



Q2 2020 Earnings Presentation

Disclaimer

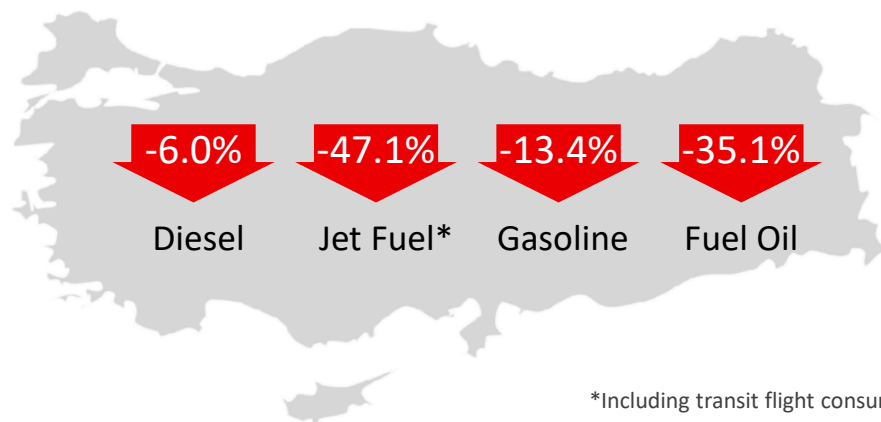
This presentation contains forward-looking statements that reflect the Company management's current views with respect to certain future events. Although it is believed that the expectations reflected in these statements are reasonable, they may be affected by variables and changes in underlying assumptions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

Turkish Market – 1H 2020 Covid-19 Developments

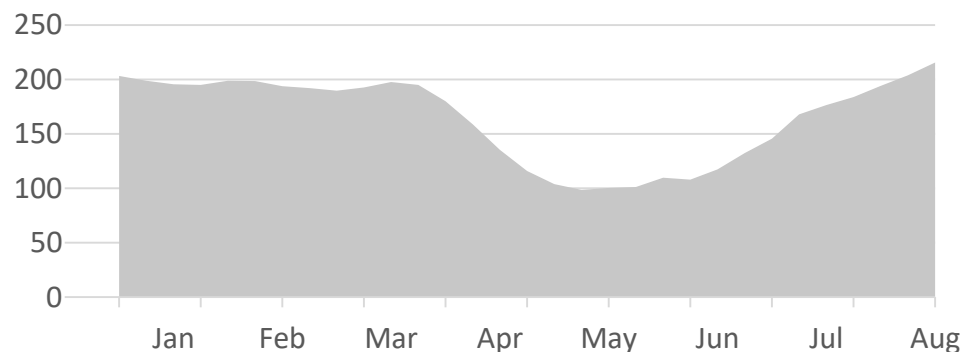
Turkey's jet fuel consumption took the hardest hit, while diesel was relatively resilient

Domestic Product Demand 5M 2020 vs 5M 2019



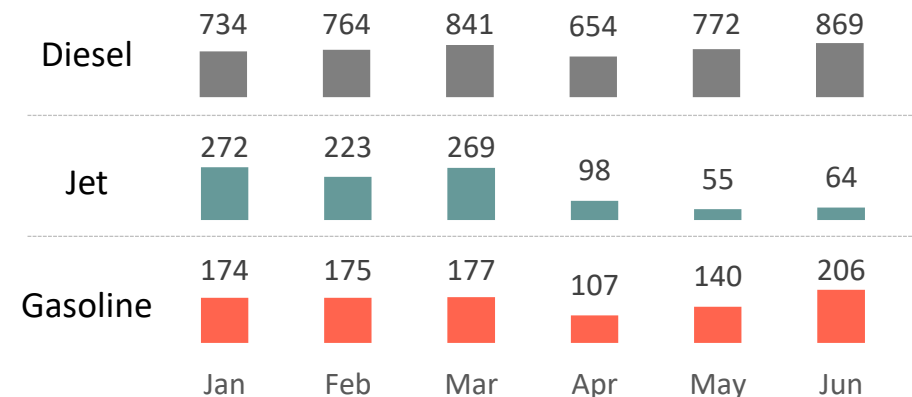
Following the end of lock-downs, consumer spending at fuel stations has returned to pre-covid levels as of July.

**Total Debit/Credit Expenditure at Fuel Stations 2020, mn \$
(4-Week Rolling Average)**



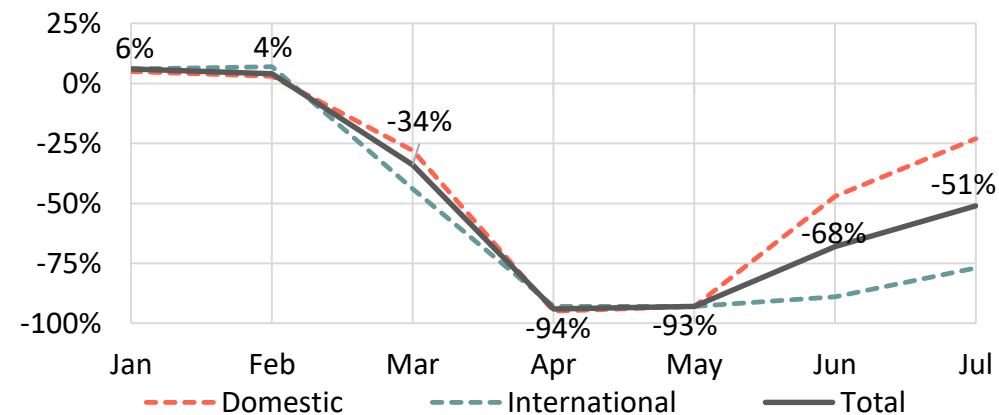
Tüpraş diesel and gasoline sales have been improving since April and reached pre-covid levels in June

Tüpraş Domestic Sales 2020, Thousand Tons



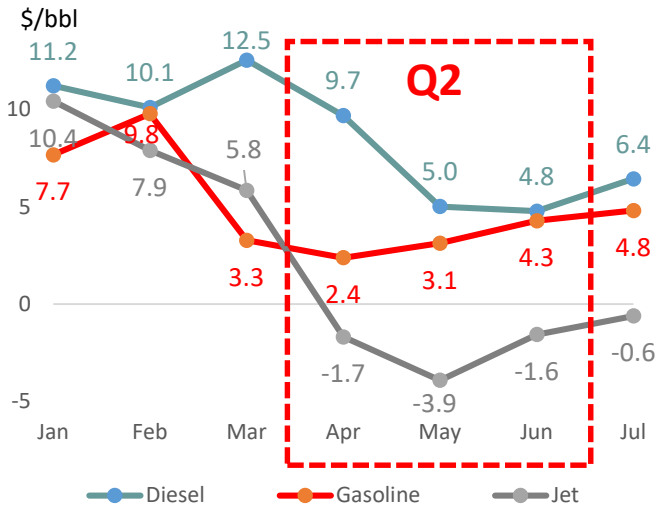
Air traffic has started to recover as of June with domestic flights in lead.

Change in Number of Flights, 2020 vs. 2019



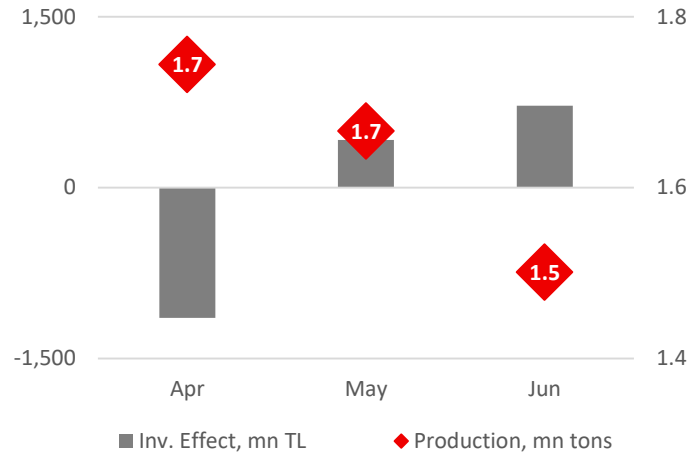
Q2 2020 Tüpraş Highlights

Cracks troughed in Q2 as anticipated



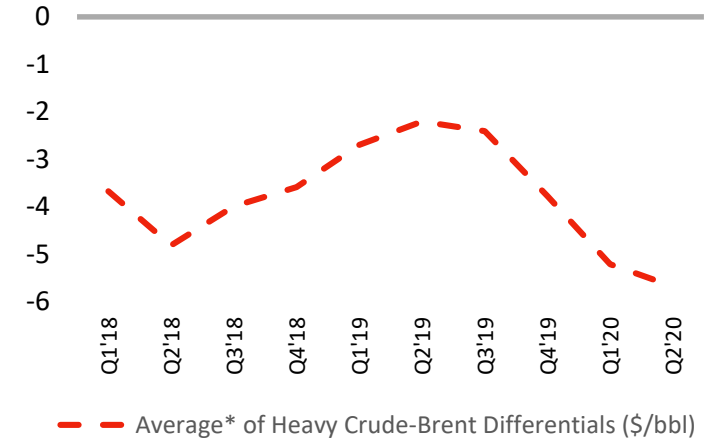
- As expected, Q2 has been adversely affected from plummeting crack margins.
- Recovering trend of crack margins which was triggered by reopening in June, continues.

Inventory gains began with Brent price recovery in May



- Due to sharp fall in Brent we have incurred substantial inventory loss in April. However, the trend has reversed starting with May.
- Some portion of the recovery is delayed to Q3 due to lower sales in Q2.

Volatile differential environment continued in Q2



- Differentials continued to be volatile in Q2 due to dramatic demand and supply dynamics.
- Initial OPEC+ disagreement led to favorable differentials in Q2

* Simple average of Arab Heavy, Basrah Heavy, Kirkuk and Ural.

