



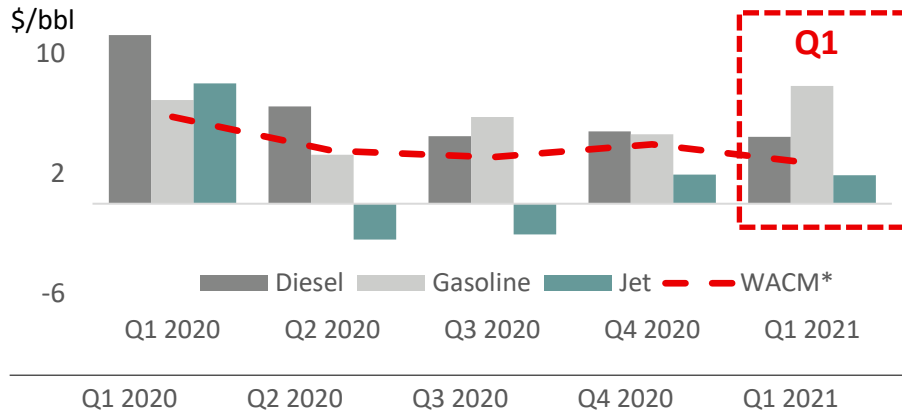
# Q1 2021 Earnings Presentation

# 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.

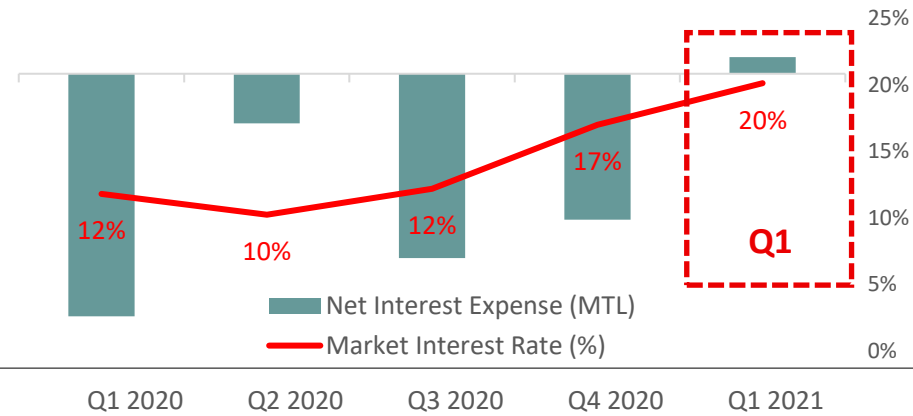
Neither Tüpraş nor any of its directors, managers or employees nor any other person shall have any liability whatsoever for any loss arising from use of this presentation.

# Q1 2021 Tüpraş Highlights



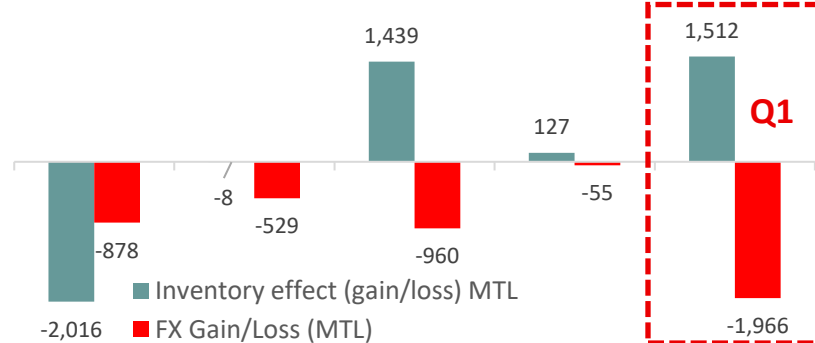
## Better gasoline cracks partially compensated weak mid distillate cracks

- Mid distillate cracks remained flat compared to previous quarter with low season, ongoing demand weakness and elevated stock levels.
- Gasoline cracks maintained its upward trend throughout Q1 2021, supported largely with improving demand in the US.



## Proactive borrowing has led to lower funding expenses despite rising rates

- Rate hikes have doubled TL interest rates since Q2 2020.
- With sound financial policies and proactive refinancing we reduced net interest expense materially.



## Sharp depreciation of TL offset inventory gains

- Recorded substantial inventory gain with the strength in Brent price.
- Sharp depreciation in TL towards the end of quarter has led to sizeable FX losses, offsetting the inventory gains.
- With FX based pricing mechanism, we continue to recover the loss at EBITDA level in Q2.



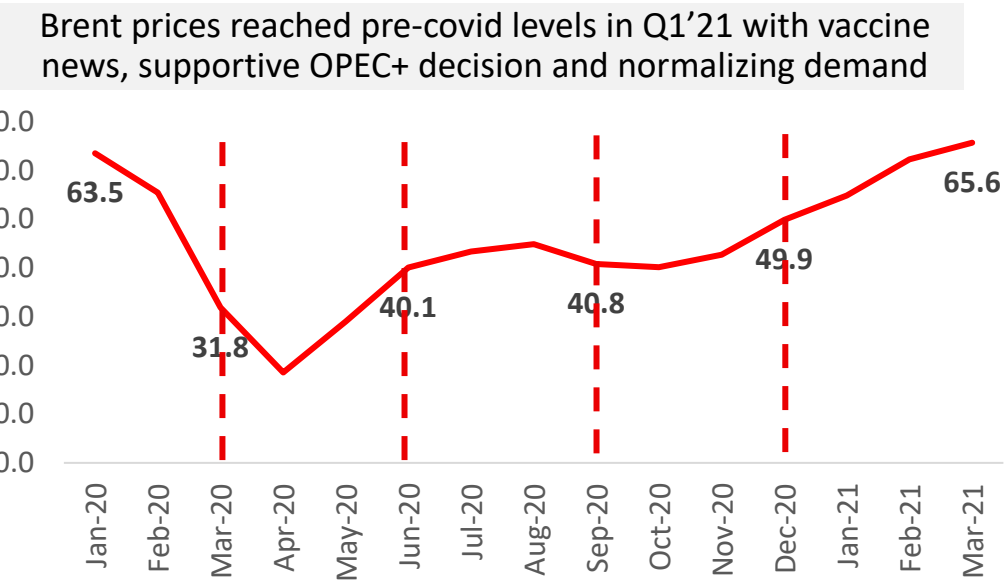


Market

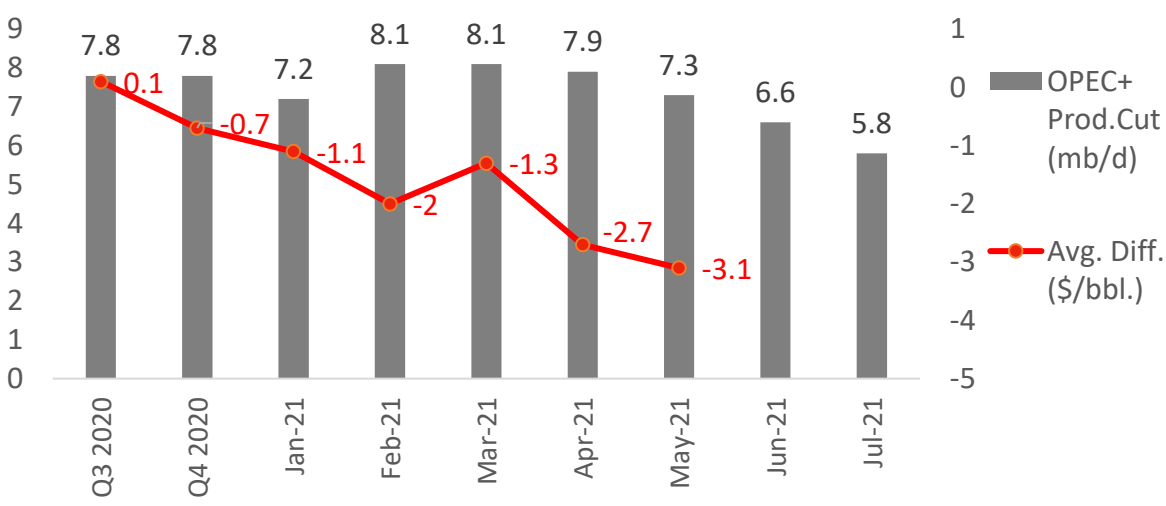


# Q1 2021 – Key Market Highlights

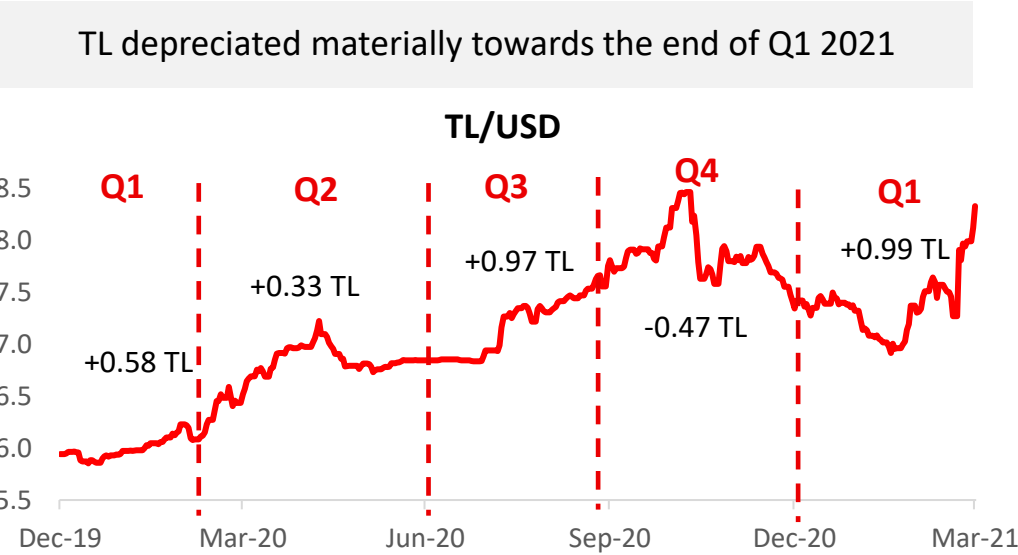
## Global Oil Market



Reduction in OPEC+ production cut continues to widen the heavy grade differentials

