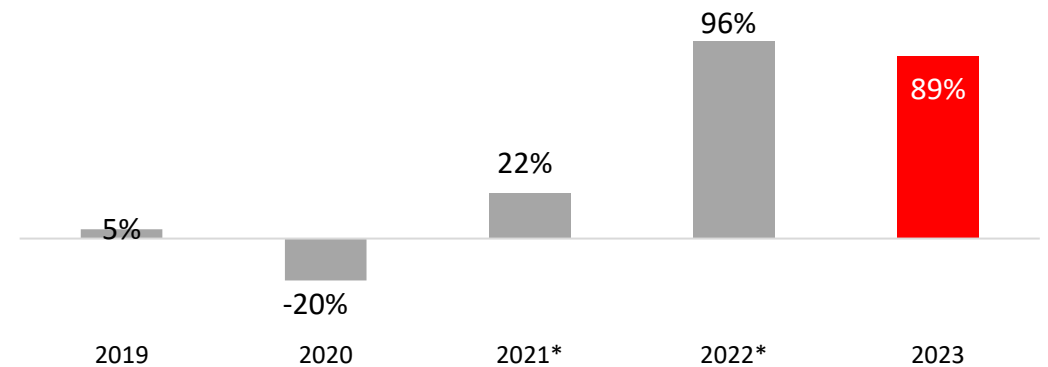
Net Income¹ (mn TL)



Current Ratio & Net Debt / EBITDA

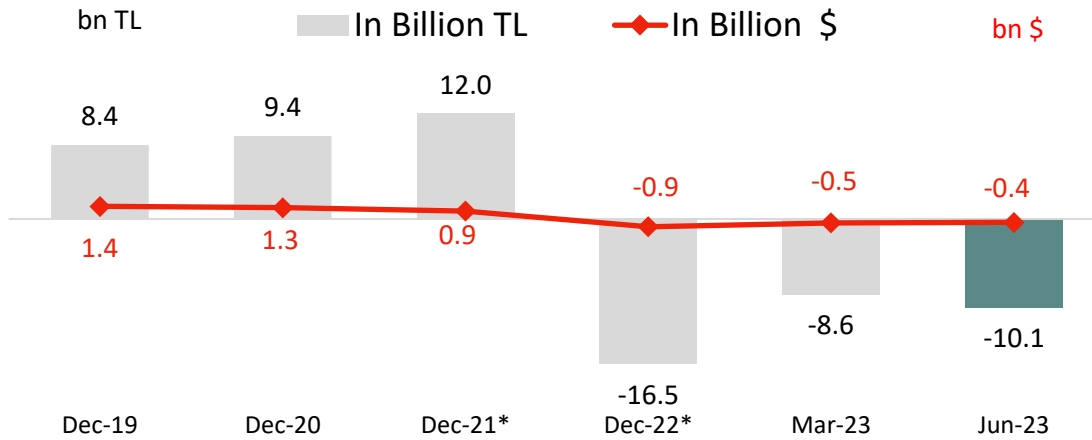


Return on Average Equity (%)

