



Q3 2020 Earnings Presentation

Disclaimer

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Q3 2020 in Summary



Mid distillate cracks were under pressure in Q3 due to weak demand and elevated stocks. This weakness took its toll on our operational profitability.



Heavy crude differentials also narrowed to historically lows and even turned to premium following the OPEC+ agreement in May.

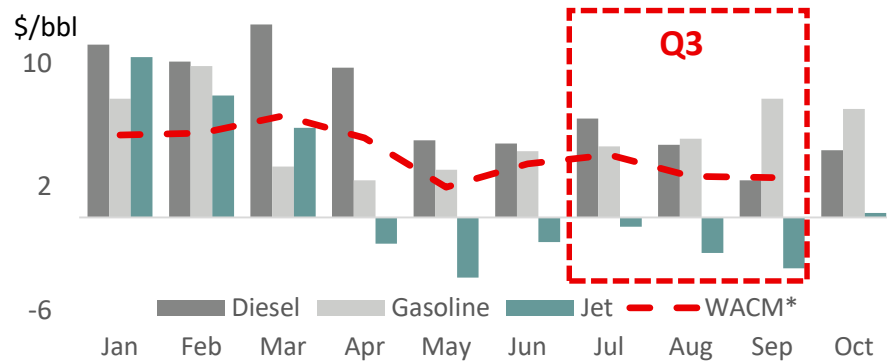


Majority of the inventory loss was recovered in Q3 with the help of improving Brent price.



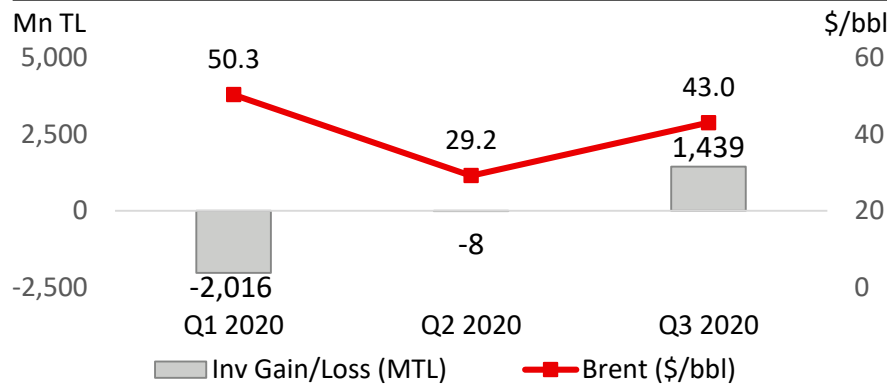
Accelerated depreciation in TL created FX losses below EBITDA. This is partly recovered in the top line and will partly slip to the following period(s).

Q3 2020 Tüpraş Highlights



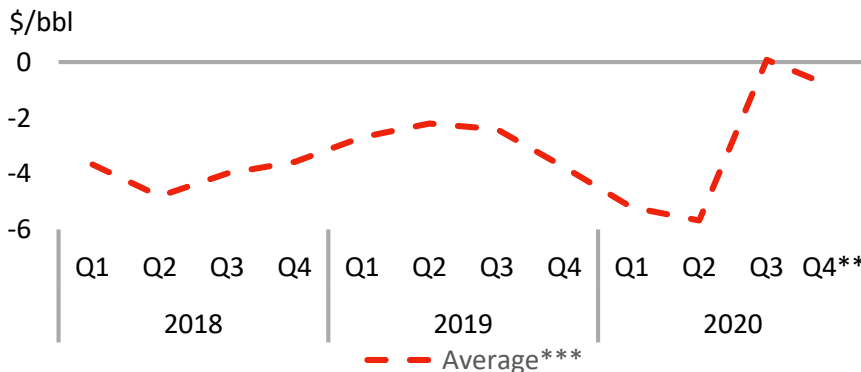
Mid-distillate cracks started Q4 with an uptick after a historically weak Q3

- Jet fuel cracks reached positive territory for the first time since April.
- Recovering jet fuel usage supports diesel cracks as well
- Gasoline remains strong with ongoing private transportation demand



Recovered a substantial portion of Q1's inventory loss in Q3

- With the help of ongoing recovery in Brent price we have restored an extensive portion of the substantial inventory loss of H1.
- Due to slippage some portion of the gains will be realized in Q4.



