



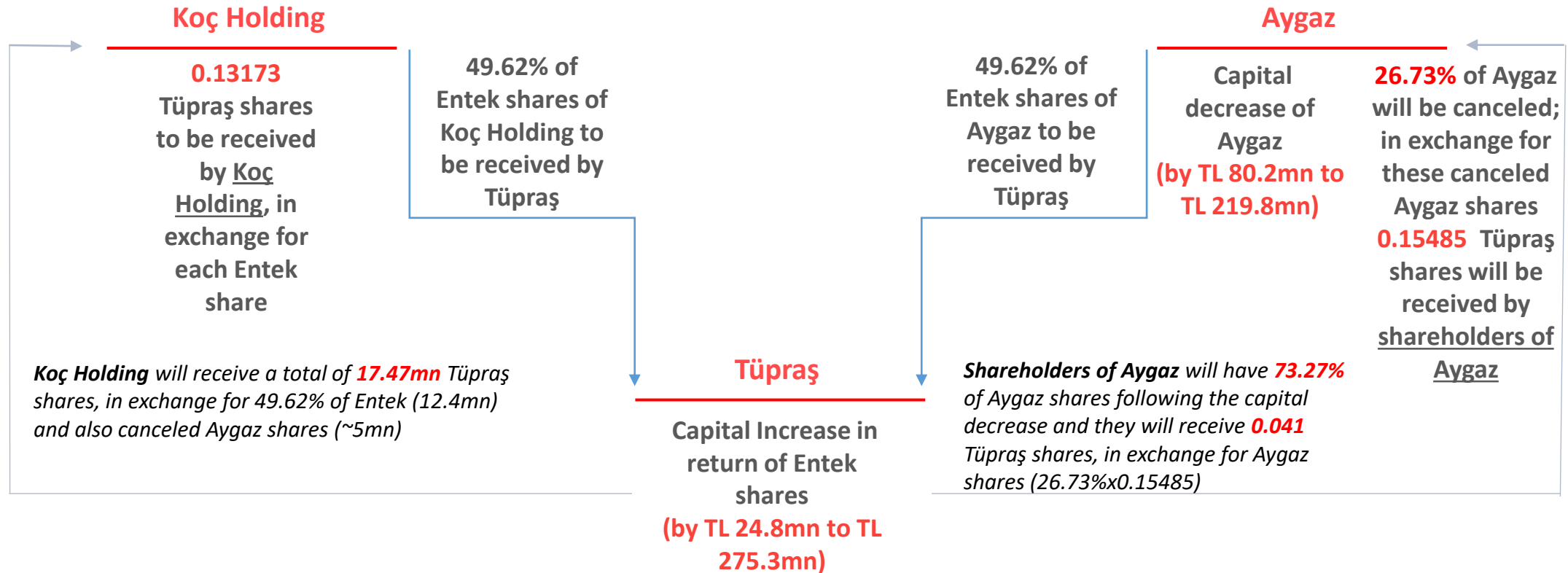
**TRANSFER OF ENTEK SHARES TO TÜPRAŞ**

**25 APRIL 2022**

# Transaction Summary

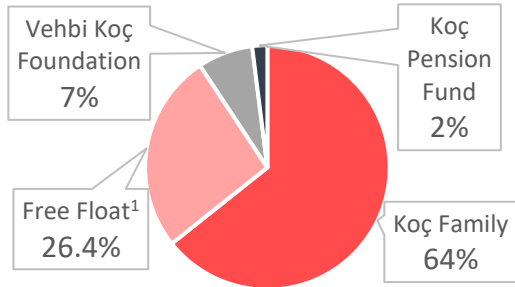
Transfer of Entek shares to Tüpraş from Koç Holding through partial demerger & from Aygaz through transfer of shares to shareholders

- **Koç Holding** will transfer Entek to Tüpraş and become an indirect shareholder in Entek, through a higher stake in Tüpraş.
- **Aygaz** will spin-off Entek and reduce its capital, in return Aygaz shareholders will receive Tüpraş shares for each canceled Aygaz share.
- **Tüpraş** will increase its capital and distribute the new shares to Koç Holding and shareholders of Aygaz, and will become the owner of Entek.