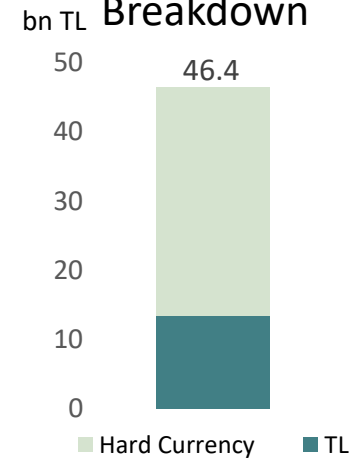


Balance Sheet Analysis

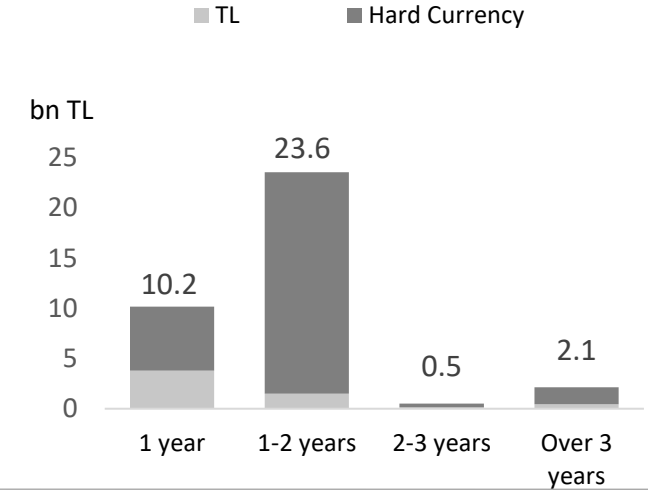
Net Debt/Cash



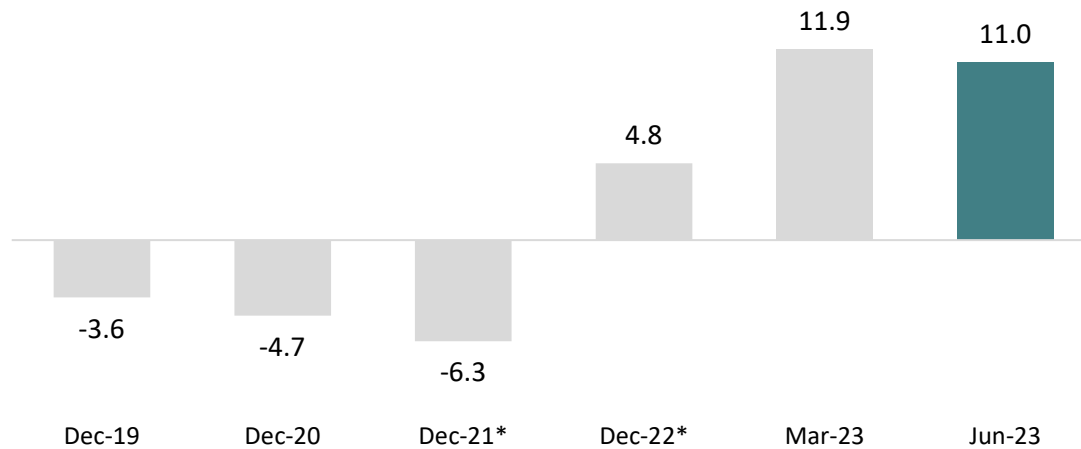
Cash Currency Breakdown



Redemption Schedule



Working Capital Requirement (Billion TL)



Financial Management

- Working Capital Requirement remained almost flat with volatility in Brent prices, USD/TL and trend in sales volume
- Net cash position continued with strong operating cashflow generation.



Outlook for 2023

2023 Refinery Maintenance Schedule

Refinery	Unit	Starting Quarter	Duration (weeks)	Purpose	Planned
Batman	Crude Oil & Vacuum	Q1	7	Seasonal	Completed
	Crude Oil & Vacuum	Q4	9		Planned
İzmir	FCC	Q1	7	Revamp	Completed
	Crude Oil, Vacuum, CCR, Isom.	Q1	9		Completed
	Lube Complex	Q1	9		Completed
	Crude Oil , Vacuum	Q4	5	Periodic Maintenance	Postponed
	HYC	Q4	6		Postponed
İzmit	Crude Oil & Vacuum	Q1	7	Periodic Maintenance	Completed
	Desulphurizer	Q1	18		Completed
	CCR	Q1	9		Completed
	FCC	Q2	11	Opportunity Maintenance	Ongoing
Kırıkkale	Battery Shut Down	Q1	7	Periodic Maintenance	Completed