Sharp tightening in differentials led to sizeable loss in NRM

- OPEC+ agreement caused a sizeable narrowing in differentials in Q3.
- Initial pricing quotations for Q4 imply slight widening q-o-q.



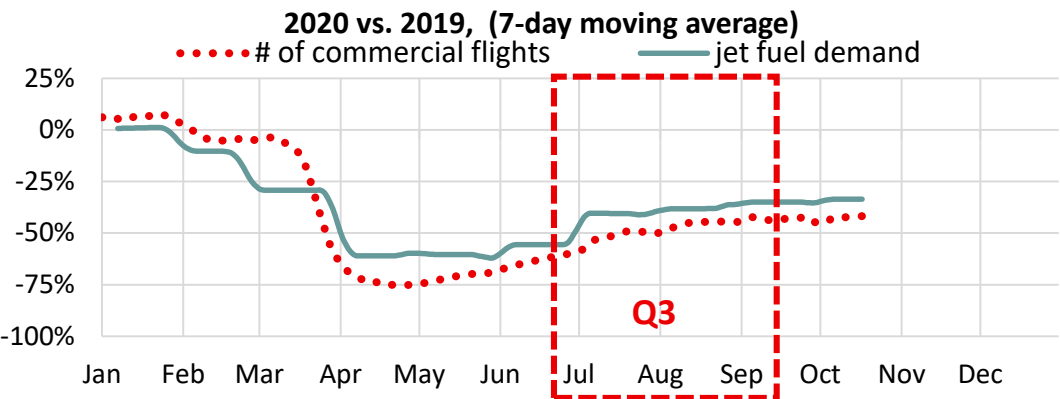
Market

Q3 2020 – Key Market Highlights

Global Oil Market

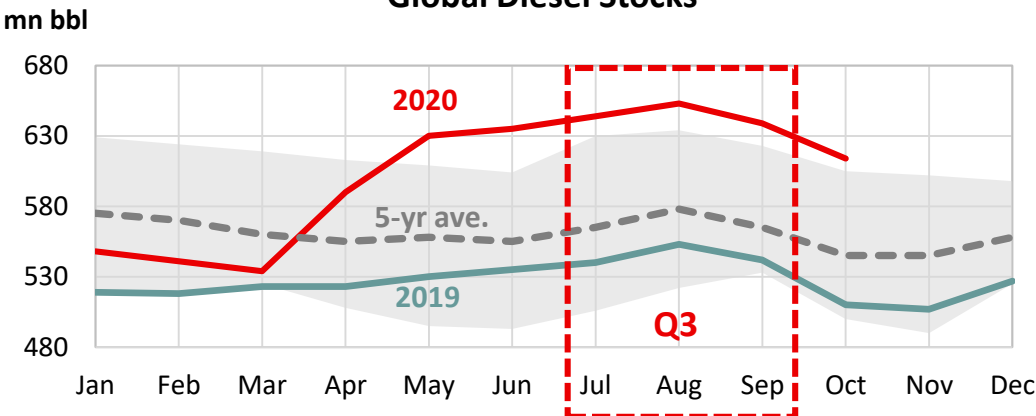
Flights still well below 2019 levels, creating pressure on jet fuel cracks

Change in Jet Fuel Demand and Number of Global Commercial Flights, 2020 vs. 2019, (7-day moving average)



Elevated global stock levels have been weighing on distillate cracks in Q3

Global Diesel Stocks



Turkish Market

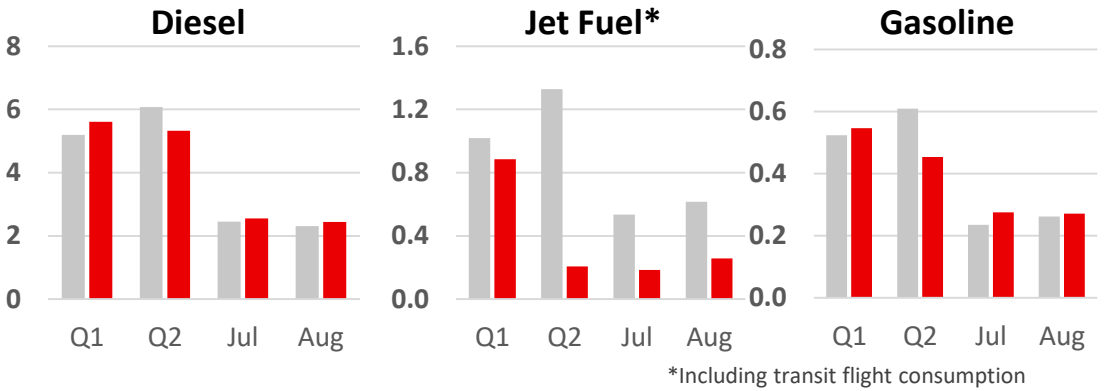
TL depreciation accelerated in Q3 2020

TL/USD



Turkey's diesel demand was resilient whereas jet fuel consumption has been following a modest recovery