In Q2 2020

4.9
Million tons of
Total Production

5.3
Million tons of
Total Sales

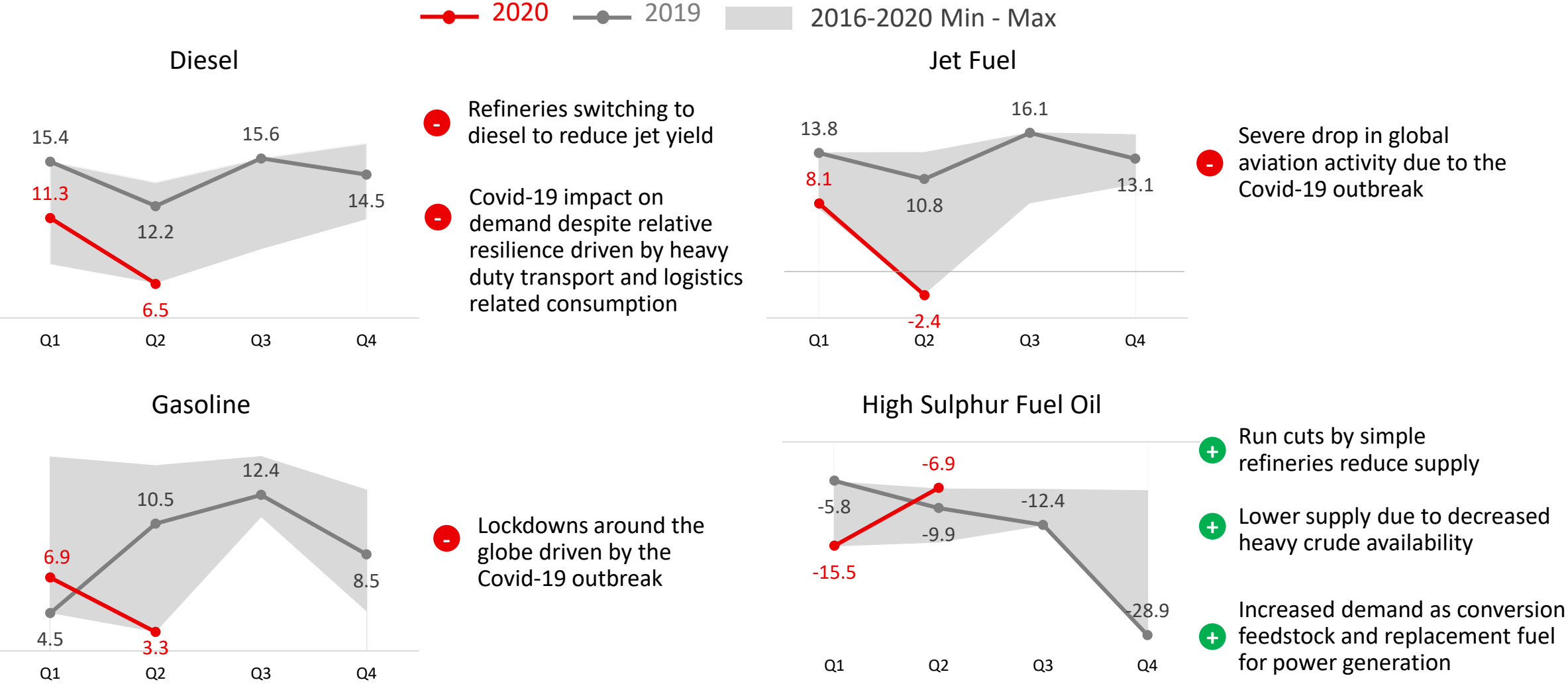
477
Million TL
EBITDA



Market

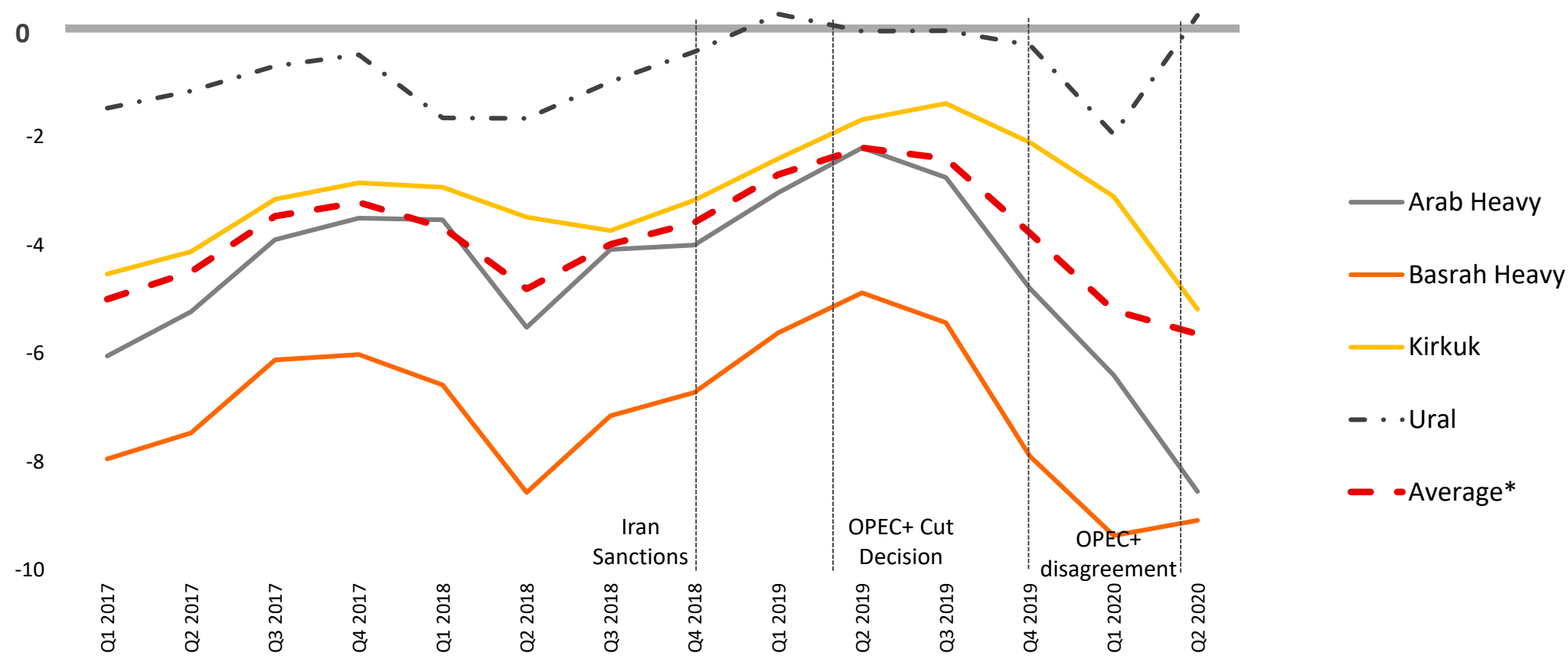
Quarterly Crack Margin Comparison (\$/bbl) Between 2016 - 2020

Gasoline and mid distillate cracks were under pressure in Q2 2020 with drop in demand and rising inventory levels. HSFO crack margins improved on the back of limited supply.



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

Due to the initial OPEC+ disagreement in March, differentials were wider in Q2 compared to Q1. Volatility in differentials continue due to various factors affecting demand and supply dynamics.



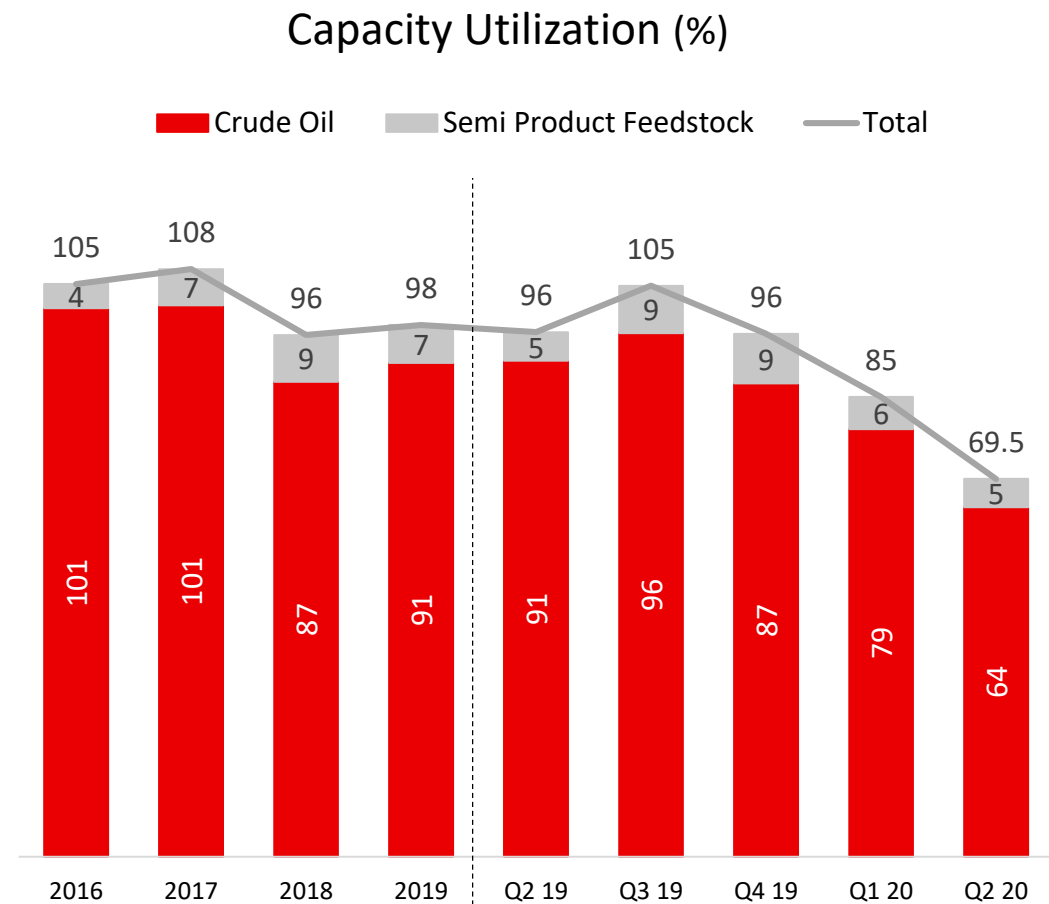
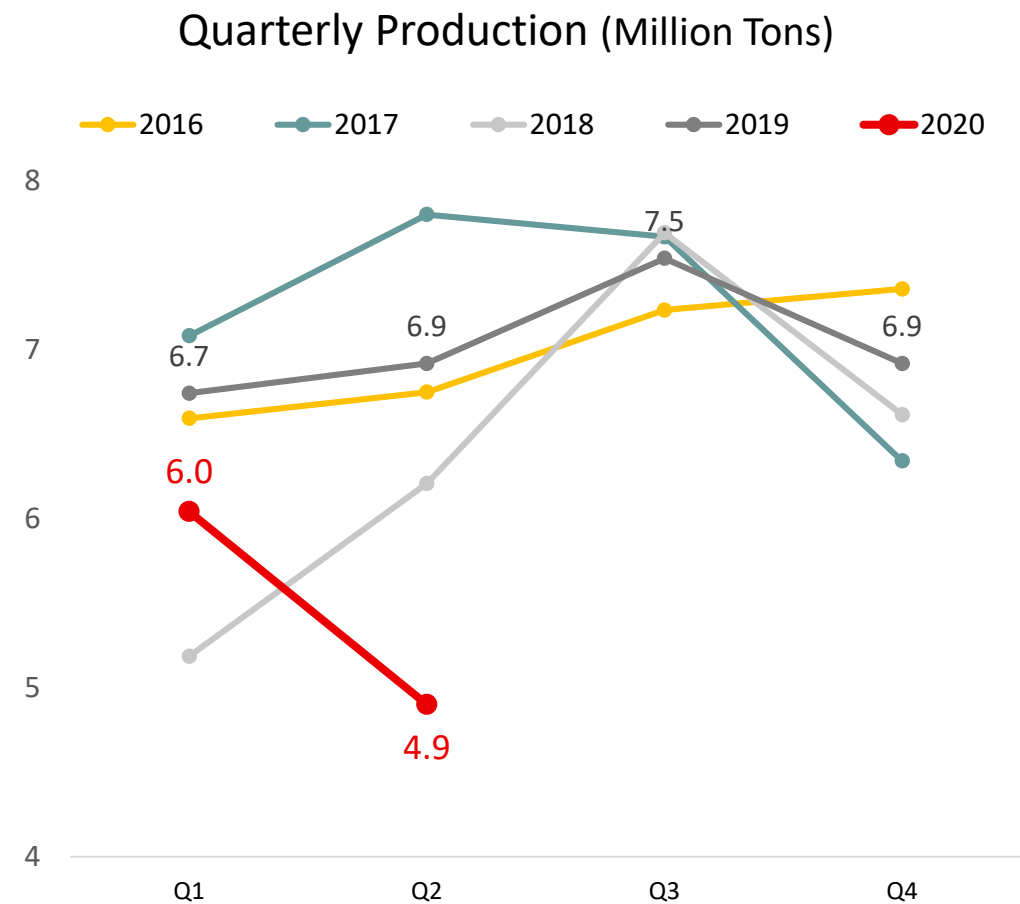
*Simple average of listed differentials



Operations

Capacity Utilization and Quarterly Production Volume

- We produced 4.9 million tons in Q2 2020
- Capacity utilization for Q2 2020 was 69.5%, mainly due to lower demand.