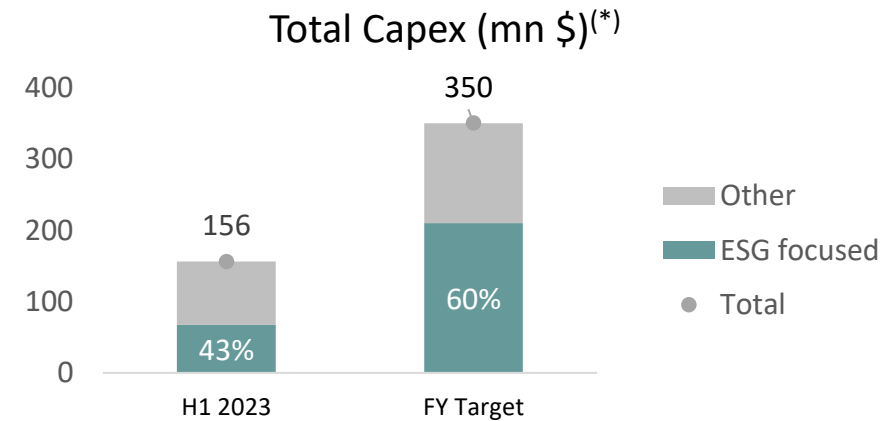
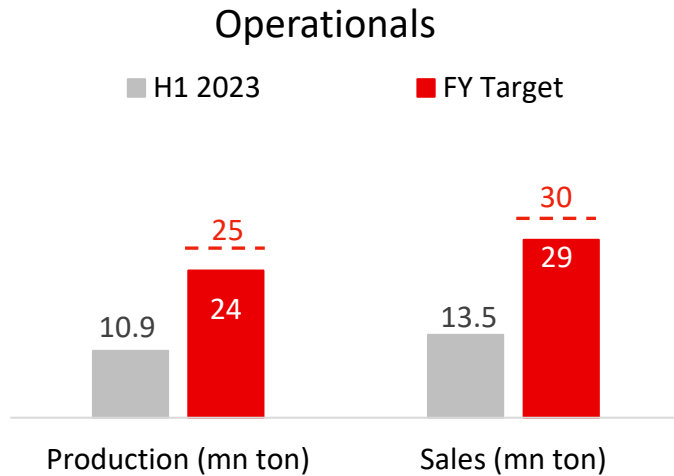
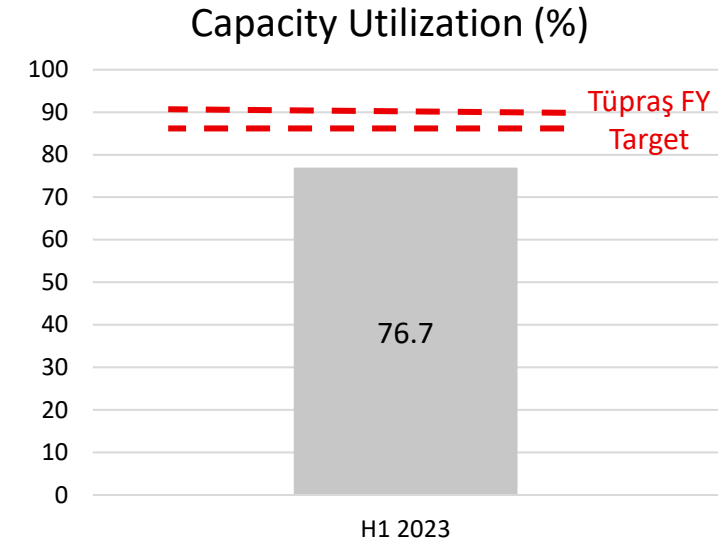
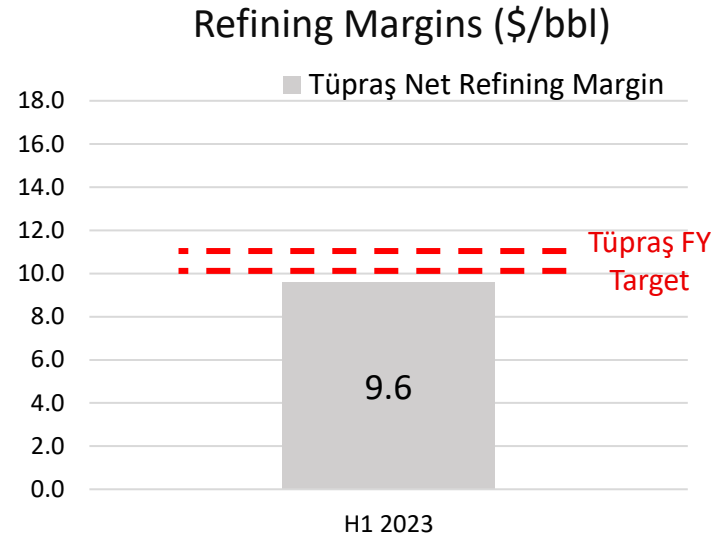
Tüpraş Net Refining Margin **10\$/bbl -11\$/bbl**

- 24-25 mn tons annual production, 29-30 mn tons annual sales and 85 - 90% average capacity utilization

Consolidated Capex **~350 million \$**

- ~60% of capex for sustainability focused energy efficiency and environmental projects

H1 2023 Results

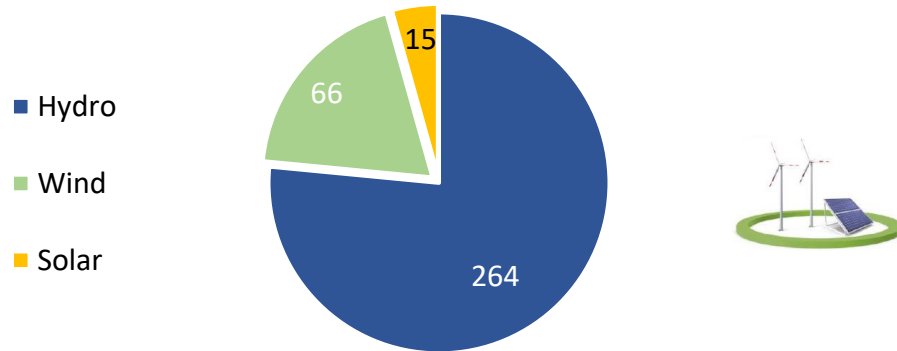


Strategic Transition Plan - Latest Updates



ZERO CARBON ELECTRICITY

Total Installed Capacity (MW)



Applications			
(MW)	Tüpraş	Entek	Total
Approved	48	360	408
-Under Construction	22	0	22
-Planning Phase	26	360	386
Application Phase	80	1,157	1,266
Total	128	1,517	1,674

Operational			
(MW)	Tüpraş	Entek	Total
Online	15	330	345



BIOFUELS



Basic engineering studies were completed to produce sustainable aviation fuel, We will use Honeywell's **UOP Ecofining™** technology in our Izmir refinery.