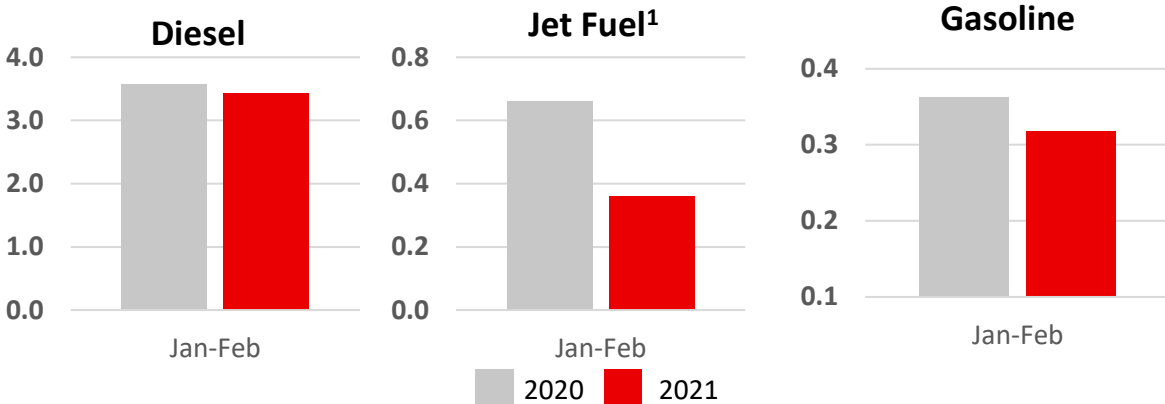


## Turkish Market



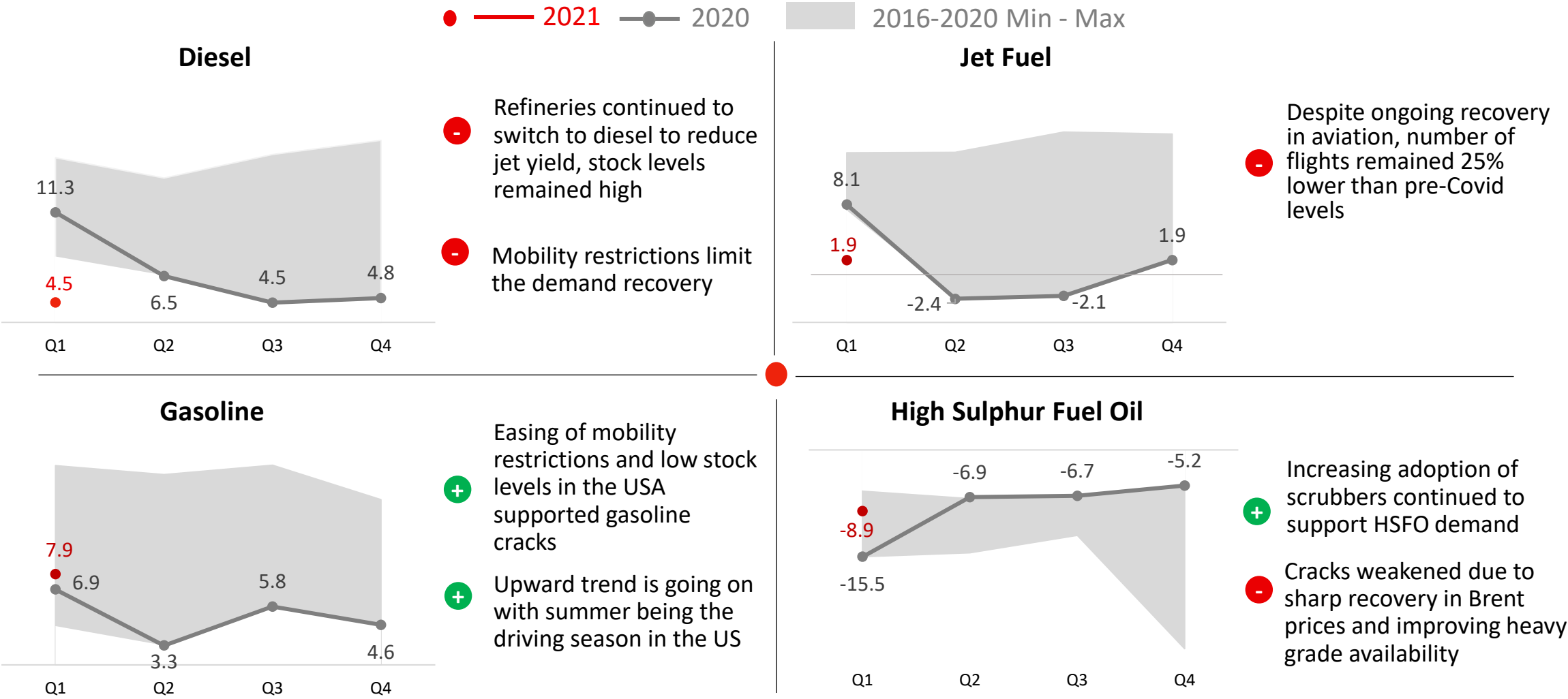
Turkey's diesel consumption remains resilient in 2021, while jet fuel stays weak

Domestic Product Demand 2M 2021 vs 2M 2020



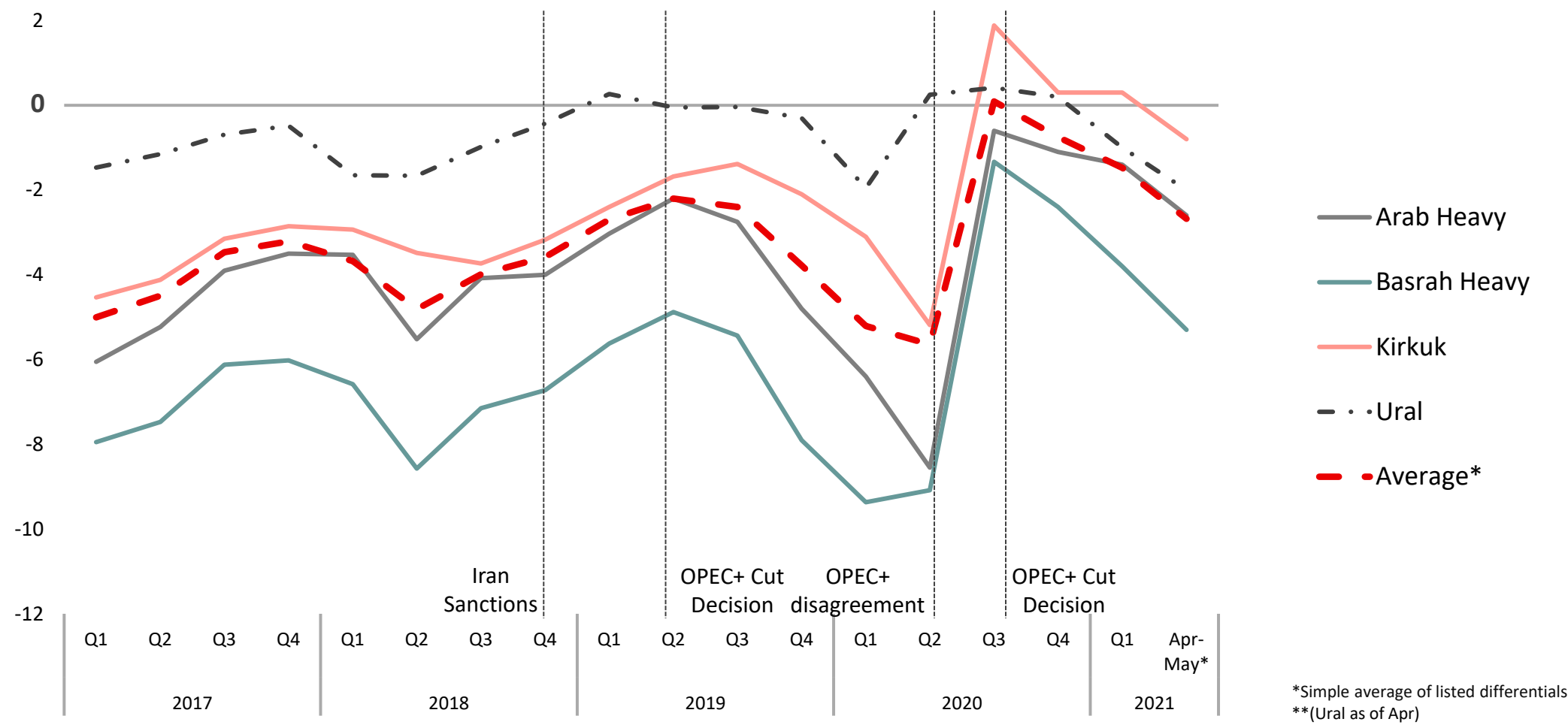
# Quarterly Crack Margin Comparison (\$/bbl) 2016 - 2021

Stock levels of Diesel is still elevated resulting in historically lower cracks. Upward trend in gasoline cracks continues.



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

Differentials widened slightly in Q1 however still narrow compared to historical averages. OPEC's latest decision for increasing production has led to widening in April and May.