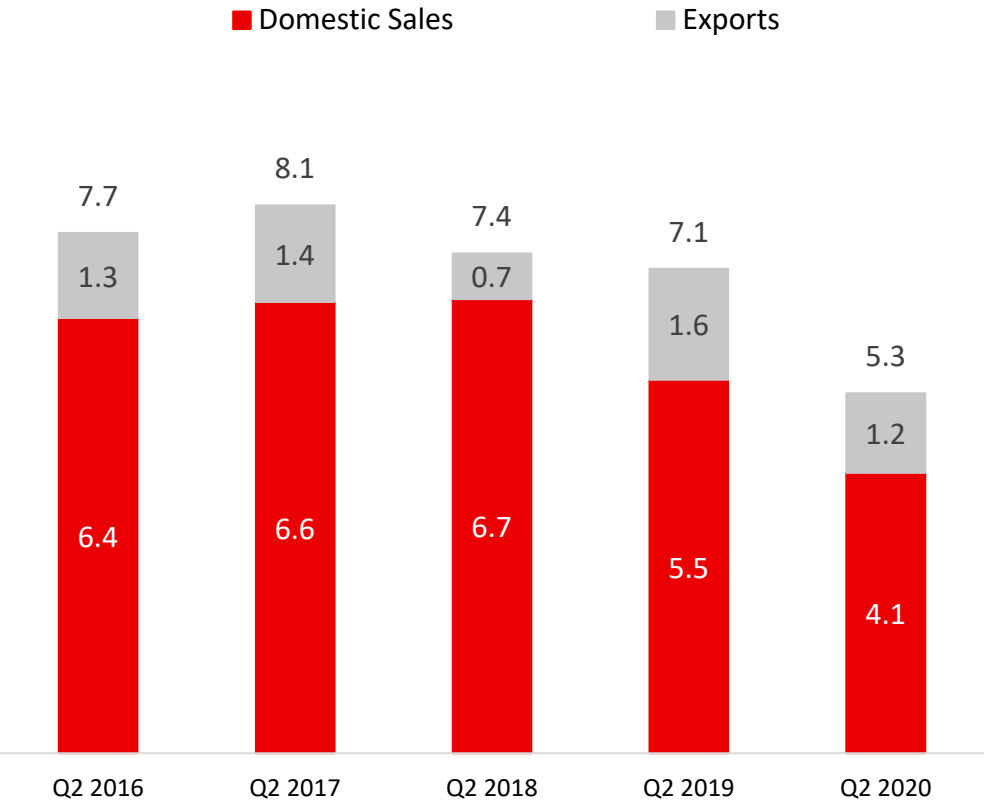


*Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards.

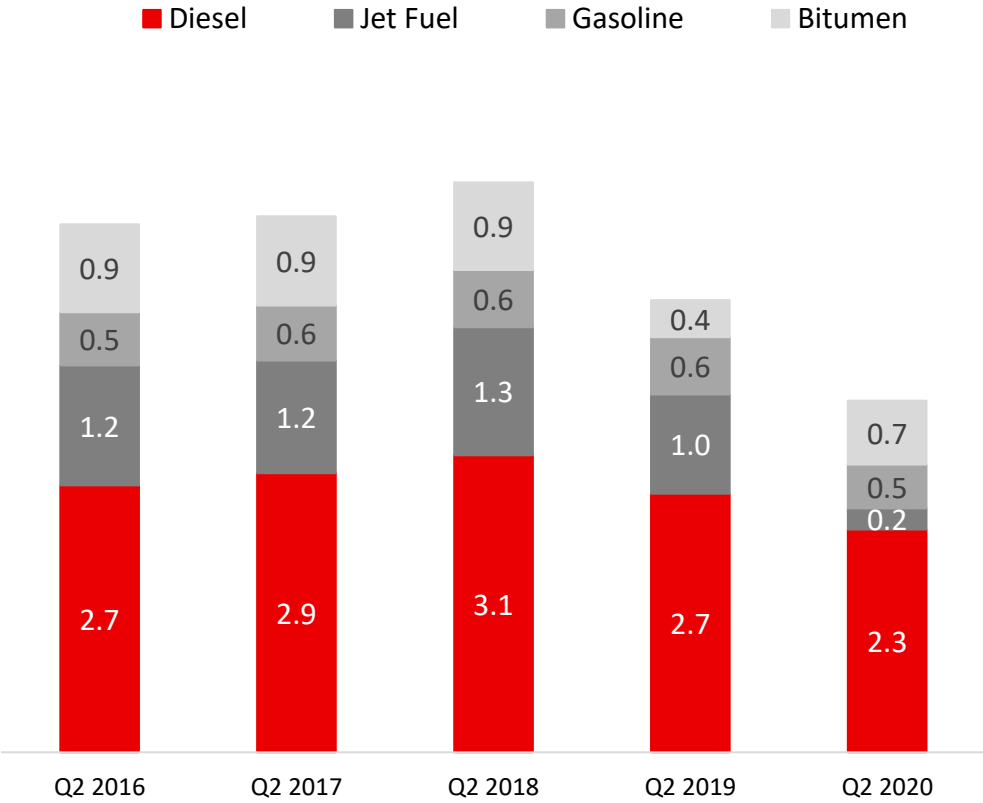
Sales in Q2 (Million Tons)

Tüpraş generated 5.3 million tons of sales in Q2 2020. Recovery in sales started with June.

Total Sales



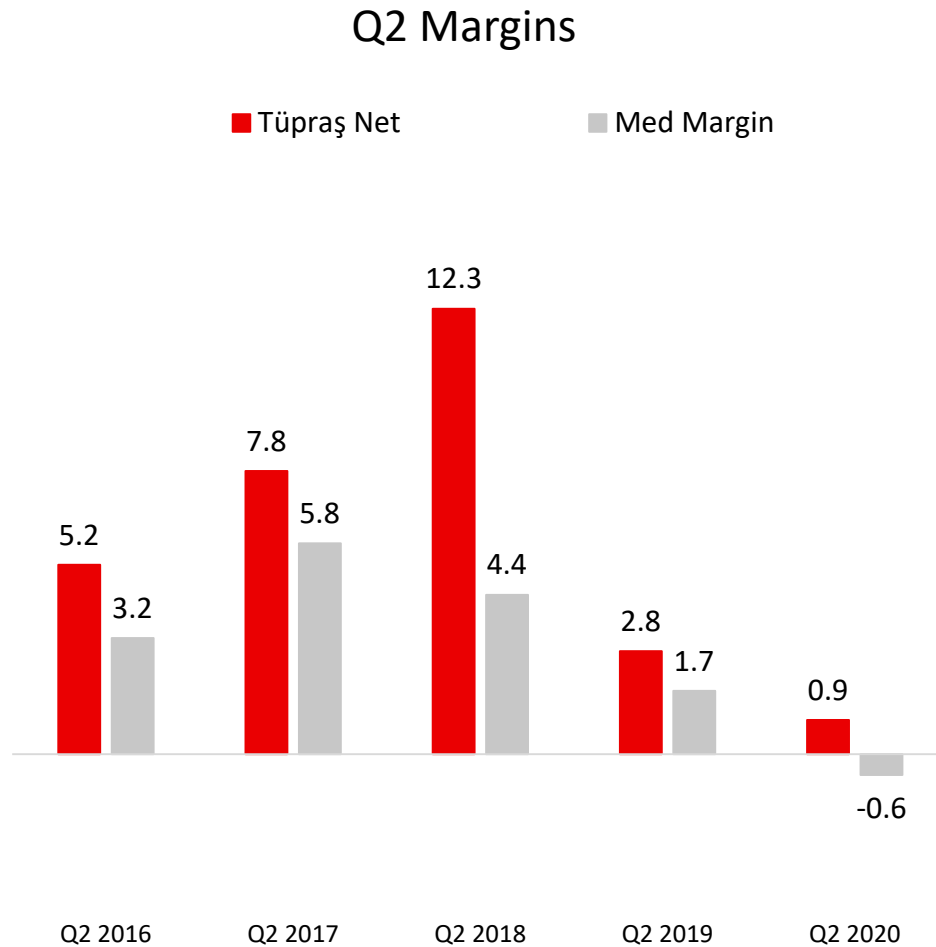
Domestic Sales of Selected Products





Financials

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



- The main factors behind decline in Tüpraş net refining margin compared to Q2 2019 were weaker crack margins, lower production and negative inventory effect.
- Tüpraş Net Margin outperformed Med Margin mainly due to more favorable yield and cheaper crude slate despite the negative inventory impact being excluded in Med Margin calculation

Effect of hedging operations excluded from above calculations.

Income Statement (Million TL)

EBITDA realized as 477 mn TL in Q2 2020.