Domestic Product Demand 8M 2020 vs 8M 2019

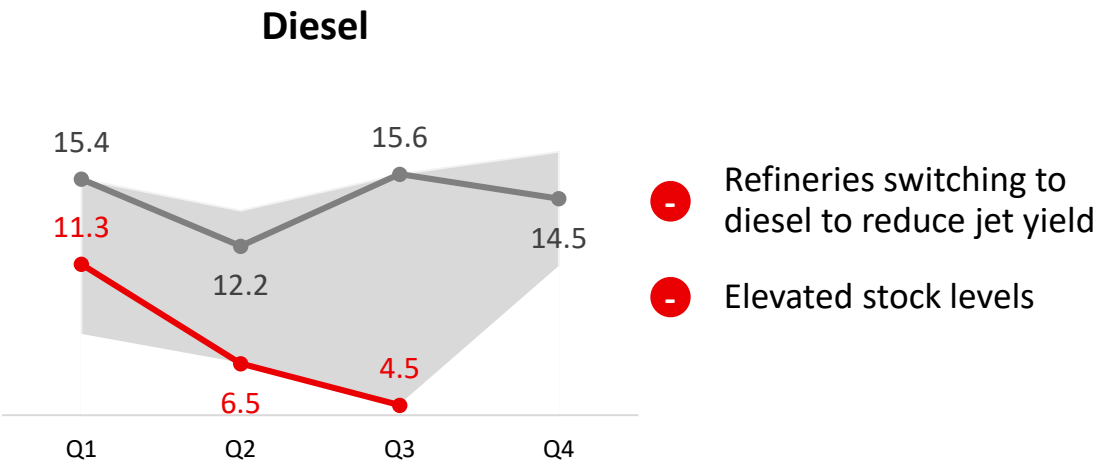


Quarterly Crack Margin Comparison (\$/bbl) 2016 - 2020

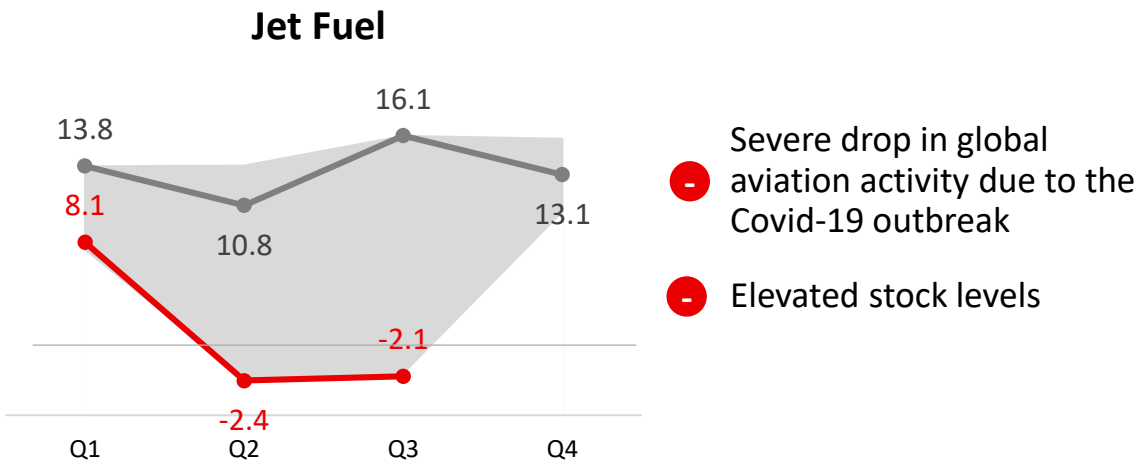
Diesel and jet cracks weakened with elevated stock levels and fragile demand. Seasonality and higher personal transportation supported gasoline while HSFO crack margins remained strong with limited supply.