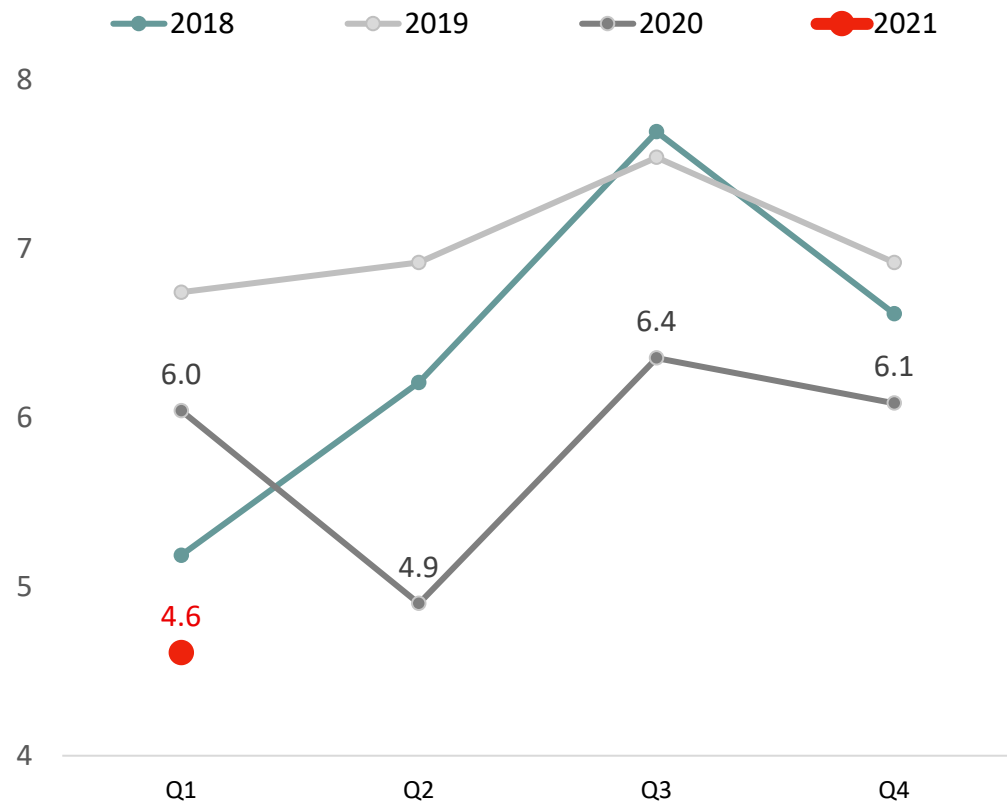
# Operations



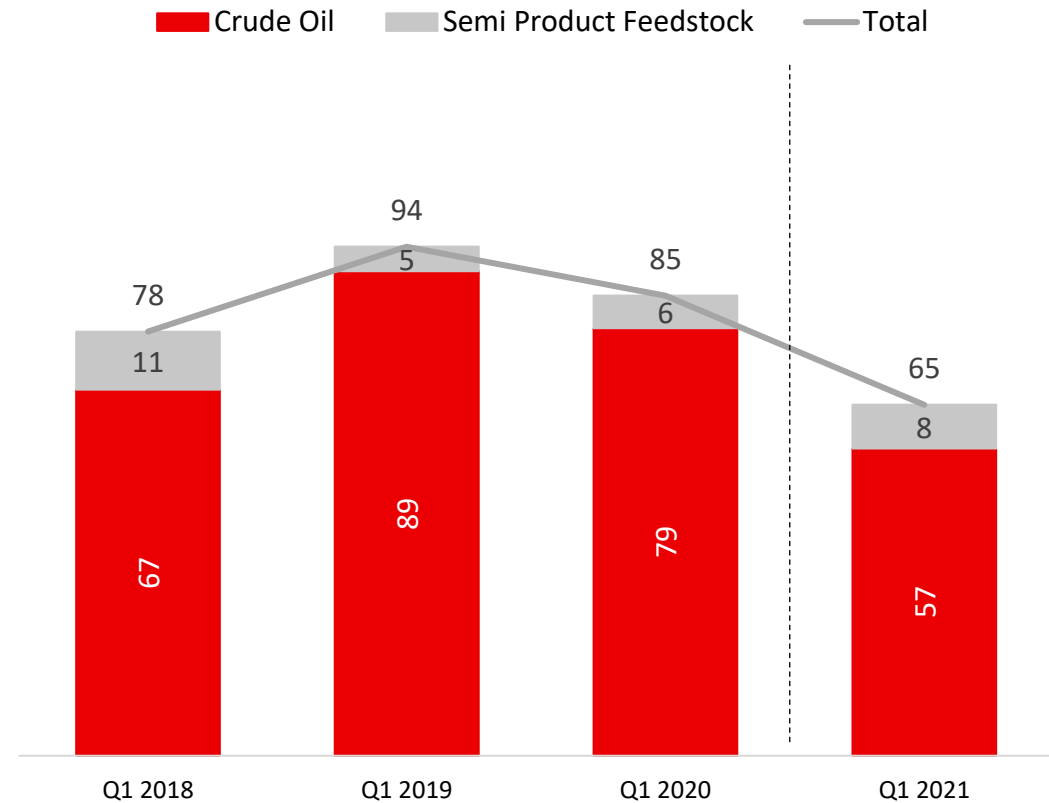
# Capacity Utilization and Quarterly Production Volume

- Tüpraş produced 4.6 million tons in Q1 2021.
- Capacity utilization for Q1 2021 was 65% - lower y-o-y due to maintenance shutdown in İzmir for two months.

## Quarterly Production (Million Tons)



## Capacity Utilization (%)

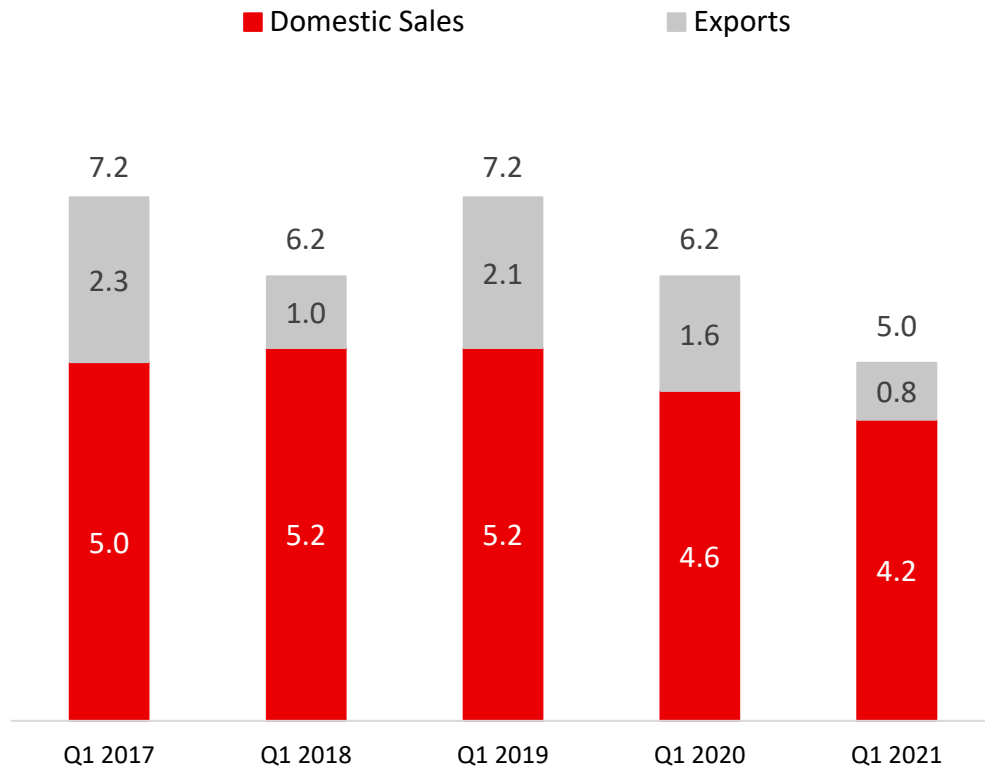


\*Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards.

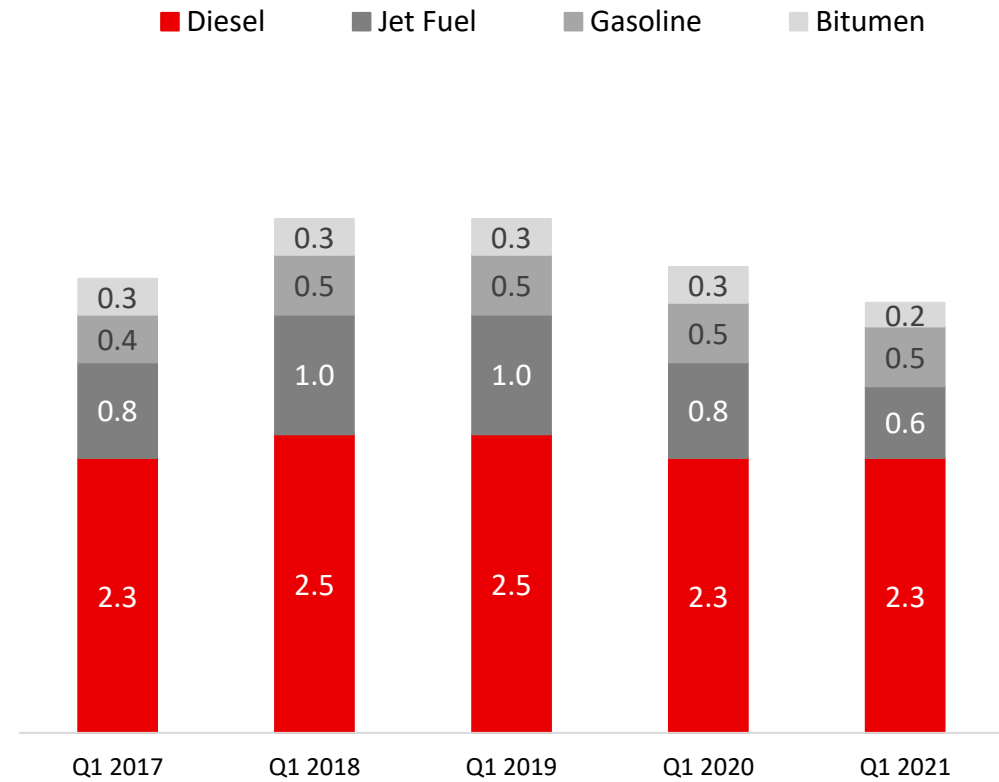
# Sales in Q1 (Million Tons)

Tüpraş generated 5 million tons of sales in Q1 2021. Despite resilient domestic demand, total sales decreased due to İzmir maintenance.