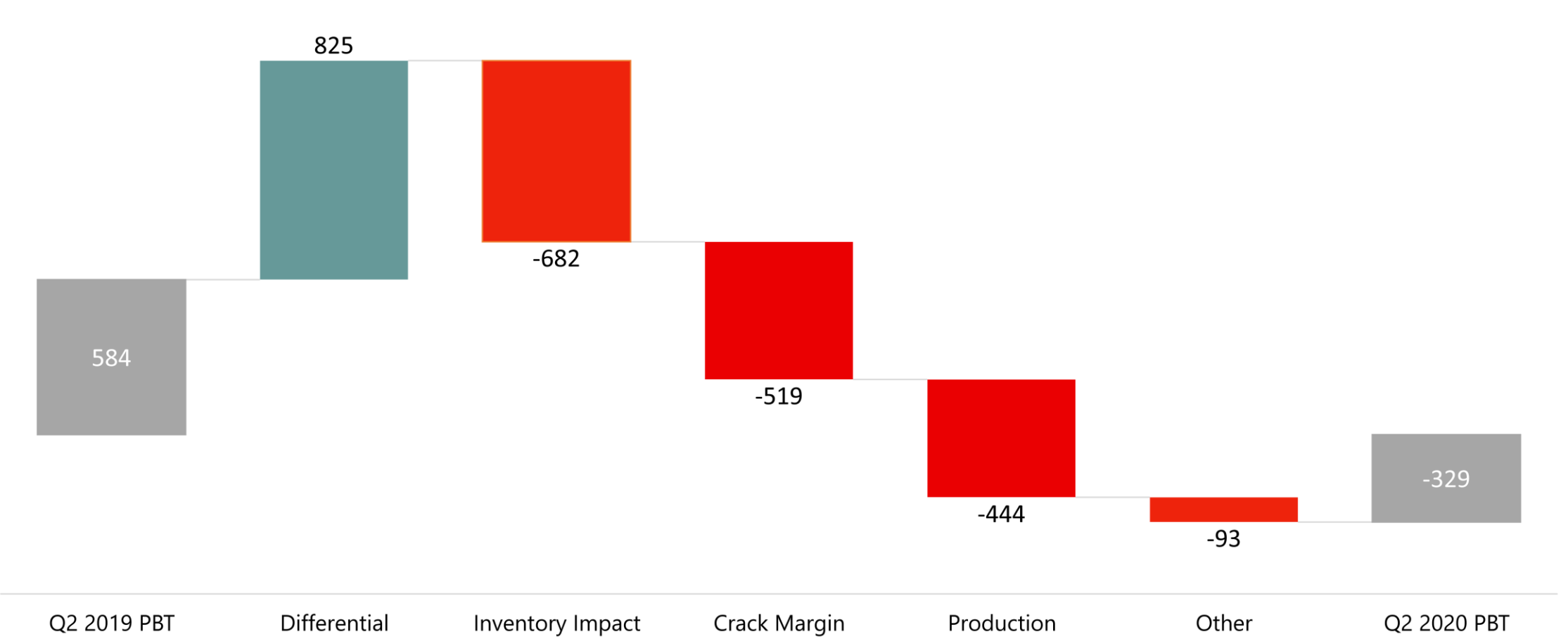
Million TL	Q2 2020	Q2 2019	%	H1 2020	H1 2019	%
Net Sales	9,280	23,953	-61%	26,219	44,661	-41%
COGS	-8,390	-22,282	-62%	-26,239	-41,998	-38%
Gross Profit	890	1,671	-47%	-20	2,662	-101%
Operating Expenses	-520	-420	-24%	-977	-793	-23%
Income/Loss from other operations	-92	82	-212%	-441	-309	-43%
Operating Profit	278	1,333	-79%	-1,438	1,561	-192%
Income/Loss from equity investment	-57	47	-222%	-226	110	-305%
Operating Profit Before Fin. Income/Loss	221	1,379	-84%	-1,663	1,671	-200%
Financial Income/Expense	-550	-796	31%	-1,464	-1,397	-5%
Profit Before Tax	-329	584	-156%	-3,127	274	-1243%
Net Profit (excluding minority interest)	-185	870	-121%	-2,450	495	-595%
EBITDA*	477	1,495	-68%	-814	2,346	-135%
Inventory Gain/Loss	-8	675	-101%	-2,024	976	-307%
EBITDA* CCS	484	820	-41%	1,210	1,370	-12%

*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.

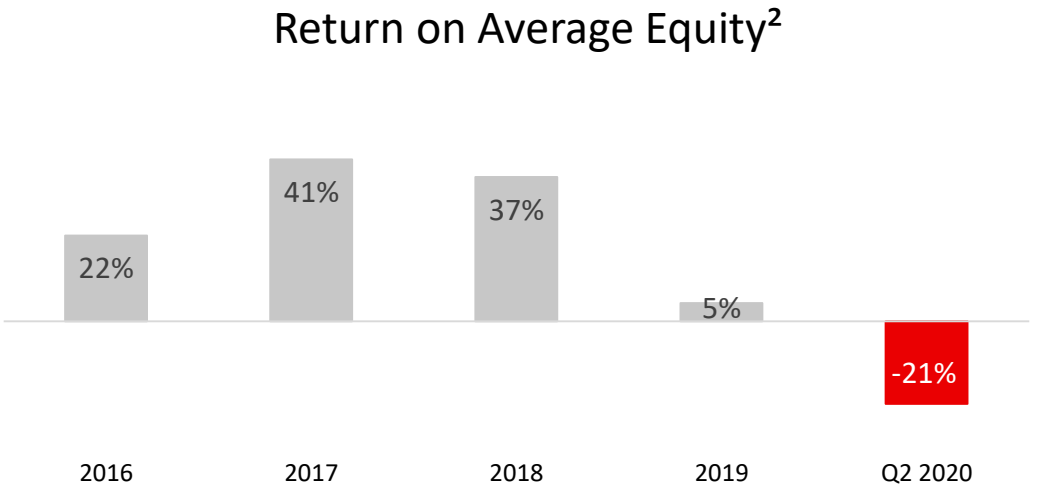
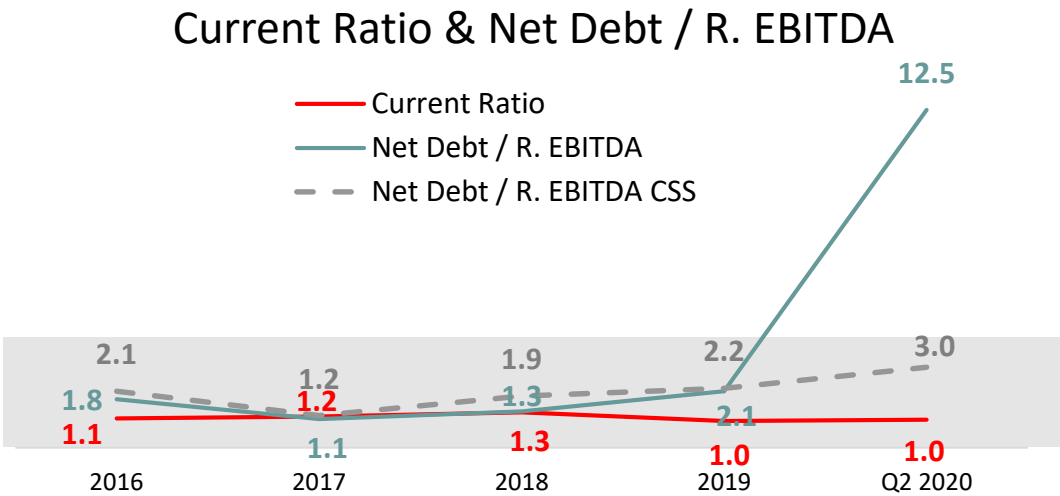
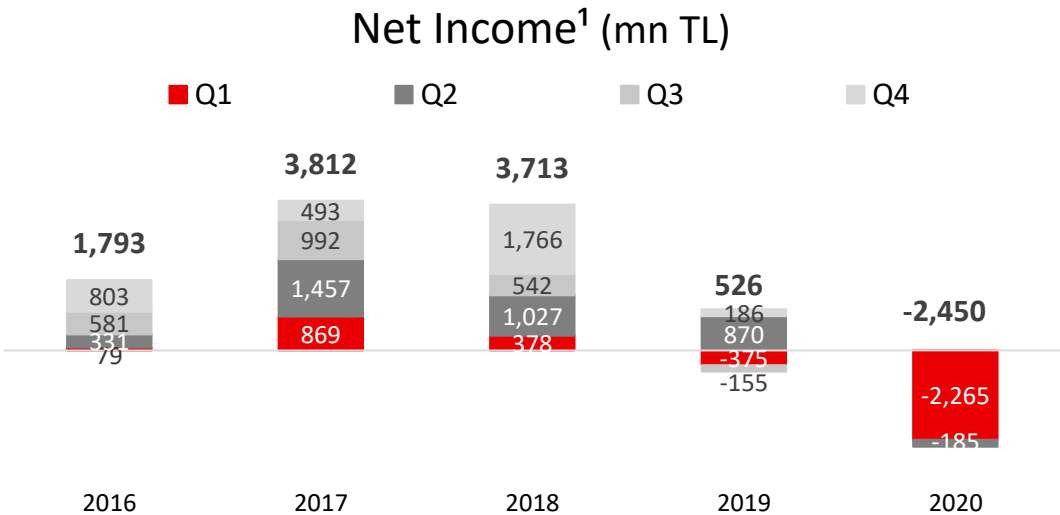
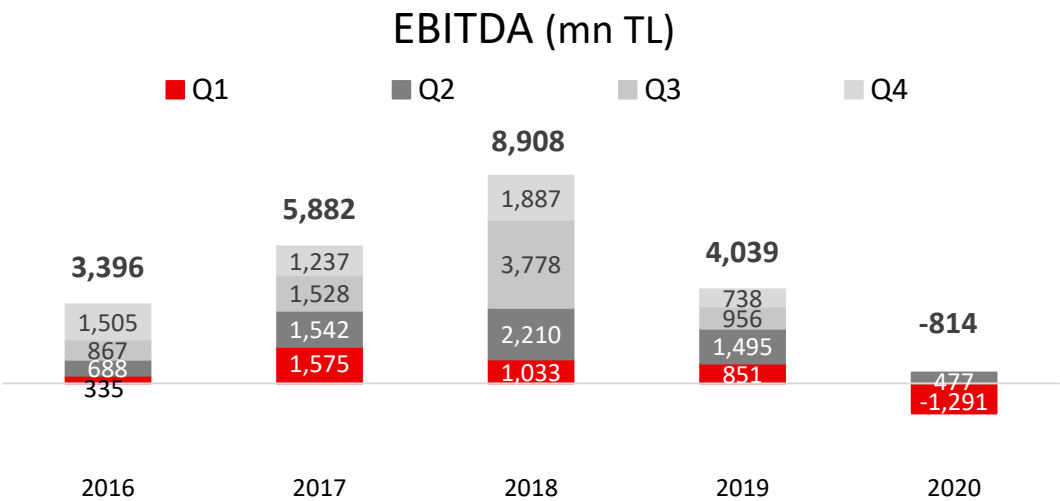
Q2 Profit Before Tax Bridge (2019-2020)

Despite sizeable support from wider differentials, Profit Before Tax declined with weaker crack margins, lower production and lack of inventory gain with respect to Q2 last year.