—●— 2020 —●— 2019 2016-2020 Min - Max

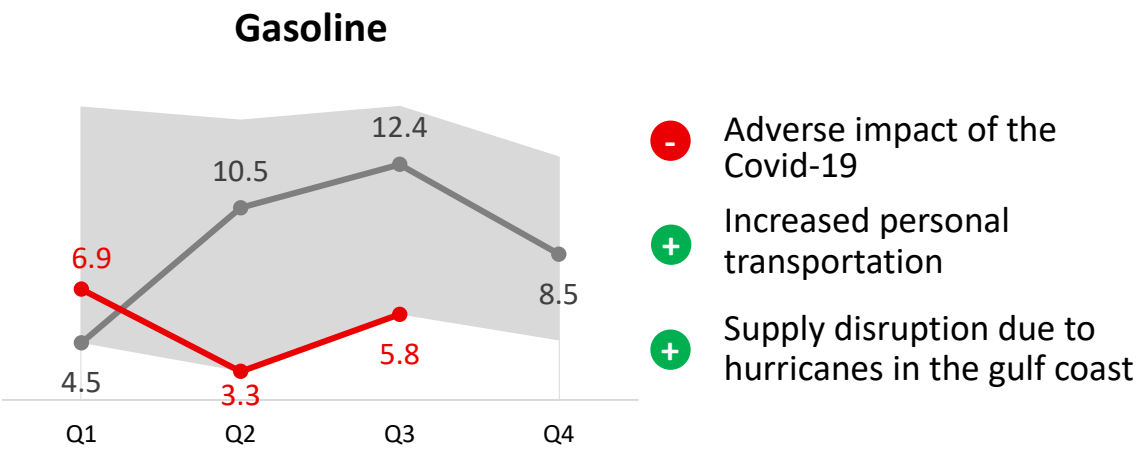
Diesel



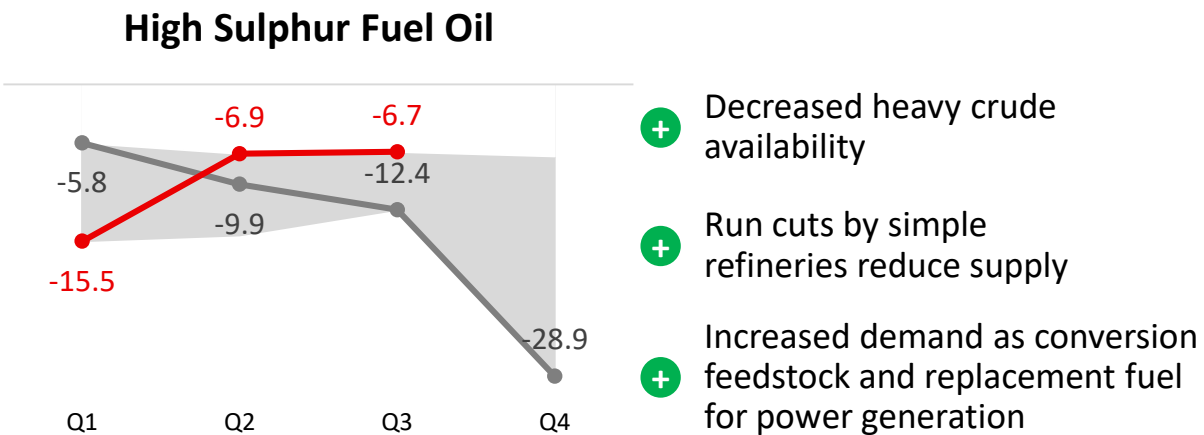
Jet Fuel



Gasoline

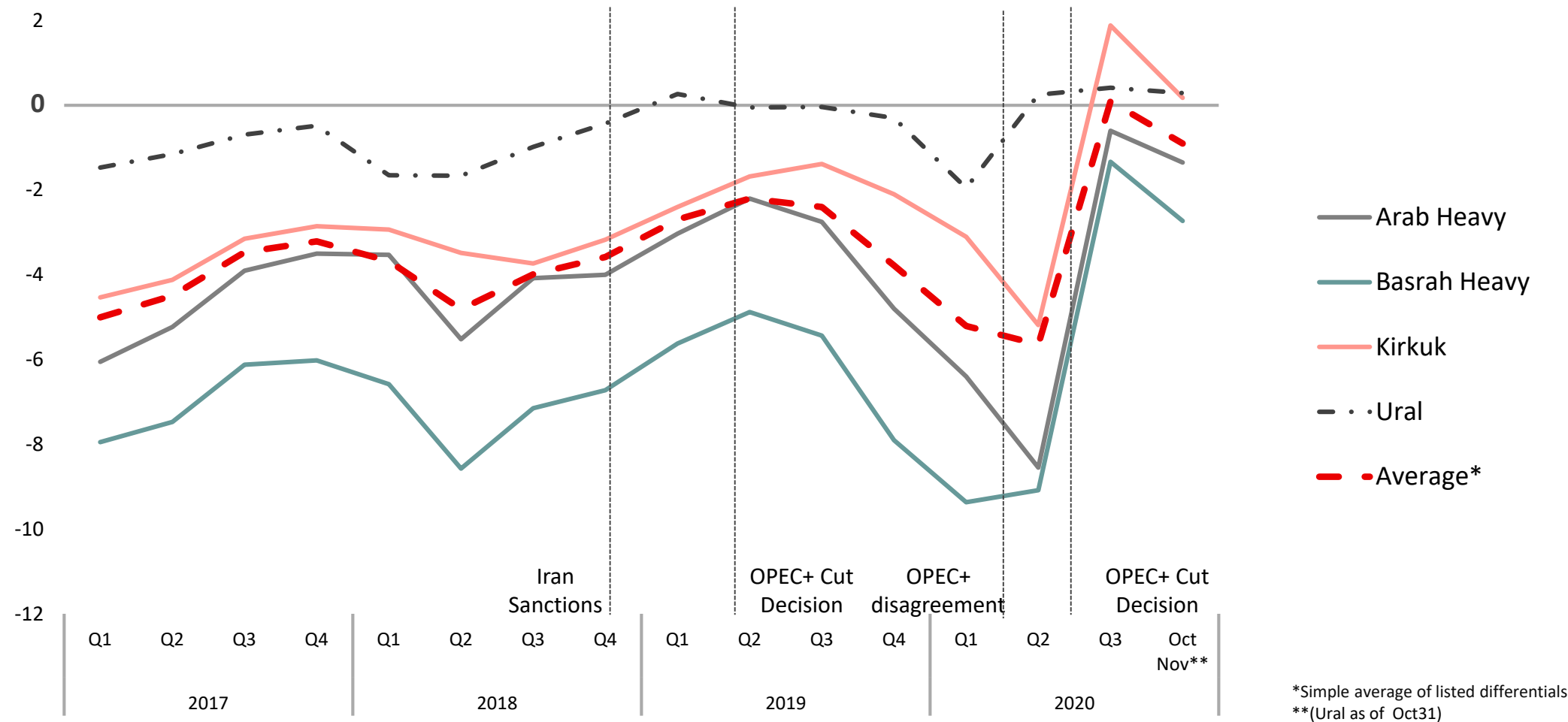


High Sulphur Fuel Oil



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

OPEC+ agreement on supply cuts in May and extension of initial cut target to the end of July led to sizeable narrowing in differentials in Q3.