## Total Sales



## Domestic Sales of Selected Products



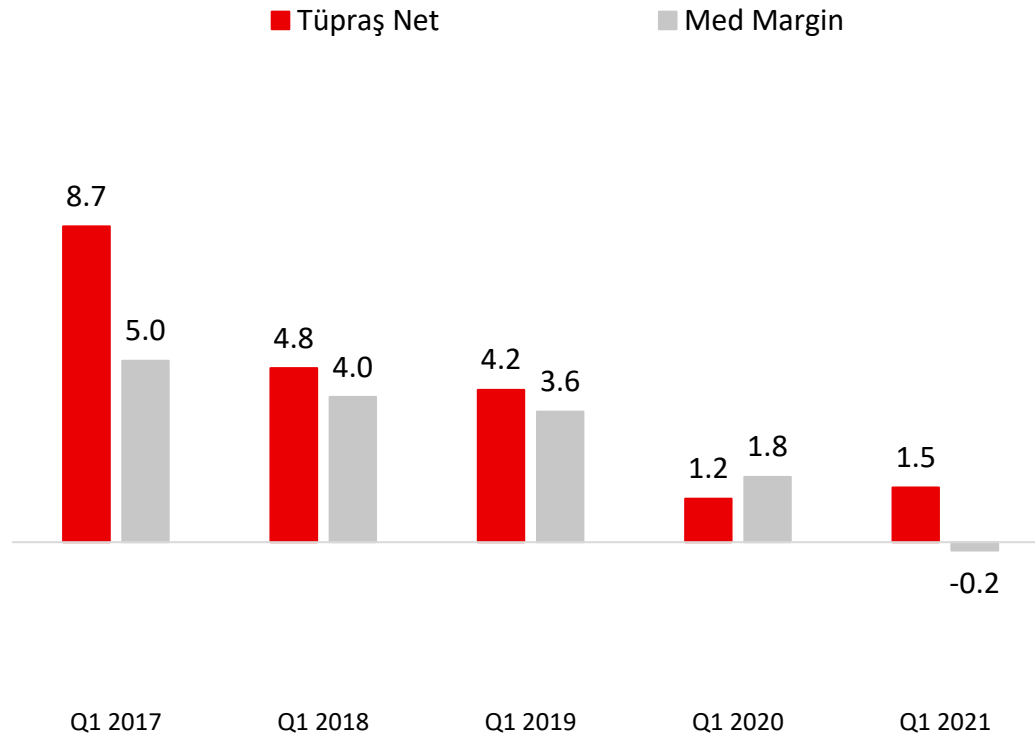




# Financials

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

## Q1 Margins



- Tüpraş net refining margin was better y-o-y, strongly supported with inventory effect despite historically weak crack margins and narrower differentials.
- Tüpraş Net Margin outperformed Med Margin with the help of positive inventory effect.

Effect of hedging operations excluded from above calculations.



# Income Statement (Million TL)

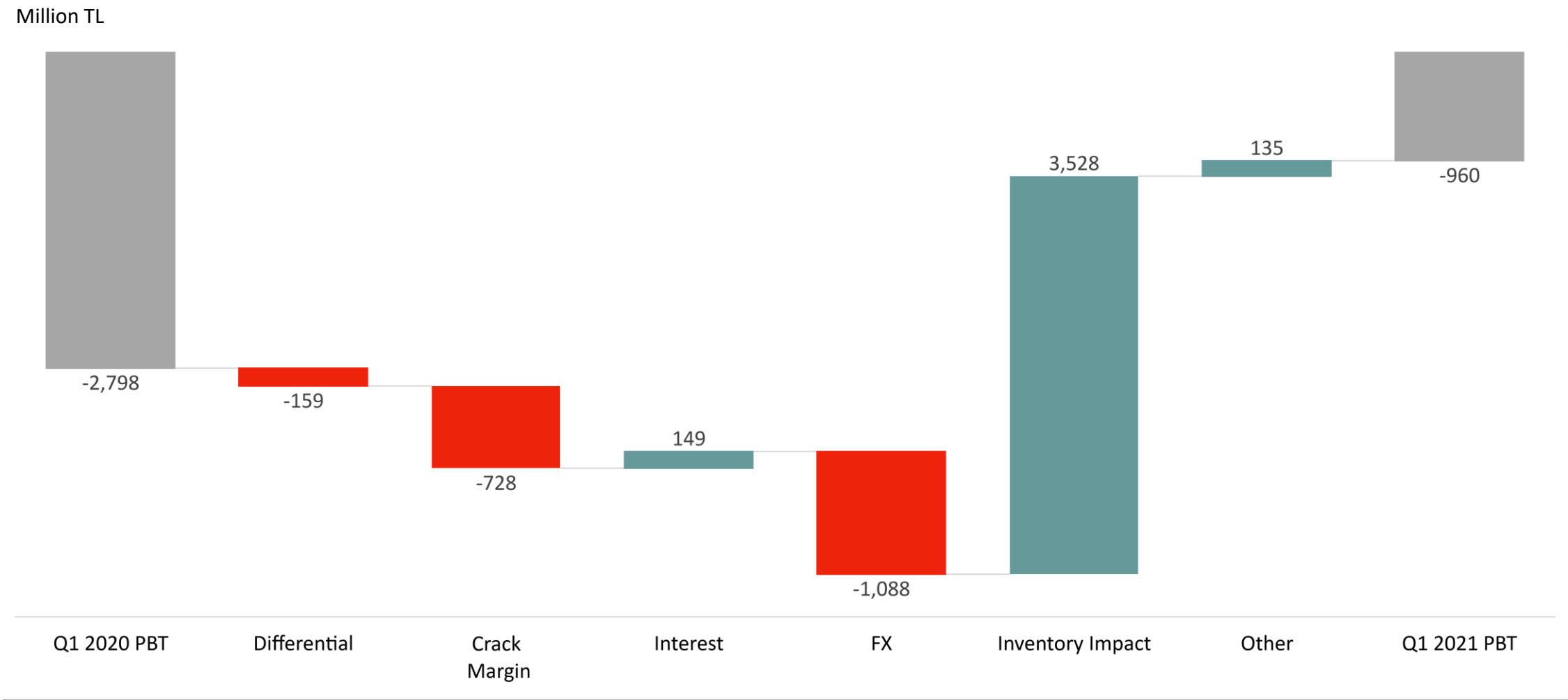
EBITDA realized as 1,170 mn TL in Q1 2021.

| Million TL                                      | Q1<br>2021   | Q1<br>2020    | %          |
|---|--------------|---------------|------------|
| Net Sales                                       | 19,821       | 16,940        | 17%        |
| COGS  | -18,294      | -17,849       | -2%        |
| <b>Gross Profit</b>                             | <b>1,527</b> | <b>-909</b>   | <b>-</b>   |
| Operating Expenses                              | -557         | -458          | -22%       |
| Income/Loss from other operations               | -1,584       | -349          | -353%      |
| <b>Operating Profit</b>                         | <b>-614</b>  | <b>-1,716</b> | <b>64%</b> |
| Income/Loss from equity investment              | 10           | -168          | -          |
| <b>Operating Profit Before Fin. Income/Loss</b> | <b>-604</b>  | <b>-1,885</b> | <b>68%</b> |
| Financial Income /Expense                       | -356         | -913          | 61%        |
| <b>Profit Before Tax</b>                        | <b>-960</b>  | <b>-2,798</b> | <b>66%</b> |
| <b>Net Profit (excluding minority interest)</b> | <b>-760</b>  | <b>-2,265</b> | <b>66%</b> |
| <b>EBITDA *(mn.TL)</b>                          | <b>1,170</b> | <b>-1,291</b> | <b>-</b>   |
| Inventory Gain/Loss                             | 1,512        | -2,016        | -          |
| <b>EBITDA* (mn. TL) CCS</b>                     | <b>-342</b>  | <b>725</b>    | <b>-</b>   |

\*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.

# Q1 Profit Before Tax Bridge (2021-2020)

Despite the worsening crack margins compared to the previous year, Q1 2021 PBT has recovered with the positive impact of higher Brent Crude Oil prices.