Million TL



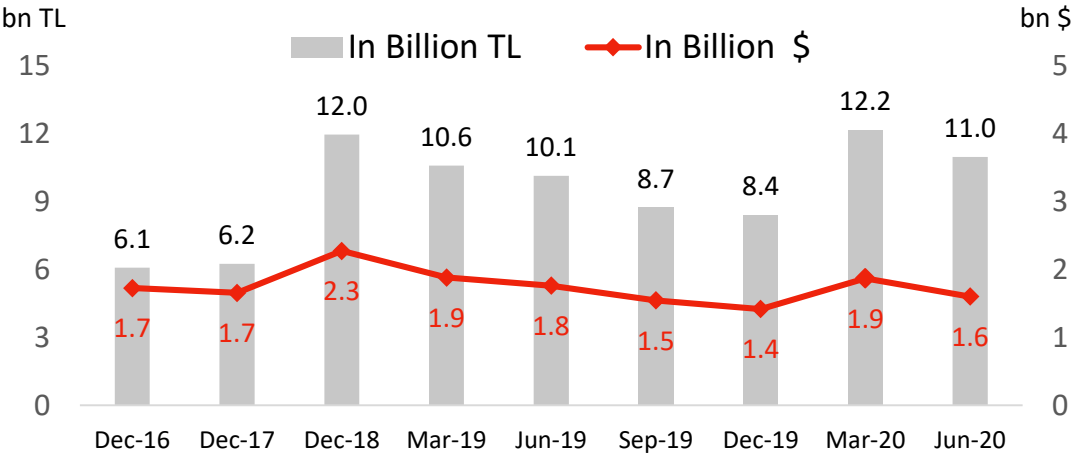
Financial Highlights



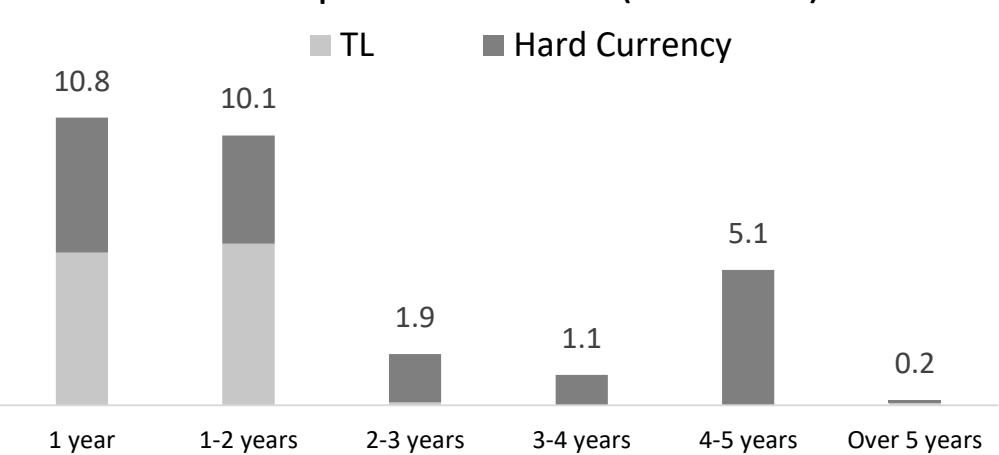
1) Excluding minority interest
2) Calculation based on rolling net income

Balance Sheet Analysis

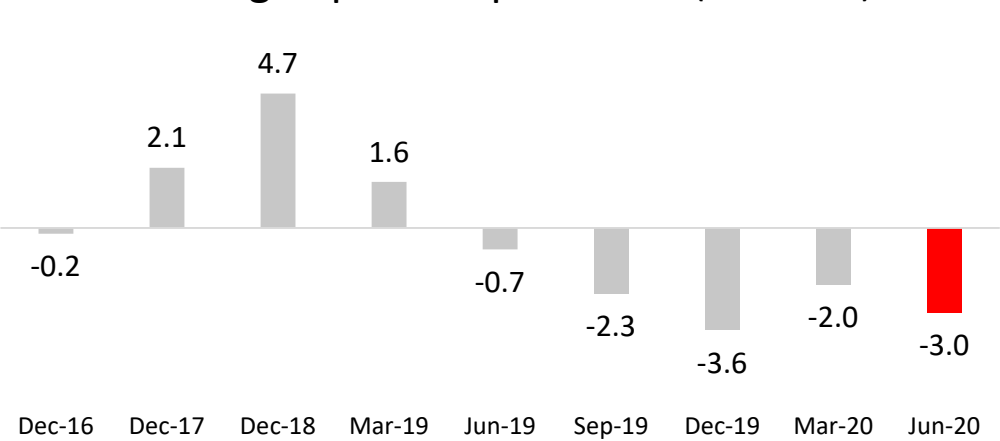
Net Debt



Redemption Schedule (Billion TL)



Working Capital Requirement (Billion TL)



Proactive Financial Management

- Refinancing activities continue with better rates
- Cash levels increased proactively to ensure ample liquidity
- Working capital managed proactively to ensure optimal cash and liquidity management

FX Exposure Management (30 June 2020)

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

Consolidated Hard Currency Assets	Million \$	Consolidated Hard Currency Liabilities
Cash 922		Payables & Other Liabilities 682
Receivables & Other Assets 45		ST Financial Loans 863 <ul style="list-style-type: none">RUP: 195Other: 667
Stock 752		LT Financial Loans 1,770 <ul style="list-style-type: none">RUP: 479Eurobond: 700Other Loans: 591
Forward 909 CFH 703		
		+17 mn \$

12/08/2020

Earnings Presentation

www.tupras.com.tr

17

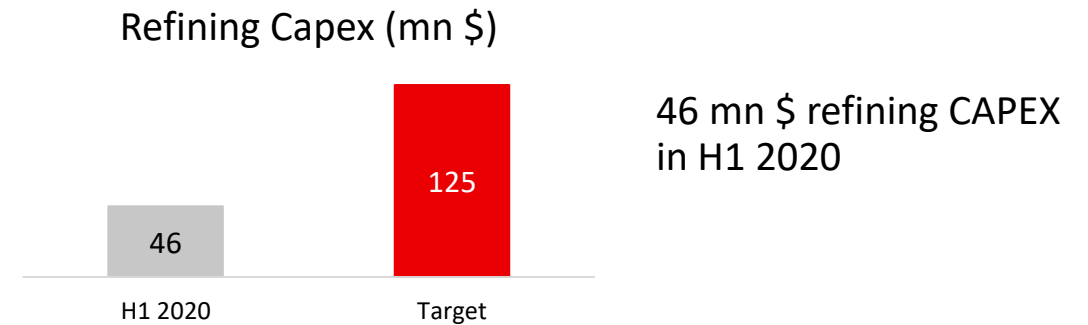
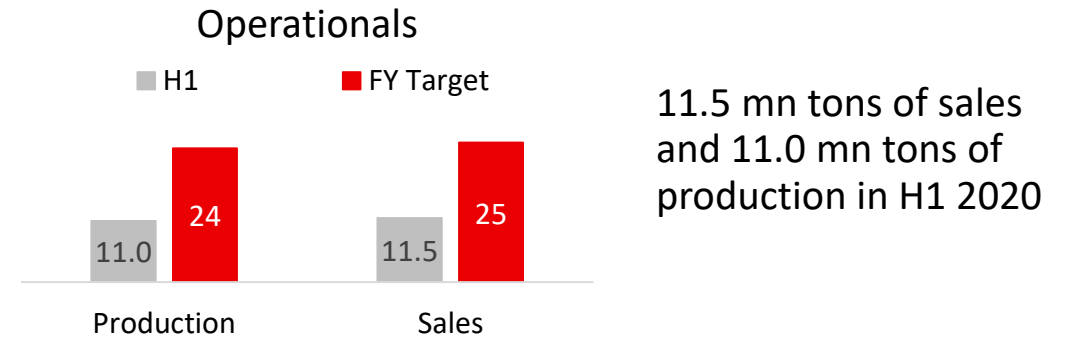
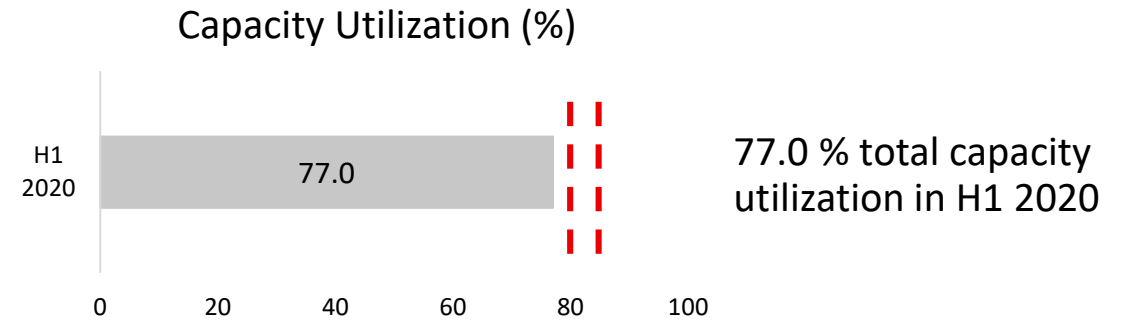
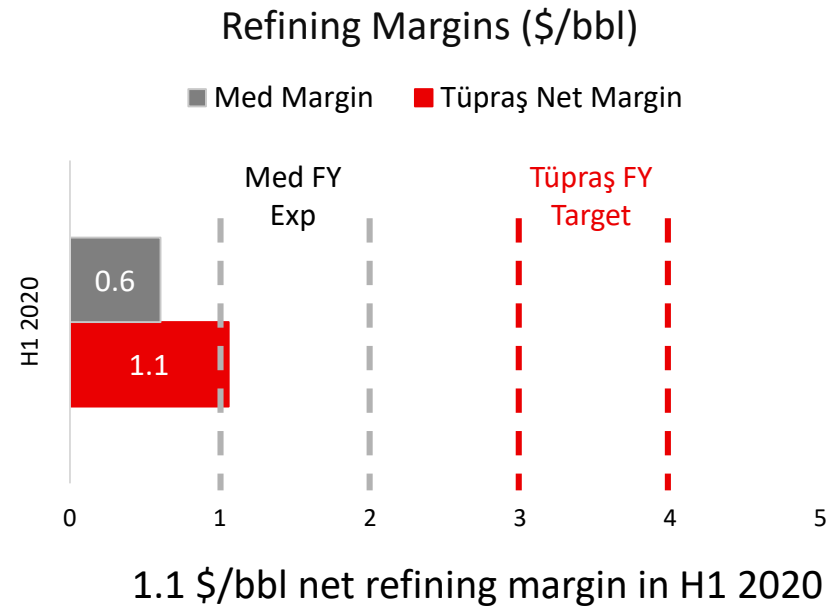
Tüpraş continues to employ strict FX policies to mitigate currency risks stemming from volatility.