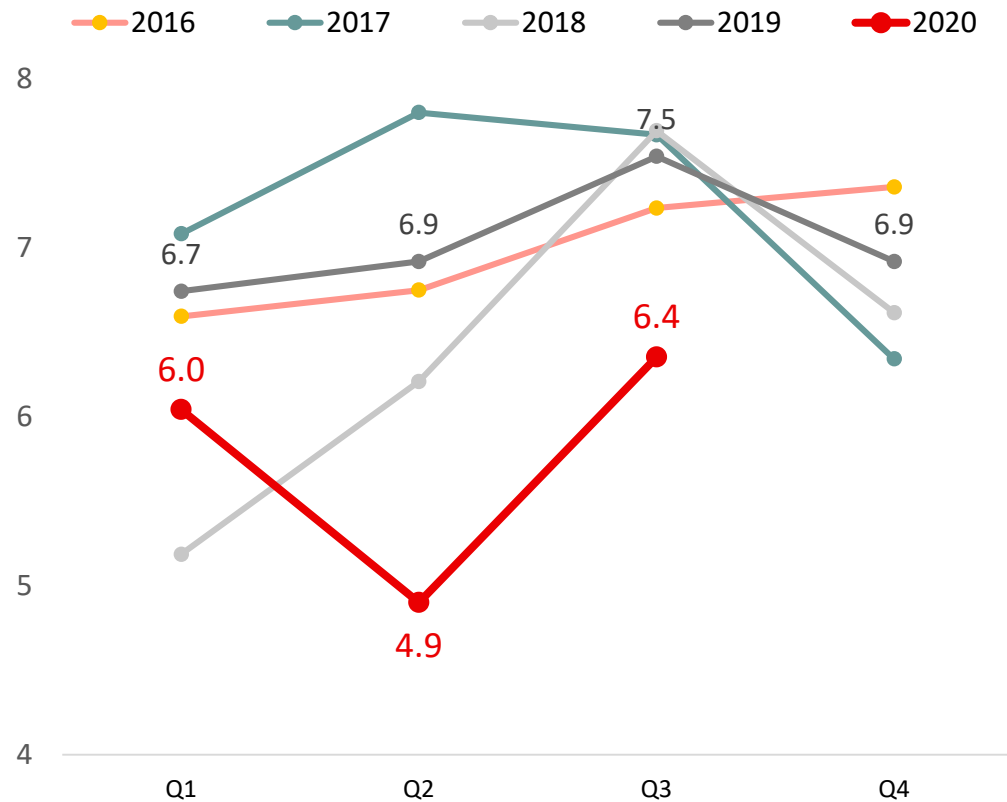


Operations

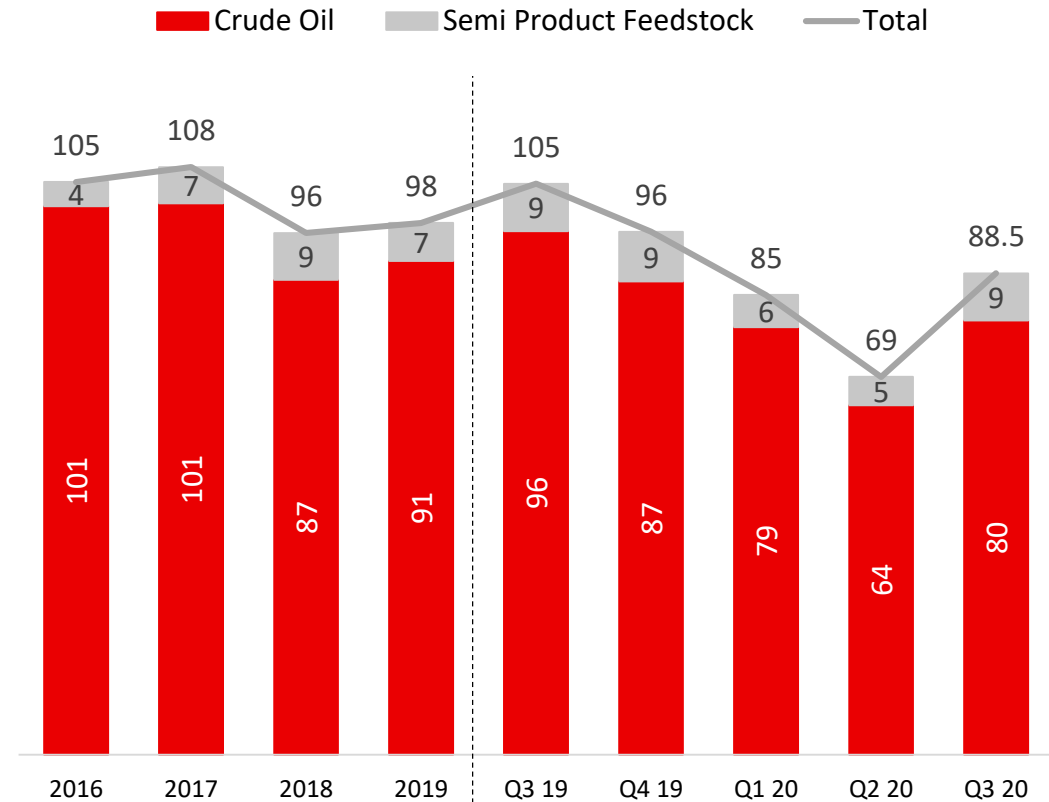
Capacity Utilization and Quarterly Production Volume

- Tüpraş produced 6.4 million tons in Q3 2020.
- Capacity utilization for Q3 2020 was 89% - supported by post-lockdown recovery as well as seasonality.