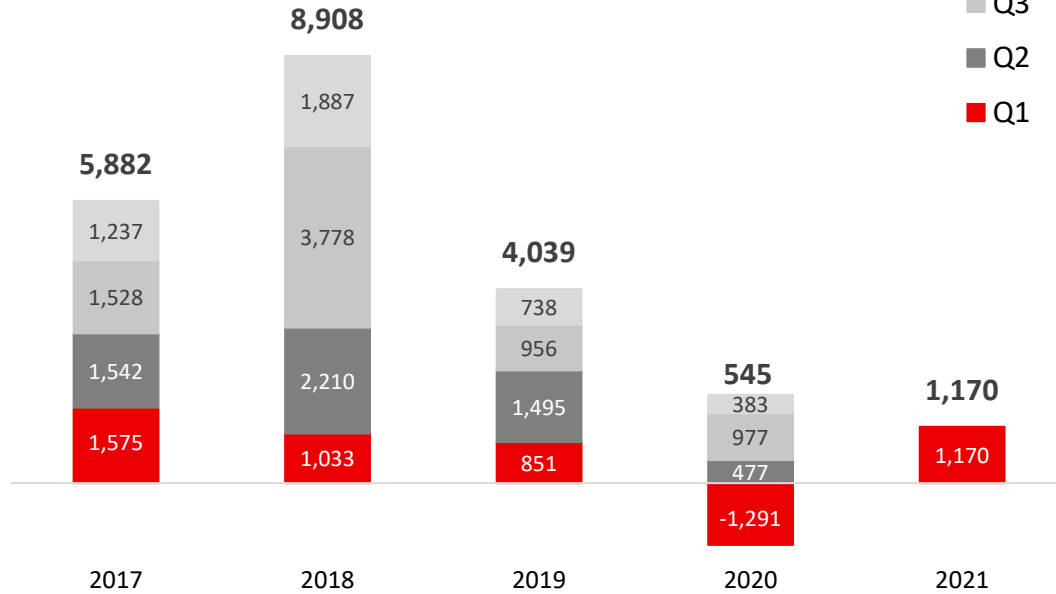




# Financial Highlights

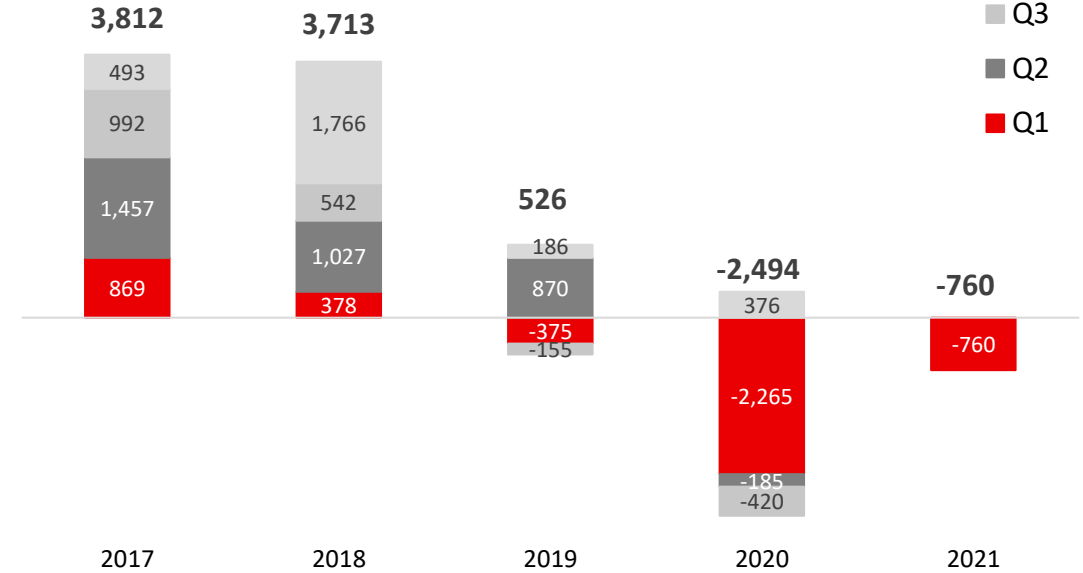
EBITDA (mn TL)

■ Q4  
■ Q3  
■ Q2  
■ Q1



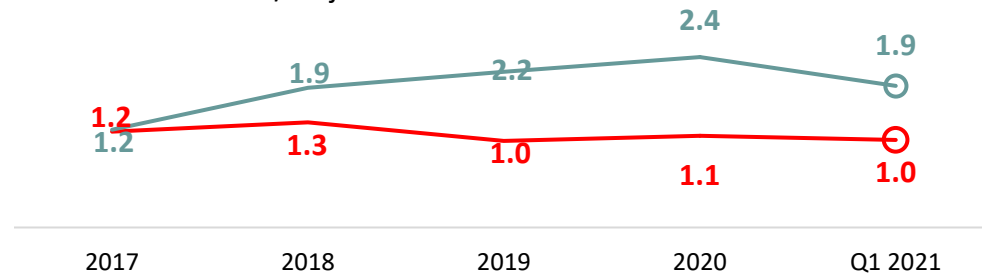
Net Income<sup>1</sup> (mn TL)

■ Q4  
■ Q3  
■ Q2  
■ Q1

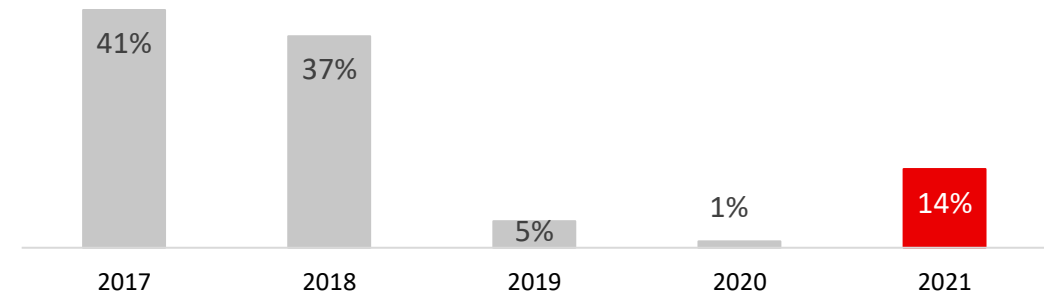


Current Ratio & Net Debt / Adj. EBITDA<sup>2</sup>

— Current Ratio  
— Net Debt / Adjusted R. EBITDA

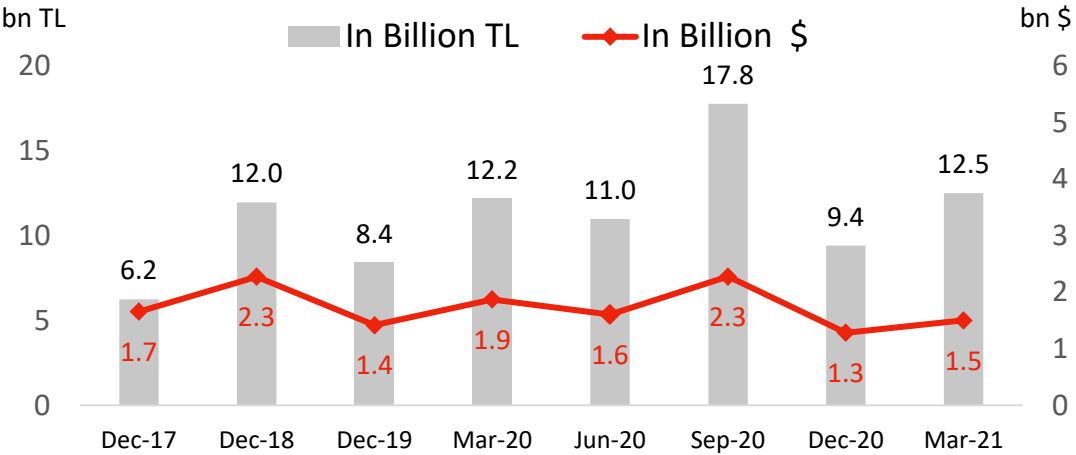


Return on Average Equity<sup>2</sup>

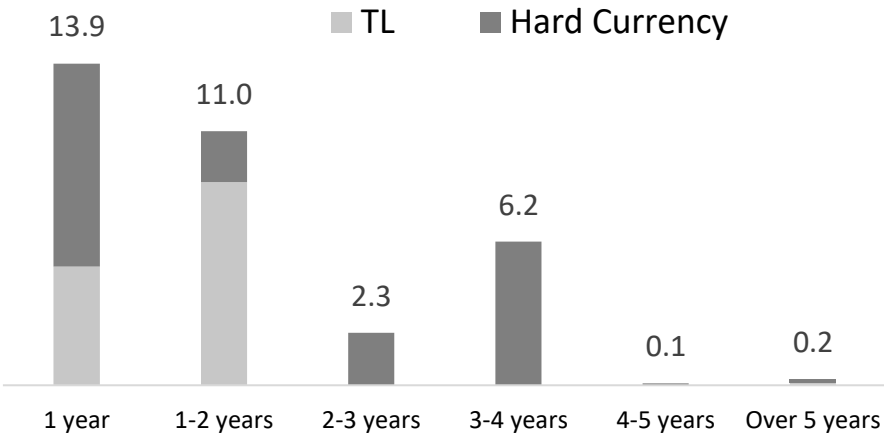


# Balance Sheet Analysis

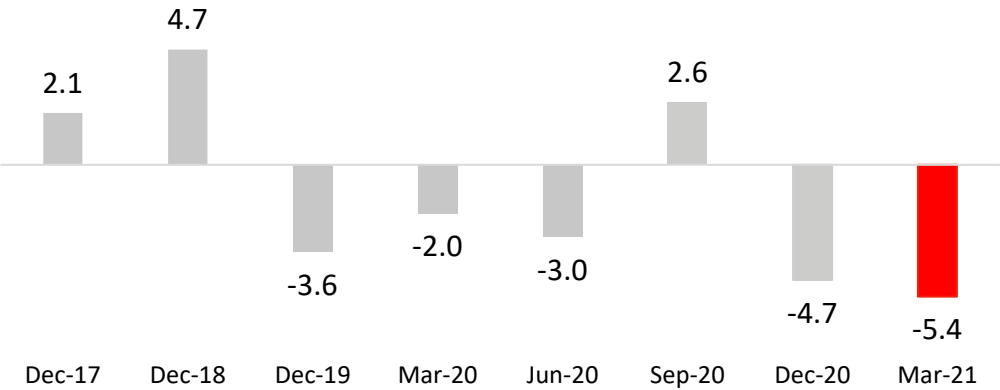
Net Debt



Redemption Schedule (Billion TL)



Working Capital Requirement (Billion TL)



## Financial Management

- Effective receivable risk assessment and fully collateralized receivables resulting in better collection period.
- Extended payment terms to our suppliers, especially for spot cargoes improves payables.