With this technology, we plan to produce dominantly sustainable aviation fuel (SAF) and some renewable diesel & other products with **400K ton capacity per year**

400kt
biofuel
production
capacity

 **Tüpraş**

 **Koç**

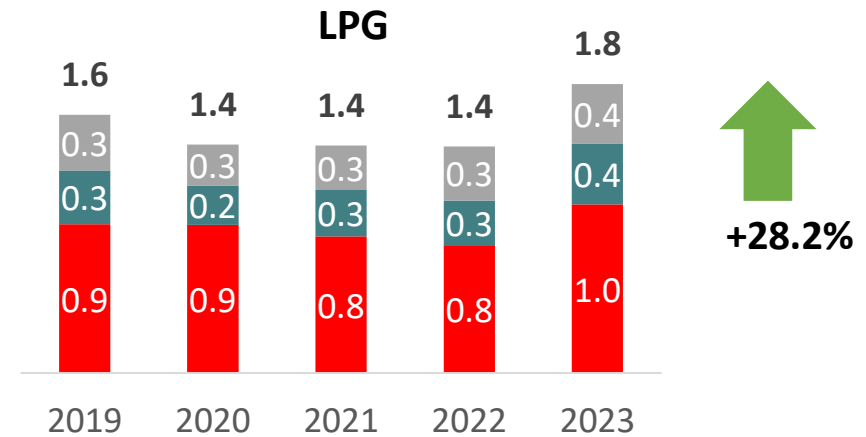
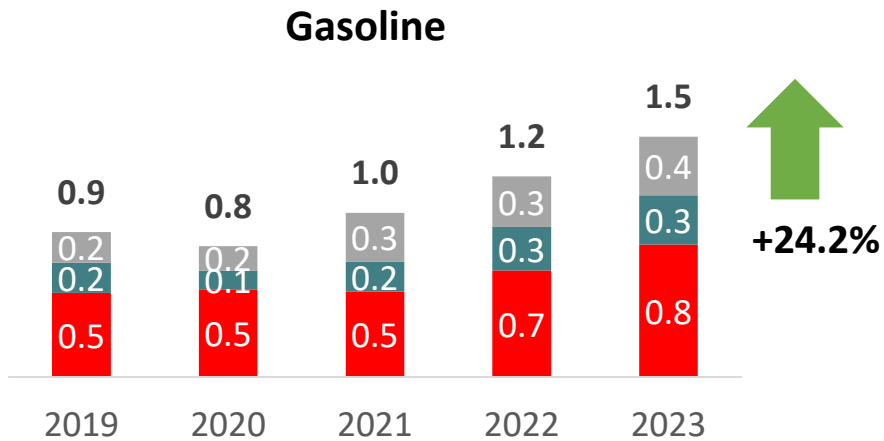
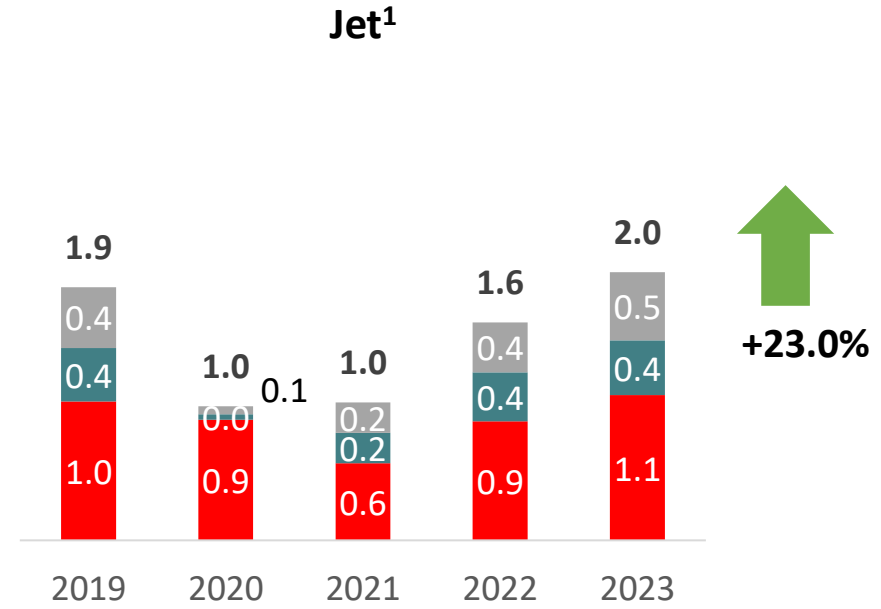
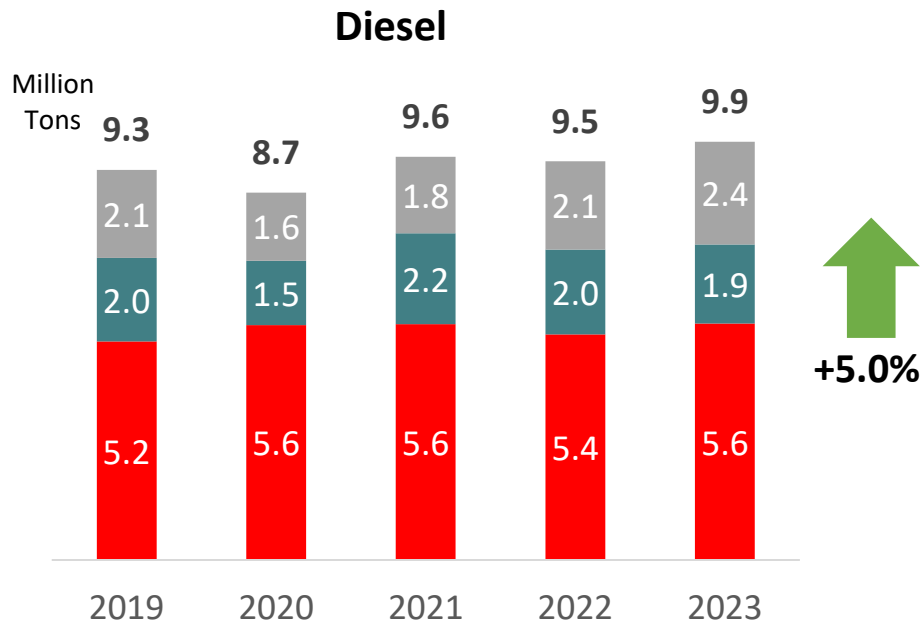
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Appendix