Consolidated Hard Currency Assets	Million \$	Consolidated Hard Currency Liabilities
Cash 922		Payables & Other Liabilities 682
Receivables & Other Assets 45		ST Financial Loans 863 • <i>RUP: 195</i> • <i>Other: 667</i>
Stock 752		LT Financial Loans 1,770 • <i>RUP: 479</i> • <i>Eurobond: 700</i> • <i>Other Loans: 591</i>
Forward 909 CFH 703		
+17 mn \$		



Outlook for 2020

H1 2020 Results



2020 Refinery Maintenance Schedule

Refinery	Unit	Quarter	Duration (weeks)	Status
Batman	Plt 100/1100 Crude Oil & Vacuum	Q1	10-12	Completed
İzmir	U-100 Crude	Q1	9*	Completed
	U-9200 CCR	Q1	3	Completed
	U-4000 FCC	Q4	6	Postponed to 2021
	U-9200 CCR	Q4	7	Postponed to 2021
	U-9600 Isomerization	Q4	8	Postponed to 2021
	U-9900 MQD	Q4	7	Postponed to 2021
İzmit	Plt-6 Desulphurizer	Q4	4	Postponed to 2021
Kırıkkale				

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

2020 Expectations(*)

Med Complex Refining Margin 1.0-2.0 \$/bbl

- Ural-Brent differential widening compared to 2019
- Weak outlook for jet fuel and gasoline

Tüpraş Net Refining Margin 3.0-4.0 \$/bbl

- Weak outlook for jet fuel and gasoline cracks
- Resilient diesel and strong HSFO cracks
- **~24 mt production, ~25mt sales and 80 - 85% capacity utilization**

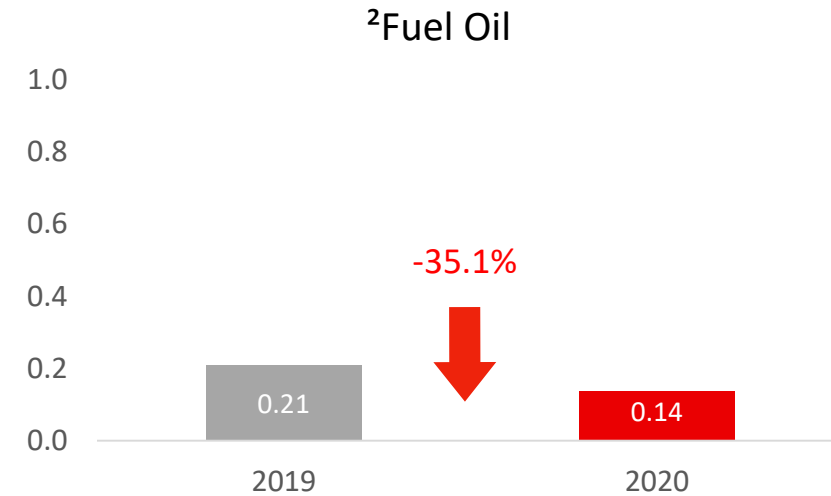
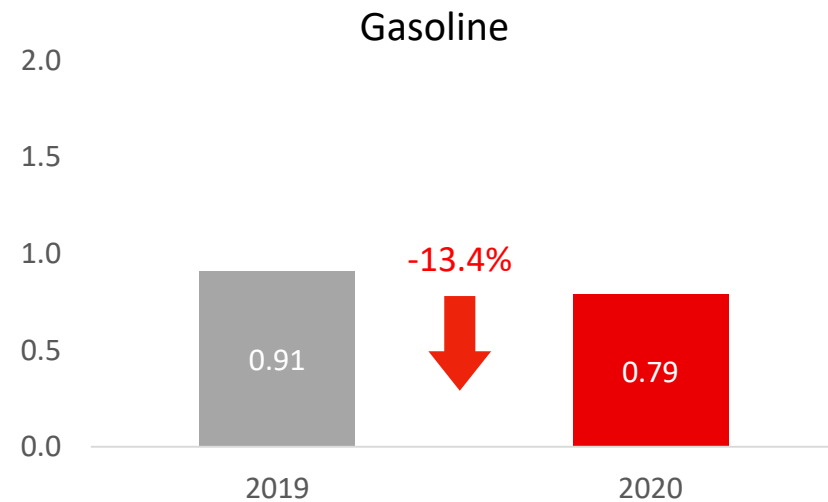
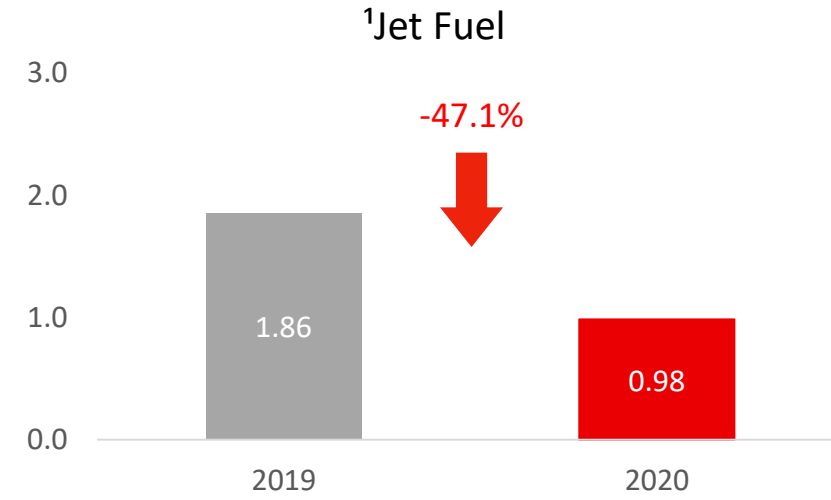
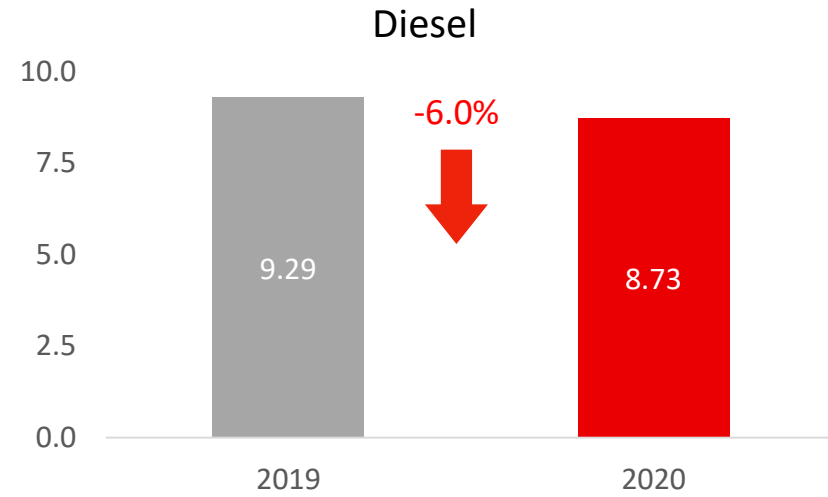
Refining Capex ~125 million \$

- Sulphur treatment units, improvement in storage units

* During preparation of the revised 2020 expectations, it has been assumed that Covid-19's negative impact on crude oil and petroleum products demand will began to decrease by June and normal economic activity will resume starting from August.

Appendix

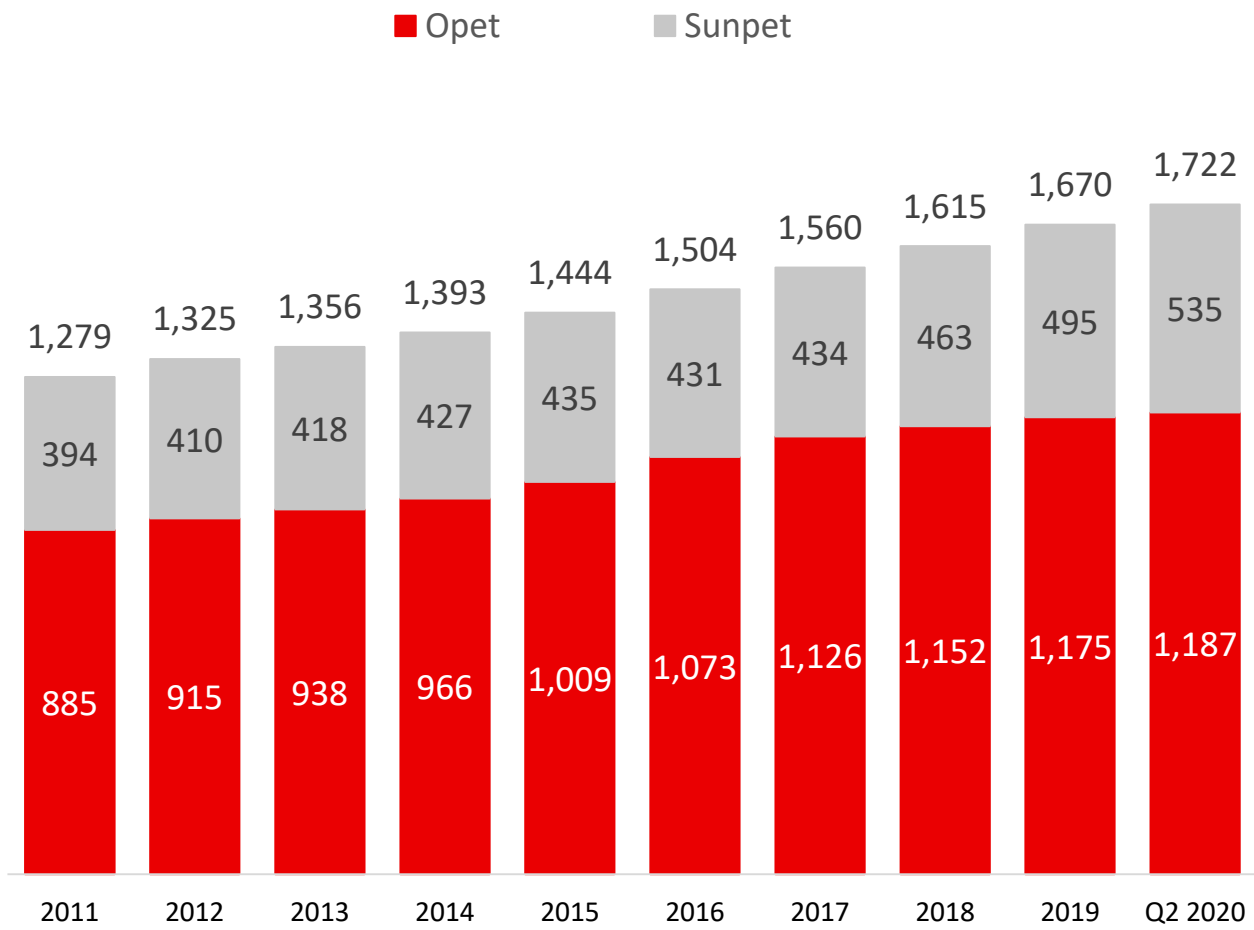
Turkish Market, Jan-May 2019/20 (Million Tons)



¹Transit flight consumption included

²Bunker excluded

Opet has 1,722 fuel stations as of June 2020.