# FX Exposure Management (31 March 2021)

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

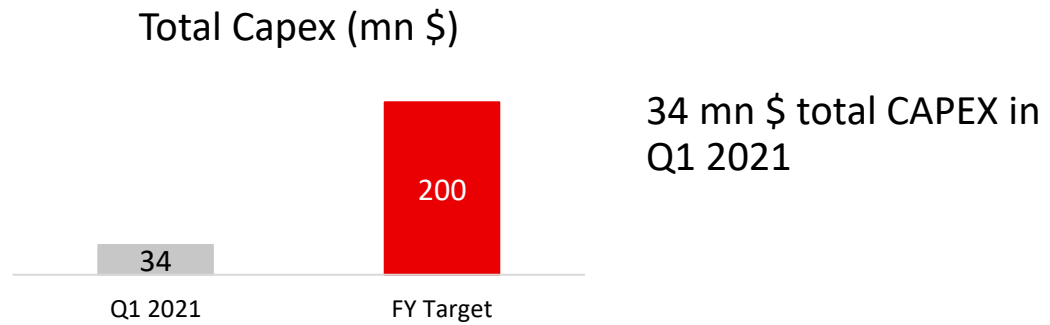
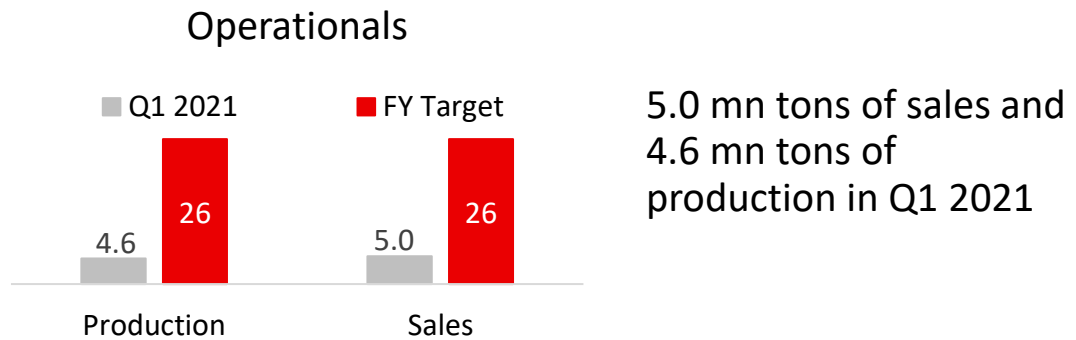
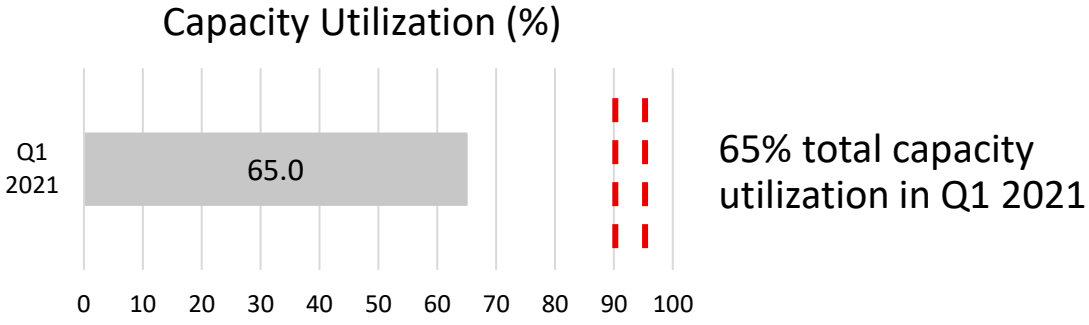
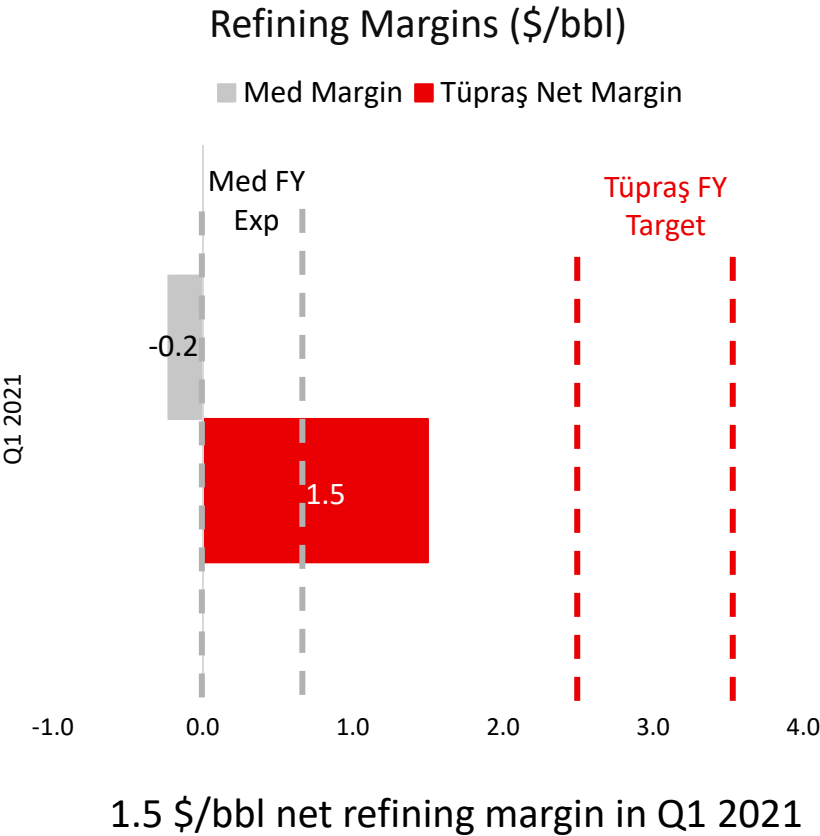
| Consolidated Hard<br>Currency Assets | Million \$ | Consolidated Hard<br>Currency Liabilities  |
|--------------------------------------|------------|--|
| Cash<br>336                          |            | Payables & Other<br>Liabilities<br>2,373   |
| Receivables &<br>Other Assets<br>128 |            | ST Financial Loans<br>1,052 <ul style="list-style-type: none"><li>• <i>RUP: 198</i></li><li>• <i>Other: 853</i></li></ul>                                      |
| Stock<br>1,478                       |            | LT Financial Loans<br>1,301 <ul style="list-style-type: none"><li>• <i>RUP: 385</i></li><li>• <i>Eurobond: 700</i></li><li>• <i>Other Loans: 216</i></li></ul> |
| Forward 2,324<br>CFH* 540            |            |  |
|                                      |            |  |
| +81 mn \$                            |            |  |

\*Cash Flow Hedge



## Outlook for 2021

# Q1 2021 Results





# 2021 Refinery Maintenance Schedule

| Refinery  | Unit               | Starting Quarter | Duration (weeks) | Purpose                          | Status  |
|-----------|--------------------|------------------|------------------|----------------------------------|---------|
| Batman    | Crude Oil & Vacuum | Q1               | 7*               | Seasonal                         | Done    |
| İzmir     | Crude Unit         | Q1               | 9                | Revamp / Opportunity Maintenance | Done    |
|           | CCR                | Q1               | 10               |                                  | Done    |
|           | FCC                | Q1               | 9                |                                  | Done    |
|           | Isomerization      | Q1               | 10               |                                  | Done    |
|           | Desulphurizer      | Q1               | 11               |                                  | Done    |
|           | Vacuum             | Q4               | 6                | Periodic Maintenance             | Planned |
|           | Lube Complex       | Q4               | 6                | Periodic Maintenance             | Planned |
| İzmit     | Desulphurizer      | Q1               | 4                | Periodic Maintenance             | Done    |
|           | FCC                | Q1               | 30               | Revamp                           | Ongoing |
| Kırıkkale |                    |                  |                  |                                  |         |

(\*) This activity started in Q4 2020. Duration figure indicates the portion carried out in 2021

# 2021 Expectations

Med Complex Refining Margin **0.0 - 0.5 \$/bbl**

Tüpraş Net Refining Margin **2.5 - 3.5 \$/bbl**

- 26-27 mt production, 26-27 mt sales and 90 - 95% capacity utilization

Consolidated Capex **~200 million \$**

- ~40% of capex for sustainability focused energy efficiency and environmental projects



[www.tupras.com.tr](http://www.tupras.com.tr)