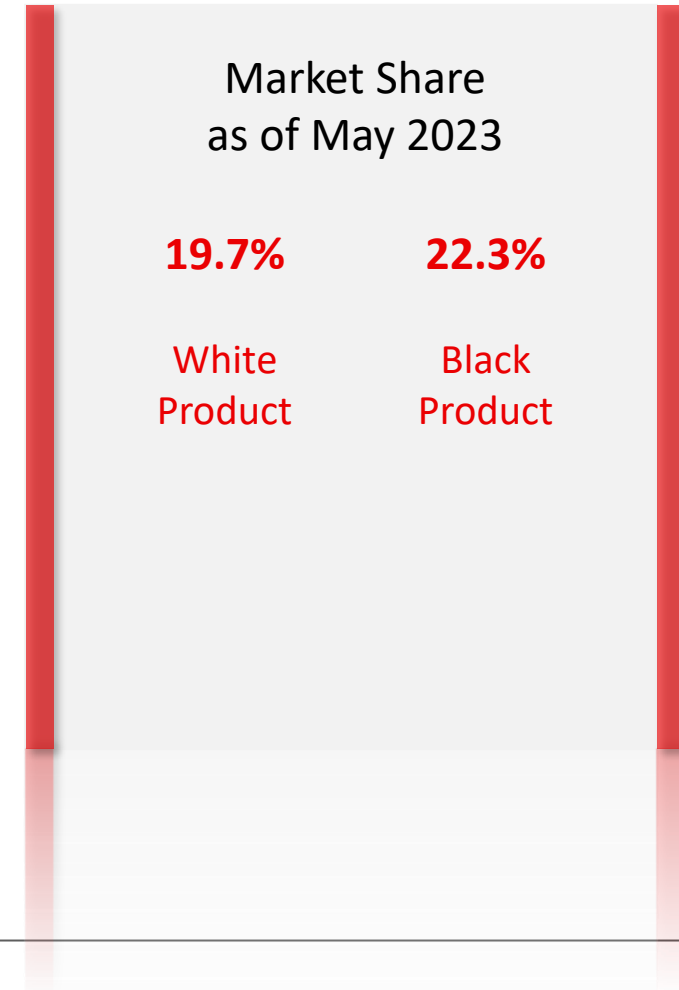
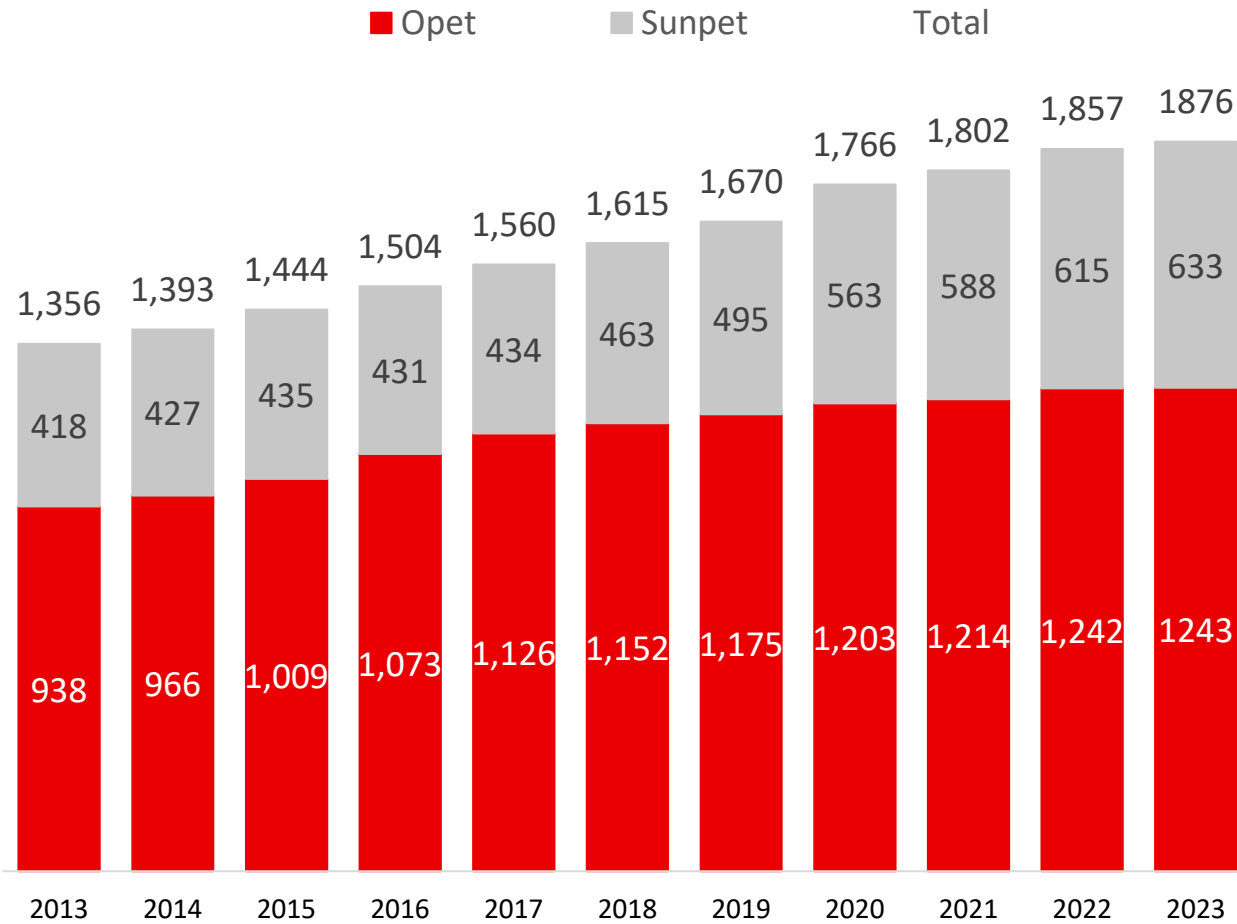
Turkish Market, 5M 2023