Quarterly Production (Million Tons)



Capacity Utilization (%)

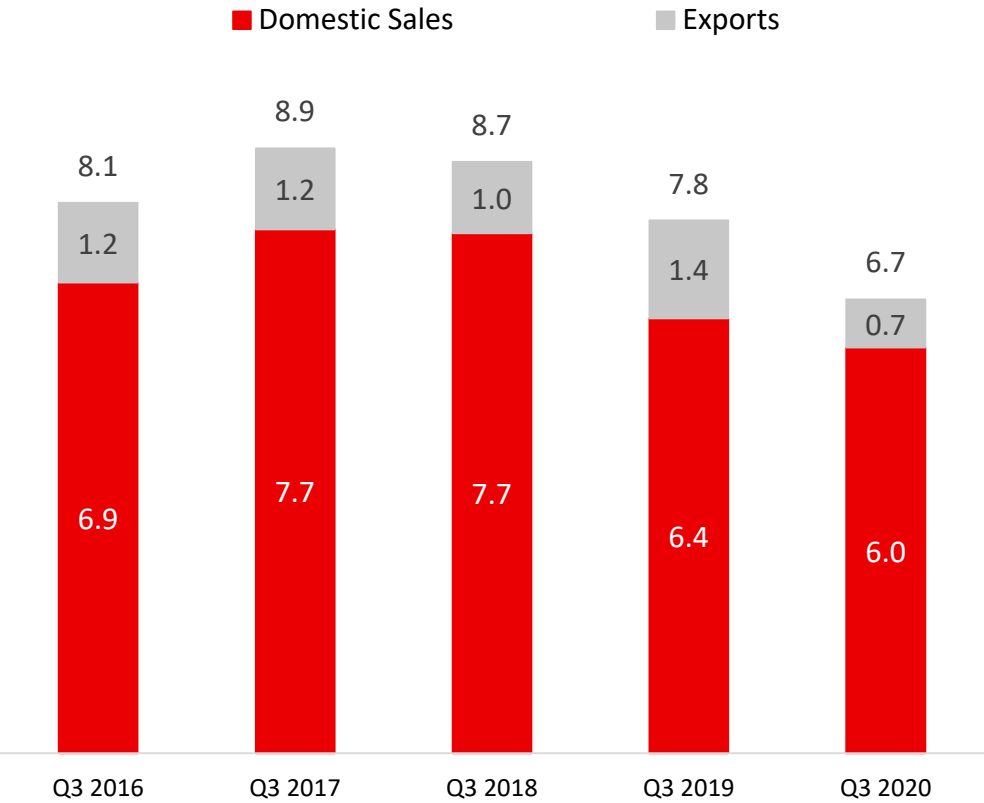


*Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards.

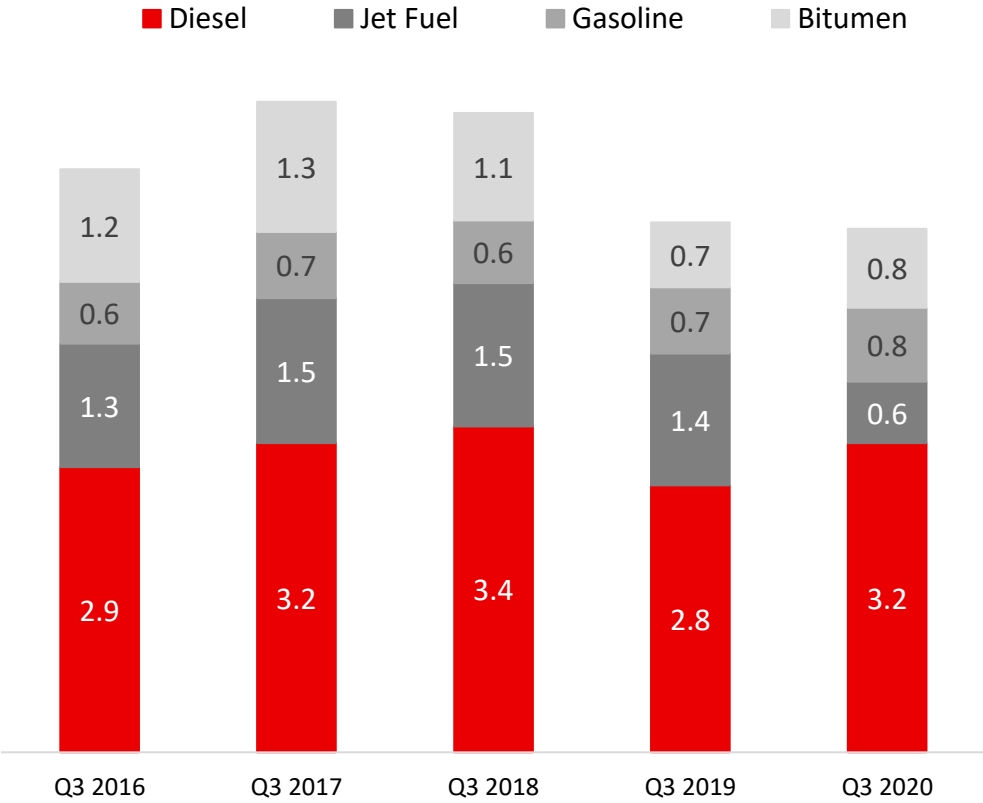
Sales in Q3 (Million Tons)