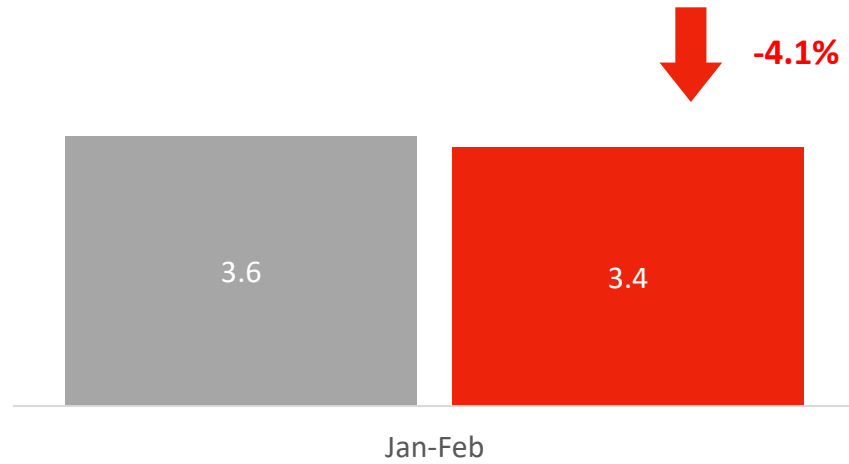


## Appendix

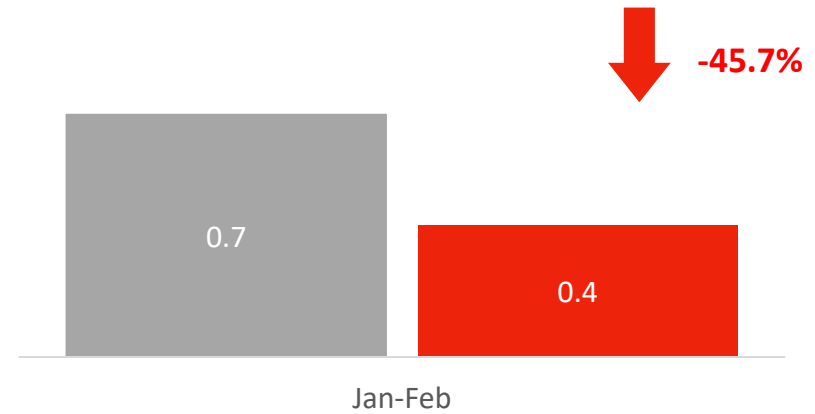
# Turkish Market, 2M 2021

Million  
Tons

Diesel

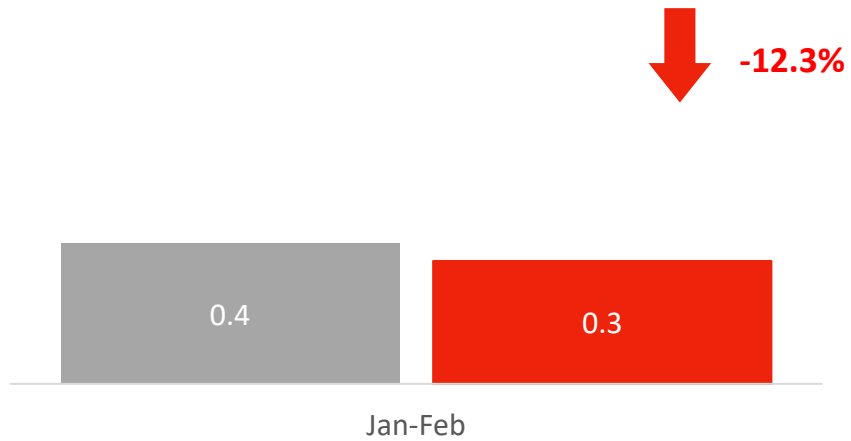


<sup>1</sup>Jet Fuel

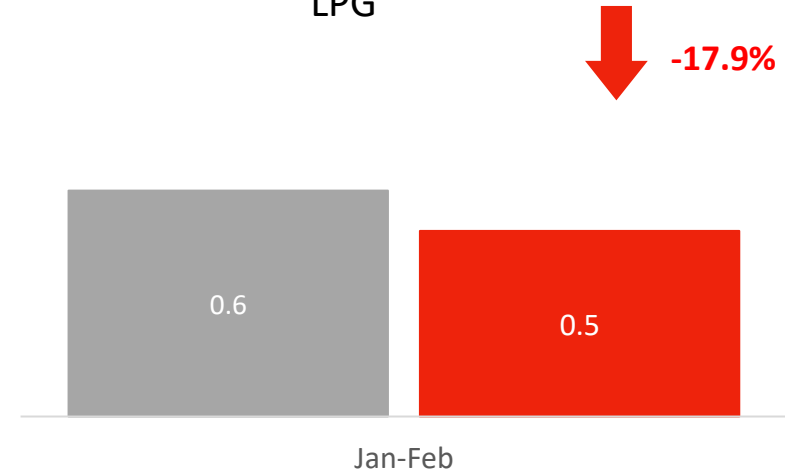


■ 2020  
■ 2021

Gasoline

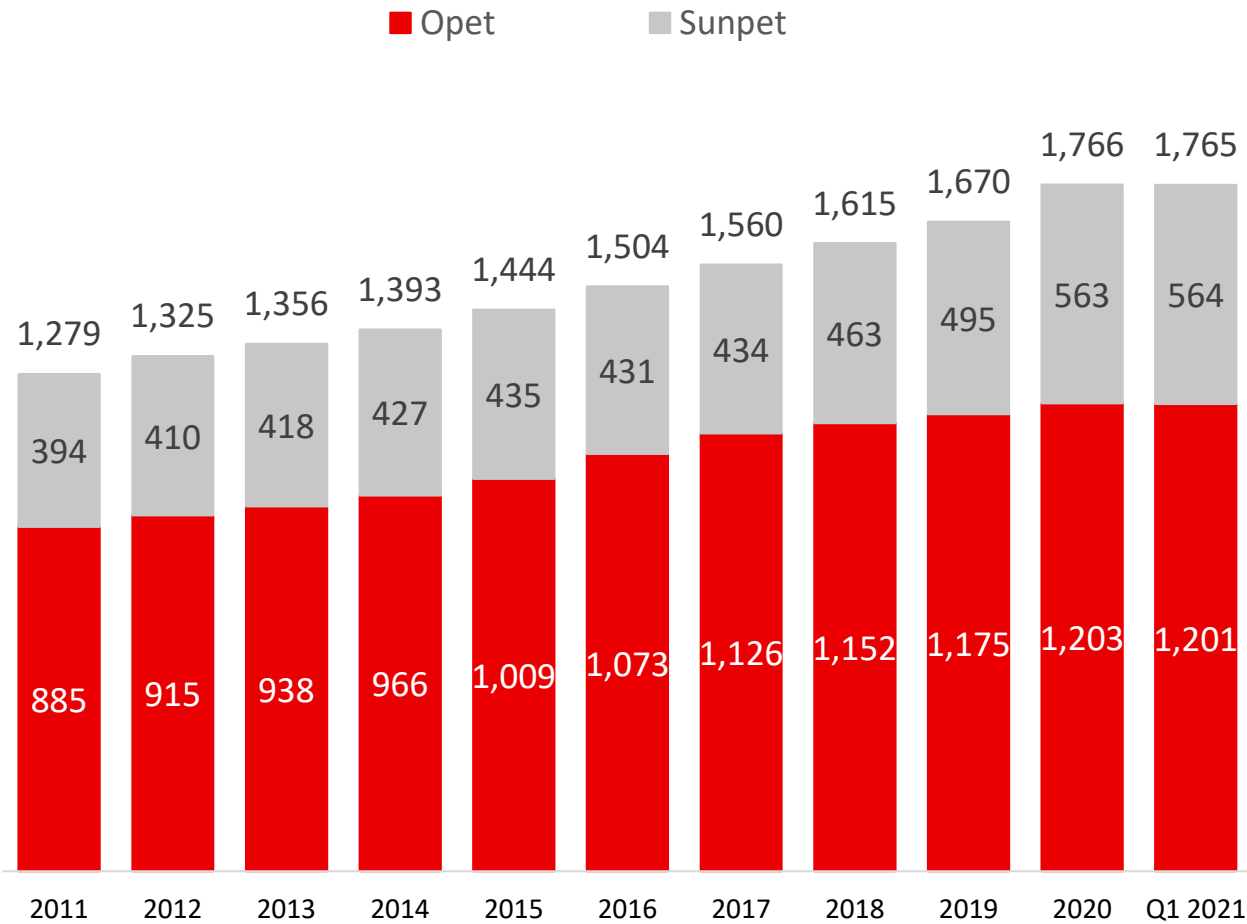


LPG



<sup>1</sup>Transit flight consumption included

Opet has 1,765 fuel stations as of March 2021 end.



Market Share  
as of February 2021

**18.28 %**

White  
Product

**10.51 %**

Black  
Product

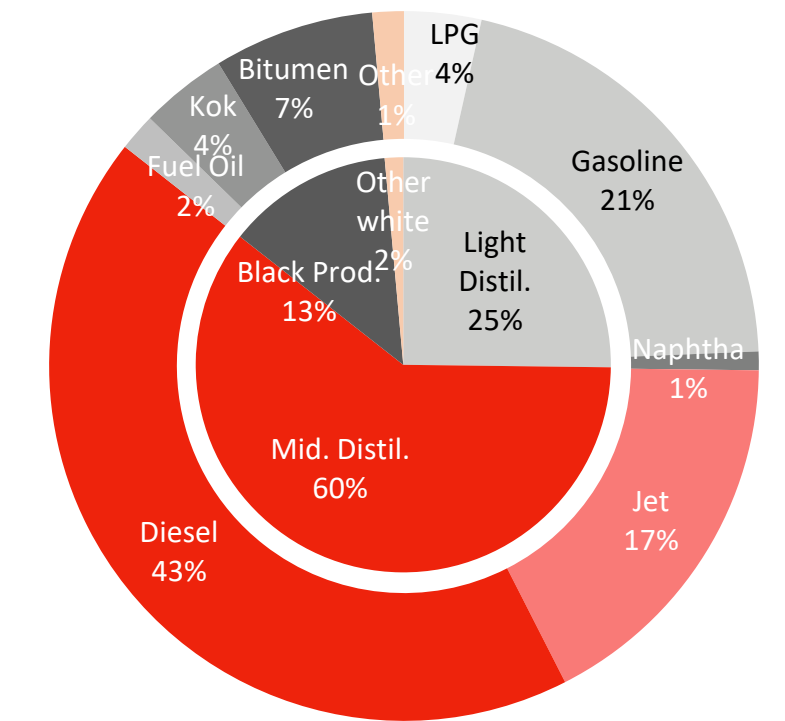


# Crack Margin Effect on Tüpraş in Q1 (FOB Italy Prices)

| Product                     | Product Price (\$/ton) |         | Tüpraş            | Crack Margin (\$/bbl) |              |
|-----------------------------|------------------------|---------|-------------------|-----------------------|--------------|
|                             | Q1 2021                | Q1 2020 | Production Yields | Q1 2021               | Q1 2020      |
| LPG                         | 511                    | 429     | 4,8%              | -15,4                 | -12,0        |
| Gasoline                    | 558                    | 464     | 19,9%             | 7,9                   | 6,9          |
| Naphtha                     | 522                    | 381     | 3,4%              | -2,0                  | -7,3         |
| Jet Fuel                    | 494                    | 458     | 12,2%             | 1,9                   | 8,1          |
| Diesel                      | 487                    | 458     | 43,2%             | 4,5                   | 11,3         |
| Diesel 1000                 | 480                    | 448     | 1,4%              | 3,6                   | -10,0        |
| Fuel Oil 1%                 | 404                    | 345     | 1,1%              | 1,4                   | 3,0          |
| Fuel Oil 3.5%               | 337                    | 225     | 0,0%              | -8,9                  | -15,5        |
| Others                      | 333                    | 162     | 8,8%              | -3,2                  | -14,5        |
| Dated Brent (\$/bbl)        | 60,9                   | 50,3    |                   |                       |              |
| Total Crack Margin (\$/bbl) |                        |         | Total Process     | Total Effect          | Total Effect |
| Q1 2021                     |                        |         | (Q1 2021)         | mn \$                 | mn TL        |
| 2,7                         |                        |         | 35,2              | -99                   | -728         |
| 5,5                         |                        |         |                   |                       |              |
| -2,8                        |                        |         |                   |                       |              |

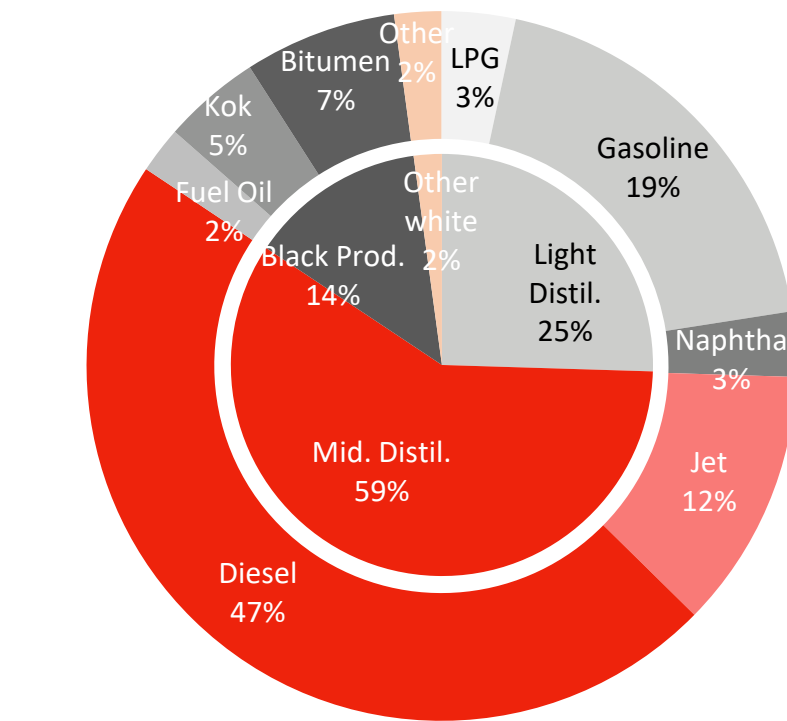
# Q1 Product Yields

Q1 2020



|                         |             |
|-------------------------|-------------|
| White Product Yield (%) | 85.7%       |
| Production              | 6.0 mn tons |
| API                     | 32.1        |