Q1 Apr May



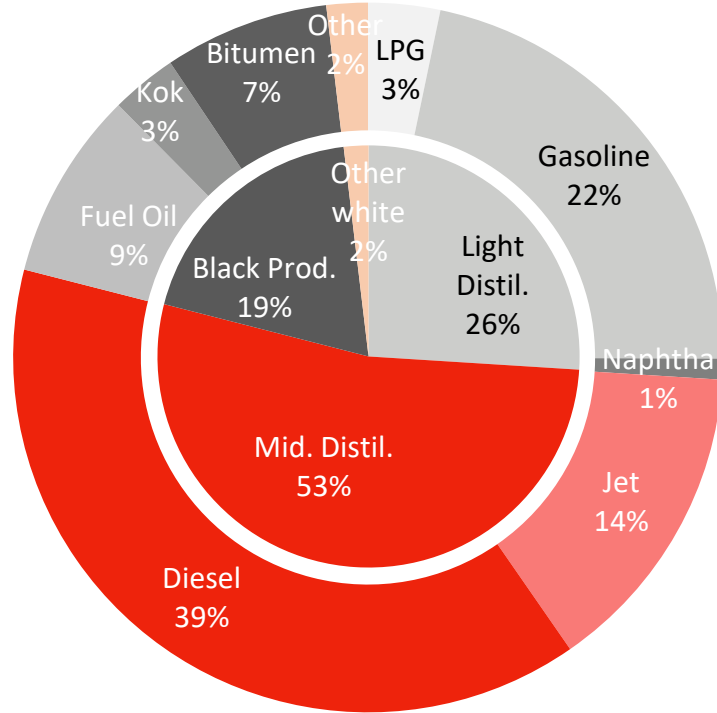
¹Transit flight consumption included

Opet has 1,876 fuel stations as of June 2023 end.