# Anticipated Pro-forma Shareholding Structures

## Koç Holding



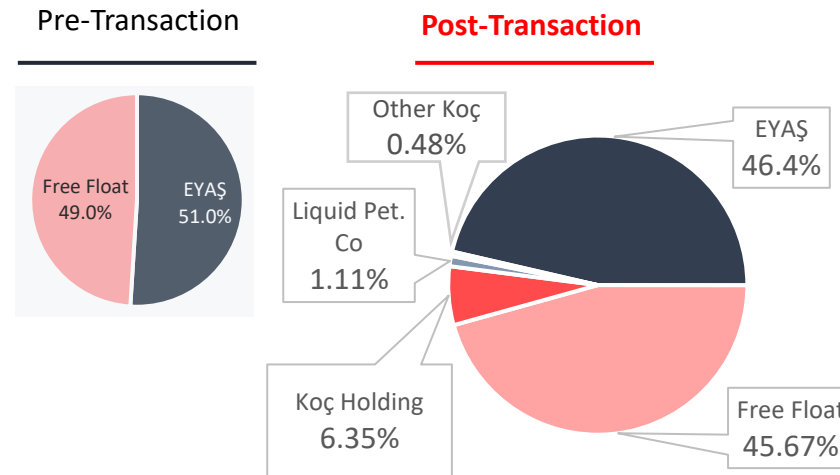
<sup>1</sup> Including share buyback (0.04% of total paid in capital)

Koç Holding's share in Tüpraş will increase from 39.27% to **42.07%**

### Post-transaction Entek ownership

- ✓ Koç Holding will not directly own Entek, but will indirectly own through Tüpraş and EYAŞ

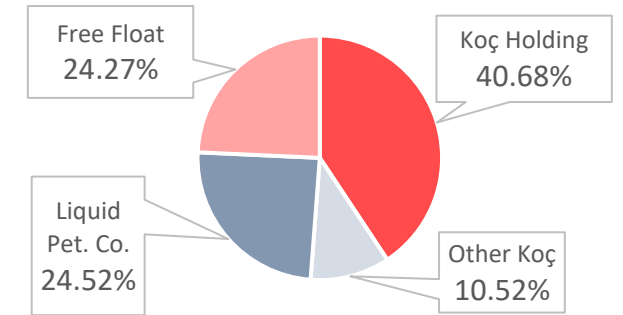
## Tüpraş



### Post-transaction Entek ownership

- ✓ After the transaction, Tüpraş will own 99.24% of Entek

## Aygaz



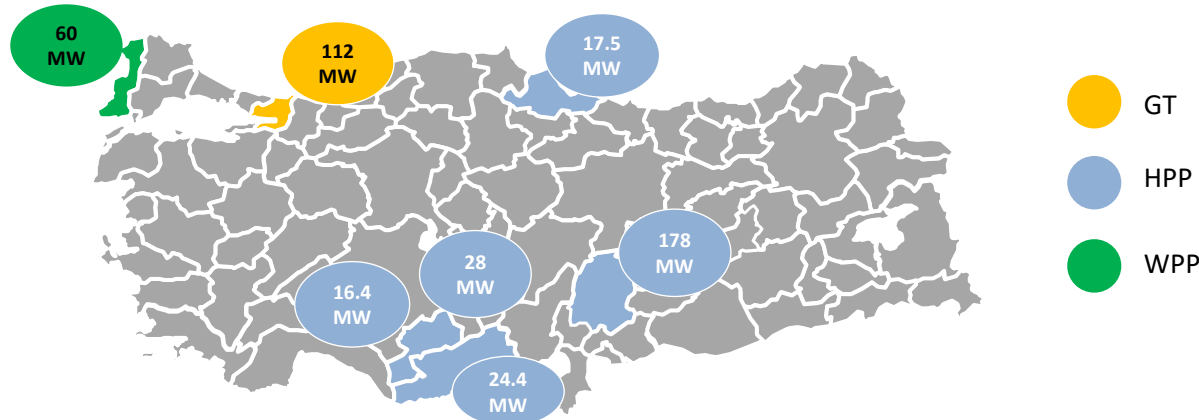
### Post-transaction Entek ownership

- ✓ Aygaz will not directly own Entek, but will have indirect ownership through Tüpraş (EYAŞ)

## Shareholding Structure & Operational Data

Entek is growing integrated player in the electricity market. With its vision to become a leading integrated player in energy generation, company constantly chases the opportunities both in Turkey and in the international markets.

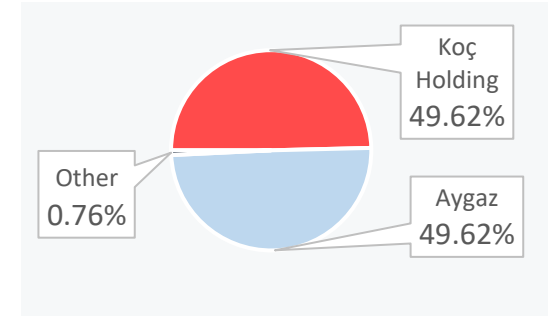
In line with its strategic priority to invest in renewable energy, Entek acquired a 60MW wind power plant (Süloğlu) in August 2021, at \$ 59mn. As of today, total installed capacity of Entek reached 436 MW with the addition of its first wind power plant. Entek generates electricity via 8 hydroelectric power plants with total capacity of 264 MW and one 112 MW natural gas combined cycle power plant.