Market Share
as of May 2020

19.41 %

White
Product

19.06 %

Black
Product

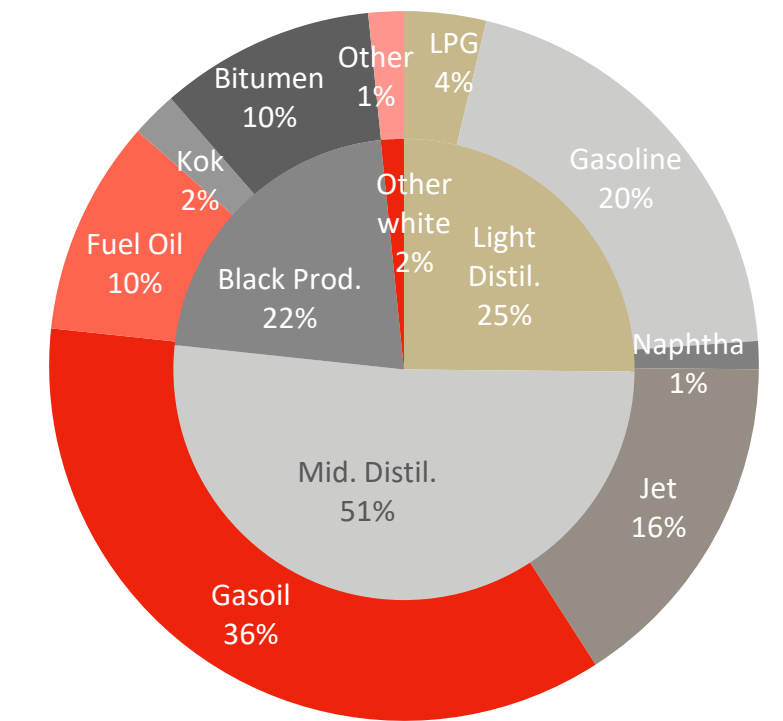
Crack Margin Effect on Tüpraş in Q2 (FOB Italy Prices)

Product	Product Price (\$/ton)		Tüpraş 2020 Production Yields	Crack Margin (\$/bbl)	
	2020 Q2	2019 Q2		2020 Q2	2019 Q2
LPG	199	431	3.9%	-11.5	-30.5
Gasoline	263	644	19.2%	3.3	10.5
Naphtha	201	504	0.5%	-6.5	-11.9
Jet Fuel	211	626	9.6%	-2.4	10.8
Diesel	266	603	40.8%	6.5	12.2
Diesel 1000	247	588	3.7%	4.0	10.2
Fuel Oil 1%	191	412	0.3%	0.3	-5.2
Fuel Oil 3.5%	145	382	0.0%	-6.9	-9.9
Others	165	336	15.1%	-4.1	-12.8
Dated Brent (\$/bbl)	29.2	68.8	93.1%		

Total Crack Margin (\$/bbl)			Total Processed 2020 Q2 (mn bbl)	Total Effect (mn \$)	Total Effect (mn TL)
2020 Q2	2019 Q2	Difference			
2.1	4.1	-2.0	37.5	-75	-519

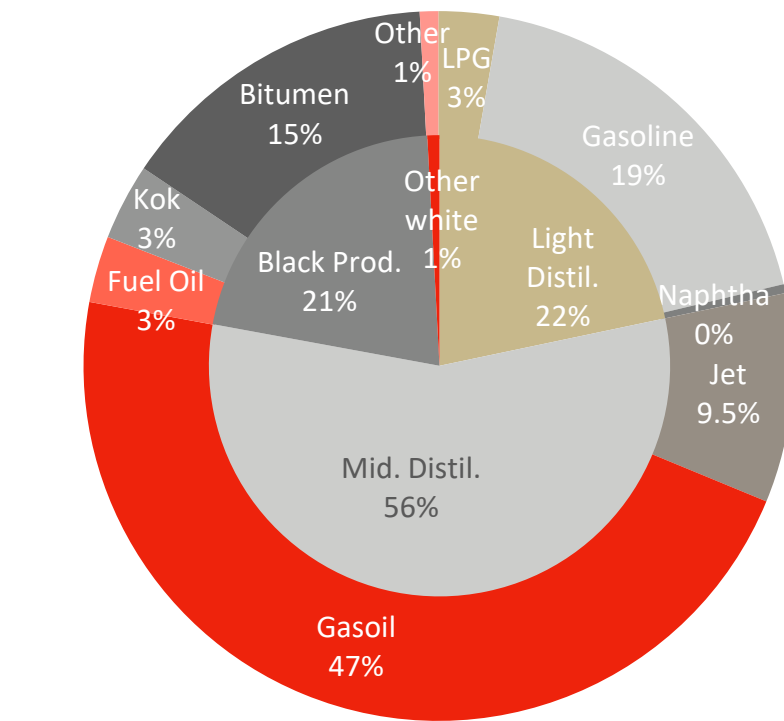
Q2 Product Yields

2019 Q2



White Product Yield (%)	77.4%
Production	6.9 mn tons
API	32.4

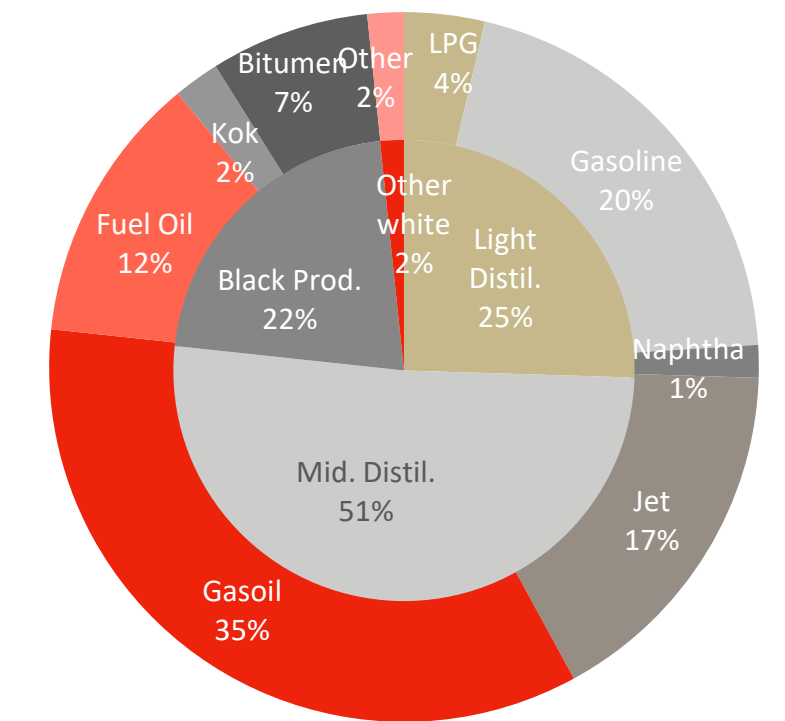
2020 Q2



White Product Yield (%)	77.3%
Production	4.9 mn tons
API	30.2

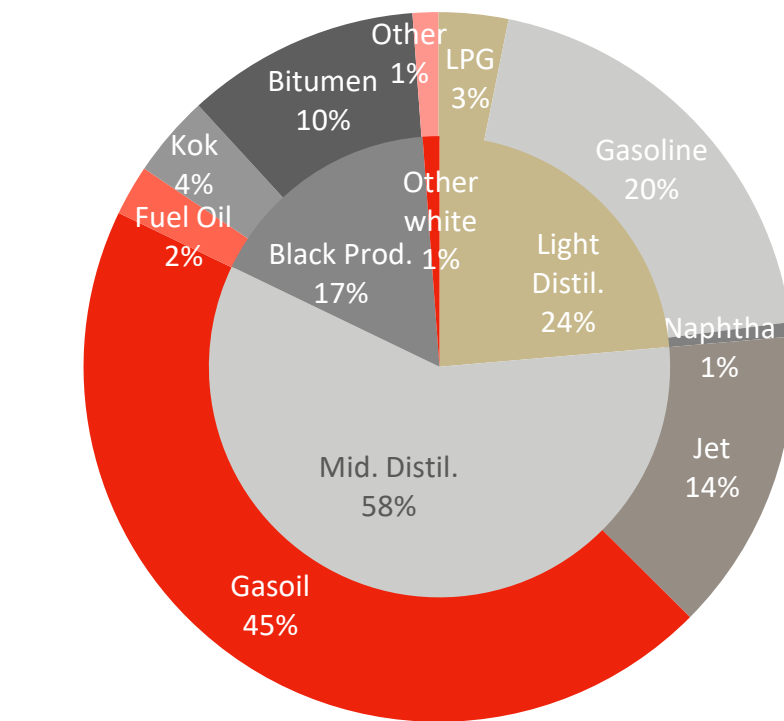
H1 Product Yields

2019 H1



White Product Yield (%)	77.4%
Production	13.7 mn tons
API	32.4

2020 H1



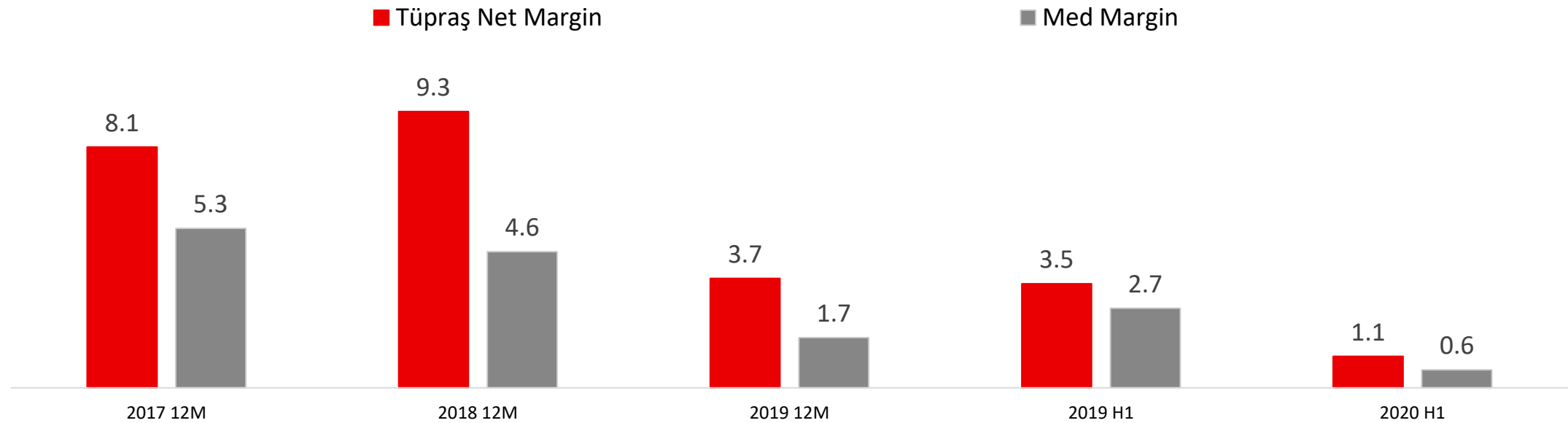
White Product Yield (%)	82.0%
Production	11.0 mn tons
API	31.3

Tüpraş Balance Sheet (Million TL)

	30.06.2020	31.12.2019	Diff.	Diff. (%)
Current Assets	27,390	27,919	-529	-2
Cash & C. Equivalents	18,178	10,652	7,526	71
Trade Receivables	1,721	4,788	-3,067	-64
Derivatives	779	304	475	156
Inventories	5,503	9,469	-3,965	-42
Pre-paid expenses	269	237	32	13
Other Current Assets	940	2,470	-1,530	-62
Long Term Assets	28,161	27,593	569	2
Financial Assets & Subsidiaries	1,032	1,363	-331	-24
Fixed Assets	20,706	20,587	119	1
Derivatives	79	99	-19	-19
Pre-paid expenses	155	199	-44	-22
Deferred Tax	4,570	3,768	803	21
Other Long Term Assets	1,619	1,578	42	3
Total Assets	55,551	55,512	40	0
Short Term Liabilities	26,444	28,120	-1,677	-6
Financial Loans	10,747	5,178	5,570	108
Trade Payables	10,178	17,816	-7,638	-43
Derivatives	423	79	344	434
Provisions	231	117	114	97
Other ST Liabilities	4,864	4,930	-66	-1
Long Term Liabilities	18,779	14,255	4,525	32
Financial Loans	18,402	13,898	4,504	32
Payables & Provisions	335	316	19	6
Derivatives	31	32	-1	-3
Other LT Liabilities	11	9	3	31
Total equity attributable to equity holders of the parent	10,133	12,963	-2,830	-22
Minority Interests	196	174	22	13
Total Liabilities & Equity	55,551	55,512	40	0