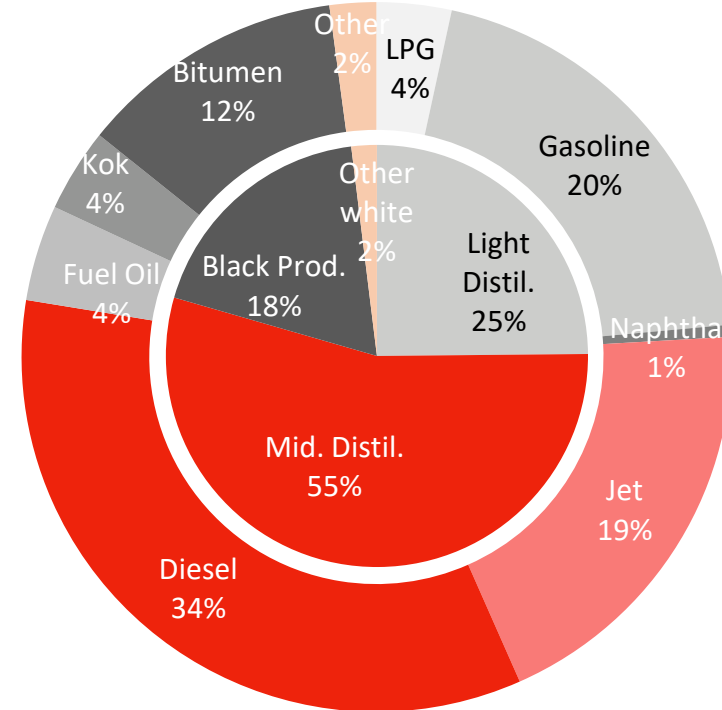
Q2 Product Yields

Q2 2022



White Product Yield (%)	79.8%
Production	7.1 mn tons
API	31.3

Q2 2023



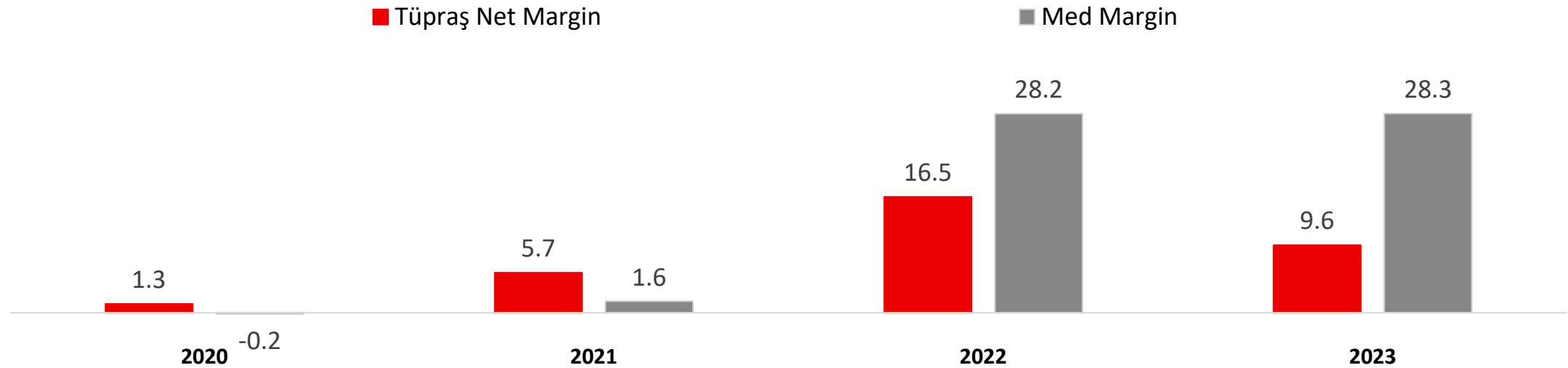
White Product Yield (%)	78.4%
Production	5.9 mn tons
API	30.9

Tüpraş Balance Sheet (Million TL)

	30.06.2023	31.12.2022*	Diff.	Diff. (%)
Current Assets	128,564	119,711	8,853	7
Cash & C. Equivalents	46,409	49,770	-3,361	-7
Trade Receivables	30,631	21,418	9,213	43
Derivatives	1,892	3,597	-1,705	-47
Inventories	39,450	36,046	3,404	9
Pre-paid expenses	601	749	-148	-20
Other Current Assets	9,582	8,131	1,451	18
Long Term Assets	53,388	49,182	4,206	9
Financial Assets & Subsidiaries	3,685	3,029	656	22
Tangible & Intangible Fixed Assets	36,211	33,680	2,530	8
Derivatives	45	57	-12	-21
Pre-paid expenses	664	618	46	7
Deferred Tax	9,778	9,196	582	6
Other Longterm Assets	3,005	2,601	403	16
Total Assets	181,952	168,892	13,060	8
Short Term Liabilities	85,488	78,895	6,592	8
Financial Loans	10,154	11,994	-1,841	-15
Trade Payables	59,047	52,699	6,348	12
Derivatives	601	995	-394	-40
Provisions	1,460	531	930	175
Other ST Liabilities	14,226	12,677	1,549	12
Long Term Liabilities	28,108	22,811	5,297	23
Financial Loans	26,166	21,274	4,892	23
Payables & Provisions	1,453	1,190	262	22
Derivatives	432	298	134	45
Other LT Liabilities	57	48	9	18
Total equity attributable to equity holders of the parent	67,775	66,743	1,032	2
Minority Interests	581	442	139	31
Total Liabilities & Equity	181,952	168,892	13,060	8