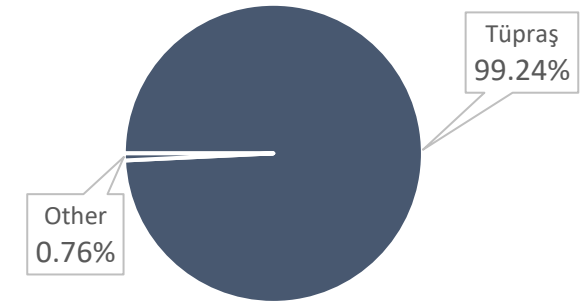
TL mn	Revenue		Operating Profit		Book Value (SHE)	
	2020	2021	2020	2021	2020	2021
Entek	1.257	1.760	330	299	1.221	1.200

### Entek

#### Pre-Transaction



#### Post-Transaction



# Transaction Rationale

Based on the result of the studies, it was decided to carry out this transaction due to the following legal and economic reasons:

- According to the Strategic Transformation Plan approved by the **Tüpraş** board in November 2021, one of the important investment areas of Tüpraş is to start production of green hydrogen with zero emissions in order to reduce emissions by using it in refining processes and to offer it for sale in 2030 and beyond. Within the scope of the aforementioned transformation plan, it is aimed to reach a zero-carbon electricity generation portfolio of approximately 1 GW by 2030, since a significant amount of zero-carbon electricity will be required for the production of green hydrogen.
- In this regard, **Entek** is a company that fits perfectly well with Tüpraş's strategic goals with its current installed renewable capacity and growth plans.
- In addition to the alignment of Tüpraş's growth targets with Entek's current portfolio and growth targets, the potential synergy opportunities between the companies were also taken into account, considering that both companies are engaged in production in the energy sector. In this context, it was evaluated that the most suitable positioning of Entek for achieving strategic goals within the Koç Group is under Tüpraş.
- It is aimed to create value by using **Aygaz**'s existing equity and borrowing capacity by focusing especially on international LPG investments and other business areas such as cargo distribution, instead of using resources for Entek.
- Entek shares, which are not listed on the stock exchange, will be transferred based on their fair value, while Aygaz shareholders will receive Tüpraş shares. Thus, the value of Entek shares will be crystallized. On Aygaz's side, as the subsidiaries in its portfolio other than Entek are publicly traded, the fair value of core LPG business will become more visible and measurable.
- This transaction will support the long term sustainable value generation of **Koç Holding** to its shareholders, as any added value that may occur in the energy group companies will also affect the results of Koç Holding.

# Roadmap / Timeline

Expert valuation report and opinion prepared by Ernst & Young (E&Y)

Conversion rates disclosed at Public Disclosure Platform on 25 April 2022  
**subject to approval by the Capital Markets Board (CMB)**

CURRENT STATUS

Application to CMB

## NEXT STEPS

Review of the application by CMB and other legal & regulatory approvals

Voting for the spin-off at the extraordinary AGMs **(expected to be finalized before end of August 2022)**

Capital increase at Tüpraş  
Capital decrease at Aygaz  
Transfer of Entek shares

# Summary of the Independent Expert Valuation & Merger / Spin-off Ratios

## Spin-off Ratios for Aygaz / Entek

	weight	Aygaz (TL mn)	Entek (49.62%) (TL mn)	Aygaz spin-off ratio	Entek spin-off ratio	New Capital (TL mn)	Capital Decrease (TL mn)
DCF	25%	15.561	3.409	78,09%	21,91%	234,27	65,73
Peer Companies	25%	12.157	2.772	77,20%	22,80%	231,59	68,41
Market Cap	50%	7.793	2.425	68,89%	31,11%	206,67	93,33
				<b>73,27%</b>	<b>26,73%</b>	<b>219,80</b>	<b>80,20</b>

## Merger Ratios for Tüpraş & Entek

	weight	Tüpraş (TL mn)	Entek (99.24%) (TL mn)	Tüpraş merger ratio	Entek merger ratio	New Capital (TL mn)	Capital Increase (TL mn)	Conversion Rate
DCF	25%	70.114	6.819	91,14%	8,86%	274,77	24,35	0,129
Peer Companies	25%	52.866	5.544	90,51%	9,49%	276,68	26,26	0,139
Market Cap	50%	49.825	4.849	91,13%	8,87%	274,79	24,37	0,129
				<b>90,98%</b>	<b>9,02%</b>	<b>275,26</b>	<b>24,84</b>	<b>0,132</b>

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