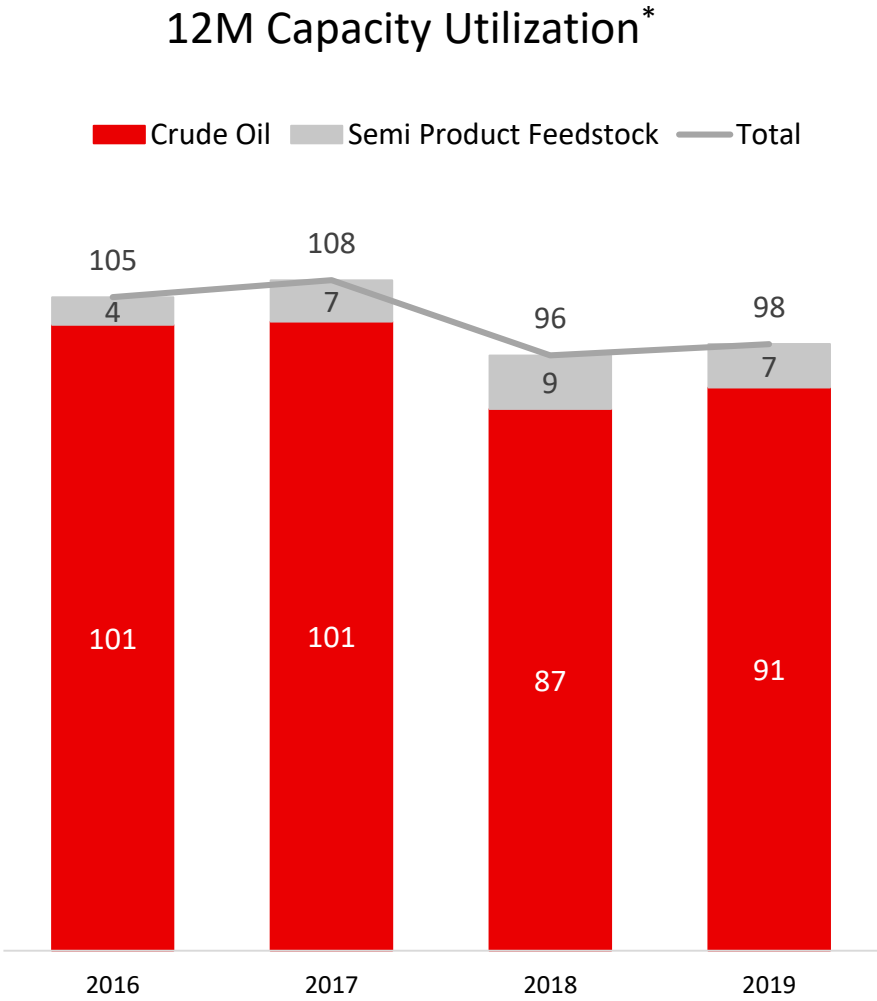
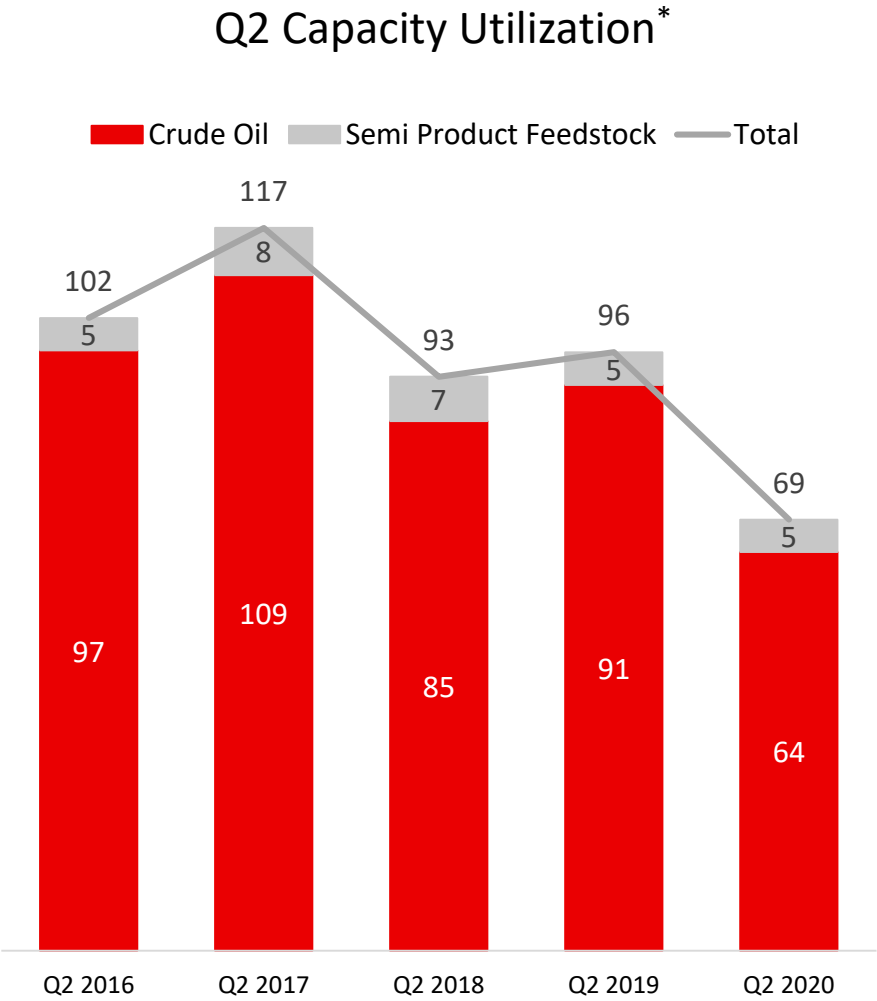
Tüpraş and Med Margins (\$/bbl)

Average Margins



(\$/bbl)	Gross Margin	Inventory Effect	Clean Gross Margin	Clean NET Margin	Net Margin	Med Margin
2020 Q2	6.3	-1.3	7.5	2.2	0.9	-0.6
2020 H1	6.7	-2.1	8.8	3.1	1.1	0.6
2019 Q2	8.1	0.4	7.7	2.5	2.8	1.7
2019 H1	8.9	0.7	8.3	2.8	3.5	2.7

Capacity Utilization (%)

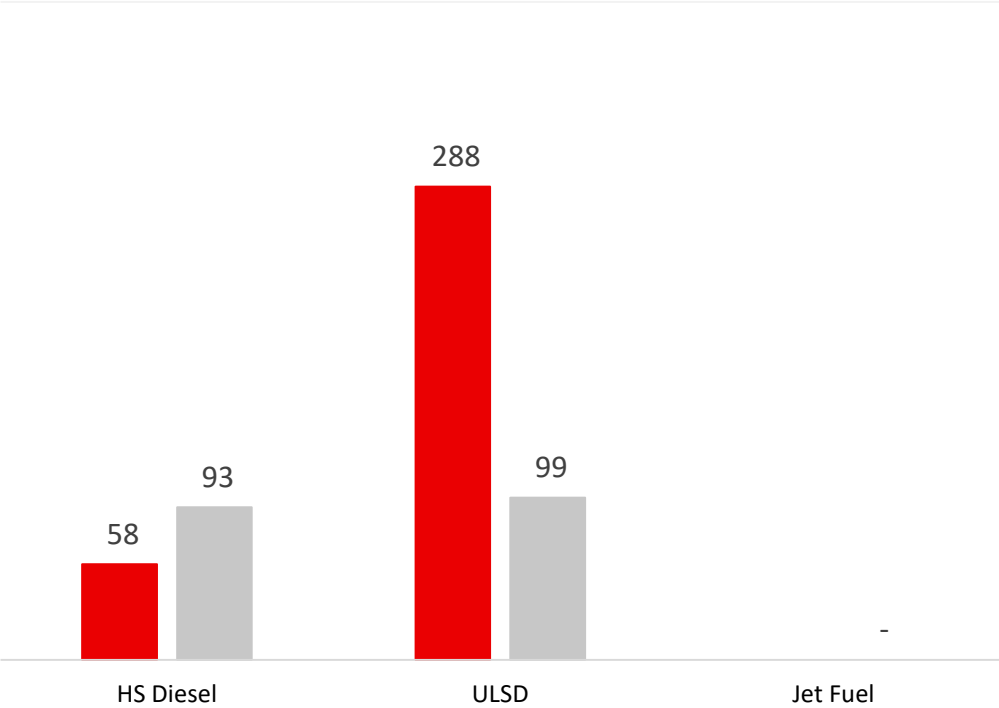


*Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards. Nameplate capacity calculated by standard 330 days of operations.

Finished Product and Semi Product Imports (Thousand Tons)

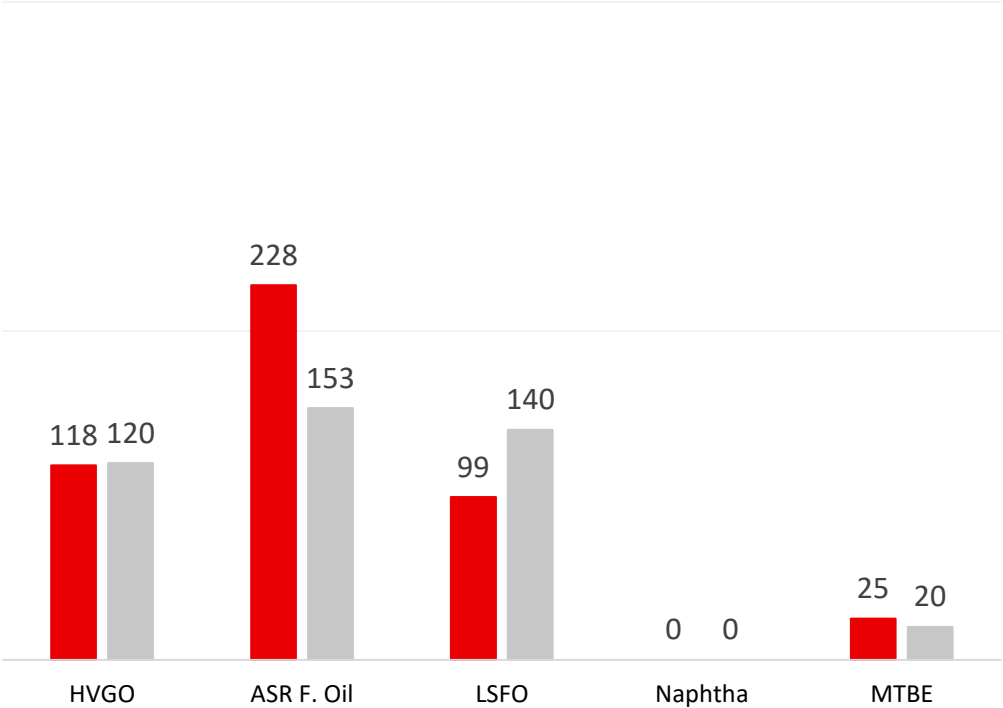
Product Imports

■ Q2 2020 ■ Q2 2019



Intermediate Imports

■ Q2 2020 ■ Q2 2019





www.tupras.com.tr