Tüpraş and Med Margins(*) (\$/bbl)

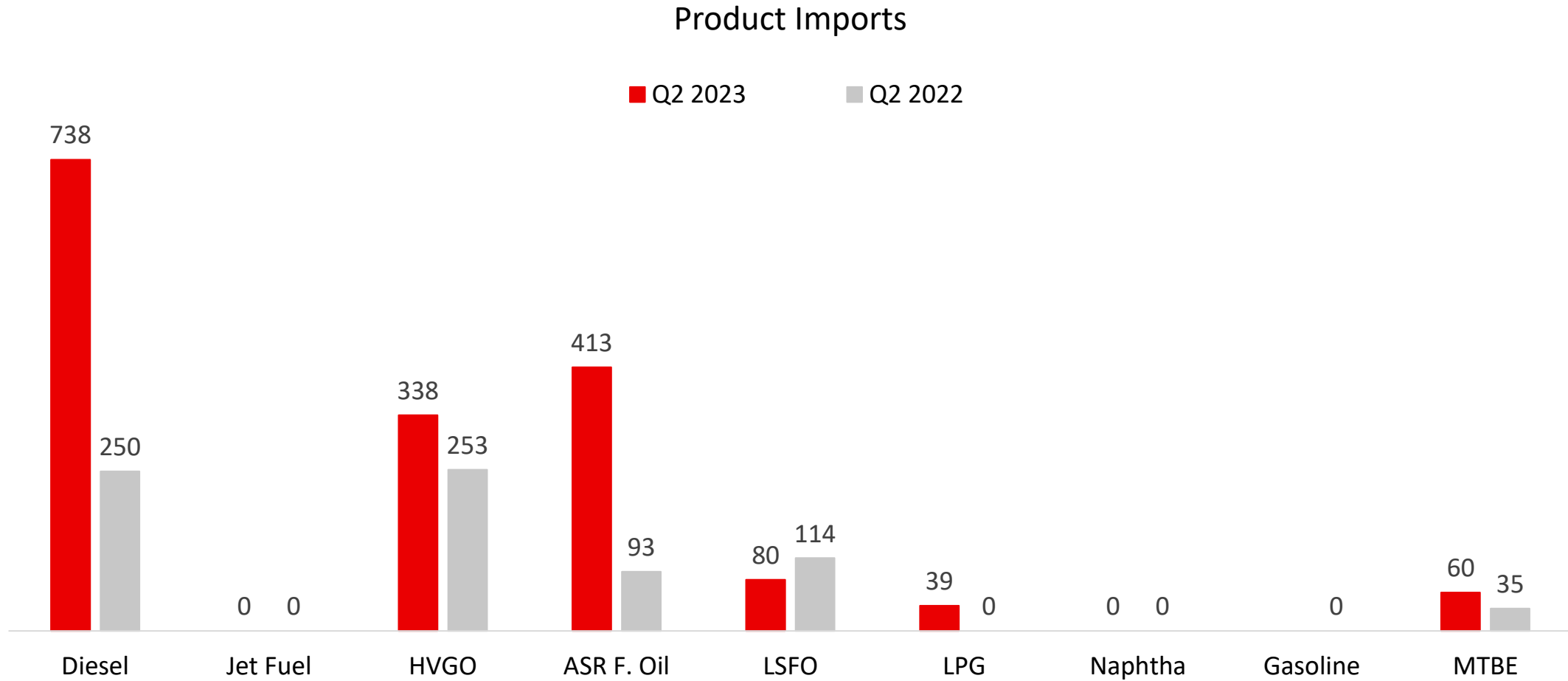
Average Margins



(\$/bbl)	Gross Margin	Inventory Effect	Clean Gross Margin	Clean NET Margin	Net Margin	Med Margin	Processed Barrel
Q2 2023	17.8	1.7	16.0	8.1	9.8	23.9	44.8
H1 2023	19.0	1.2	17.9	8.4	9.6	28.3	83.2
Q2 2022	25.6	0.0	25.6	19.8	19.8	44.7	54.3
H1 2022	19.3	2.2	17.1	10.9	13.0	27.1	100.2

(*) 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.

Finished Product and Semi Product Imports (Thousand Tons)



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