Q1 2021



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

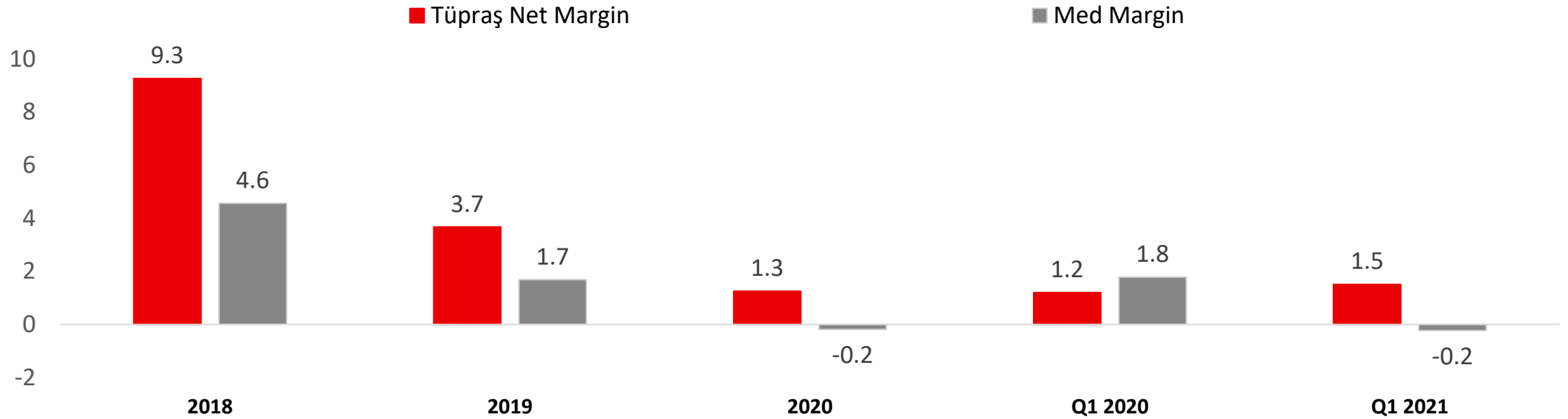
# Tüpraş Balance Sheet (Million TL)

|  | 31.03.2021    | 31.12.2020    | Diff.         | Diff. (%) |
|--|---------------|---------------|---------------|-----------|
| <b>Current Assets</b>  | <b>39,091</b> | <b>30,663</b> | <b>8,428</b>  | <b>27</b> |
| Cash & C. Equivalents  | 21,145        | 19,825        | 1,319         | 7         |
| Trade Receivables  | 3,758         | 1,736         | 2,022         | 117       |
| Derivatives  | 1,617         | 380           | 1,237         | 325       |
| Inventories  | 11,385        | 7,701         | 3,684         | 48        |
| Pre-paid expenses  | 124           | 234           | -109          | -47       |
| Other Current Assets   | 1,062         | 788           | 274           | 35        |
| <b>Long Term Assets</b>  | <b>30,696</b> | <b>30,505</b> | <b>191</b>    | <b>1</b>  |
| Financial Assets & Subsidiaries                                  | 1,261         | 1,330         | -69           | -5        |
| Fixed Assets   | 22,234        | 22,137        | 97            | 0         |
| Derivatives  | 113           | 88            | 25            | 28        |
| Pre-paid expenses  | 108           | 135           | -27           | 20        |
| Deferred Tax   | 5,272         | 5,002         | 269           | 5         |
| Other Longterm Assets  | 1,708         | 1,813         | -105          | -6        |
| <b>Total Assets</b>  | <b>69,787</b> | <b>61,169</b> | <b>8,619</b>  | <b>14</b> |
| <b>Short Term Liabilities</b>                                    | <b>38,870</b> | <b>28,341</b> | <b>10,529</b> | <b>37</b> |
| Financial Loans  | 13,884        | 8,502         | 5,383         | 63        |
| Trade Payables   | 20,522        | 14,137        | 6,385         | 45        |
| Derivatives  | 159           | 763           | -604          | -79       |
| Provisions   | 194           | 142           | 52            | 37        |
| Other ST Liabilities   | 4,110         | 4,796         | -687          | -14       |
| <b>Long Term Liabilities</b>                                     | <b>20,190</b> | <b>21,155</b> | <b>-966</b>   | <b>-5</b> |
| Financial Loans  | 19,774        | 20,743        | -969          | -5        |
| Payables & Provisions  | 342           | 356           | -14           | -4        |
| Derivatives  | 62            | 45            | -17           | 37        |
| Other LT Liabilities   | 12            | 10            | 1             | 14        |
| <b>Total equity attributable to equity holders of the parent</b> | <b>10,513</b> | <b>11,446</b> | <b>-934</b>   | <b>-8</b> |
| <b>Minority Interests</b>  | <b>215</b>    | <b>226</b>    | <b>-11</b>    | <b>-5</b> |
| <b>Total Liabilities &amp; Equity</b>                            | <b>69,787</b> | <b>61,169</b> | <b>8,619</b>  | <b>14</b> |



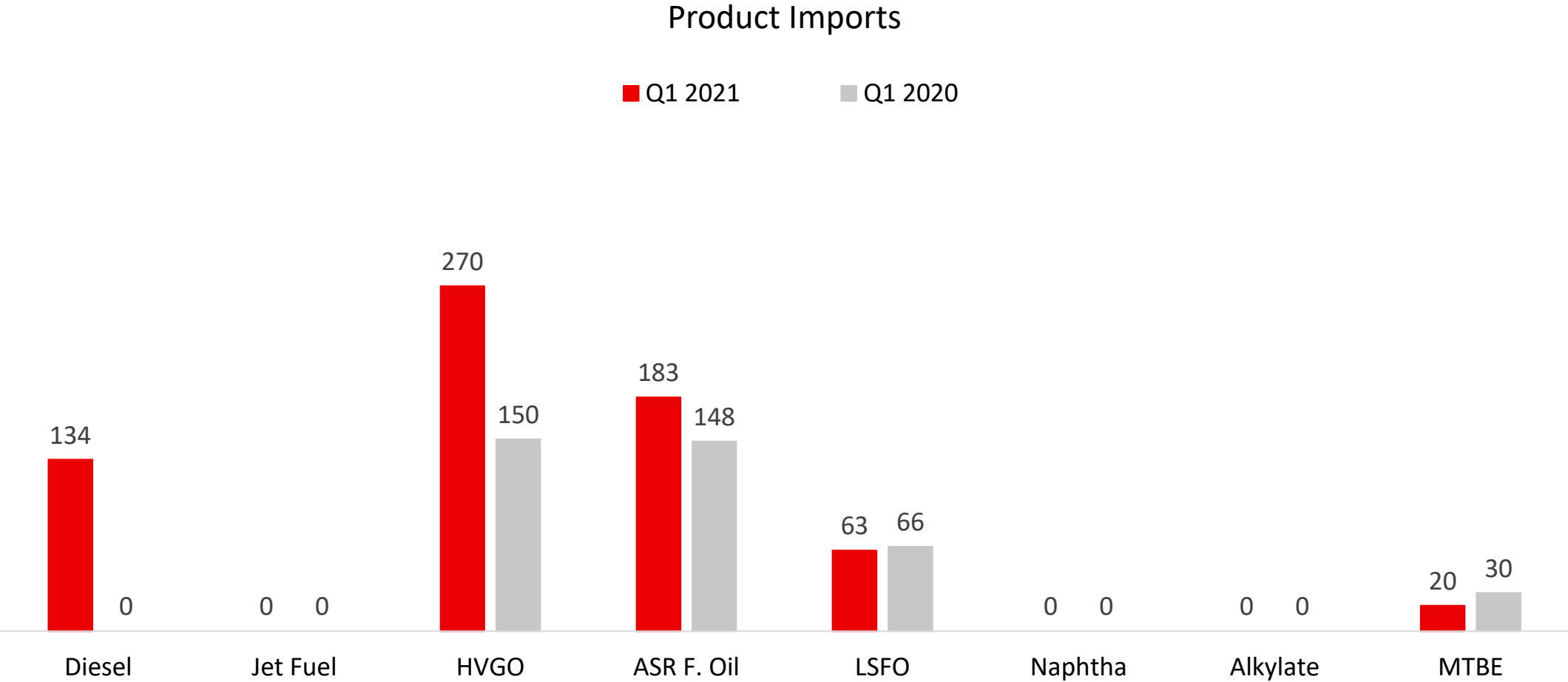
# Tüpraş and Med Margins (\$/bbl)

Average Margins



| (\$/bbl) | Gross Margin | Inventory Effect | Clean Gross Margin | Clean NET Margin | Net Margin | Med Margin |
|----------|--------------|------------------|--------------------|------------------|------------|------------|
| Q1 2020  | 7.1          | -2.7             | 9.8                | 3.9              | 1.2        | 1.8        |
| 2020     | 6.4          | 0.0              | 6.4                | 1.2              | 1.3        | -0.2       |
| Q1 2021  | 7.7          | 2.5              | 5.2                | -1.0             | 1.5        | -0.2       |

# Finished Product and Semi Product Imports (Thousand Tons)





[www.tupras.com.tr](http://www.tupras.com.tr)