Tüpraş generated 6.7 million tons of sales in Q3 2020. Y-o-y decline in domestic jet fuel sales off-set by diesel, gasoline and bitumen.

Total Sales



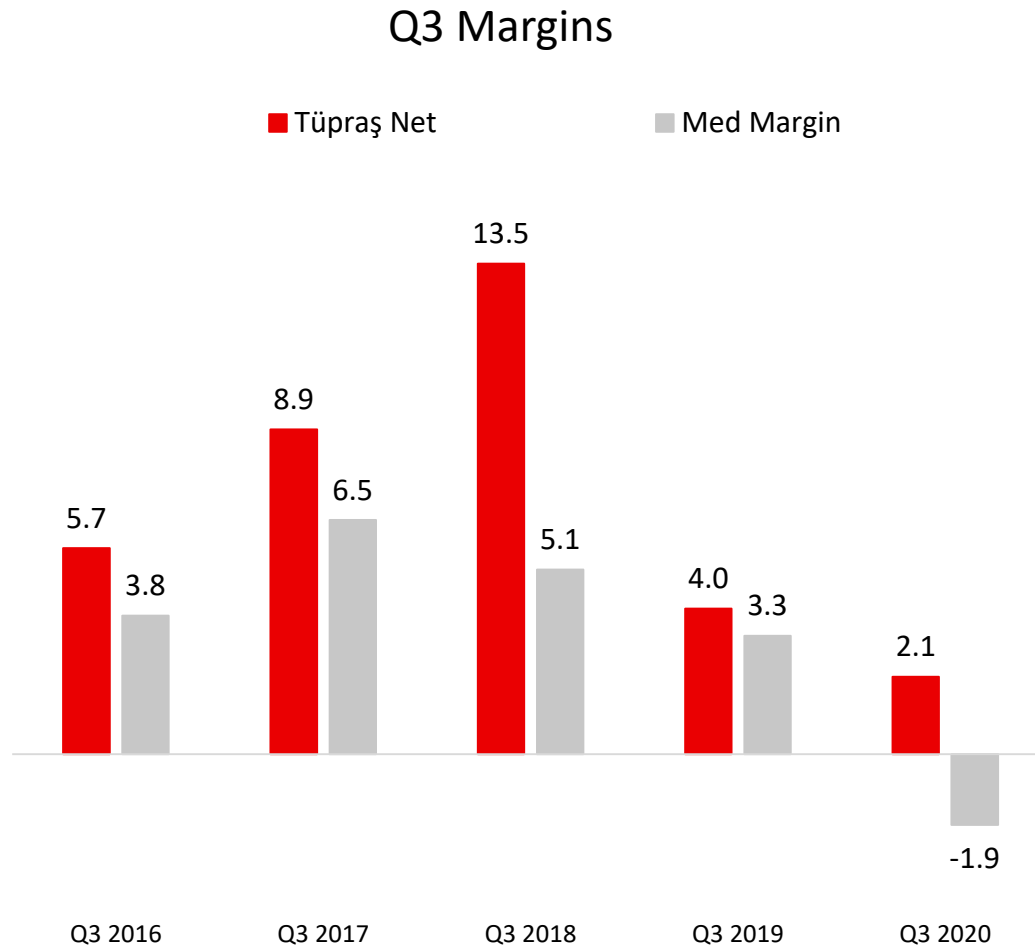
Domestic Sales of Selected Products





Financials

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



- Tüpraş net refining margin declined compared to Q3 2019 mainly because of weaker crack margins, narrower differentials and lower production.
- Tüpraş Net Margin outperformed Med Margin mainly due to the positive inventory impact being excluded in Med Margin calculation.

Effect of hedging operations excluded from above calculations.

Income Statement (Million TL)

EBITDA realized as 977 mn TL in Q3 2020.

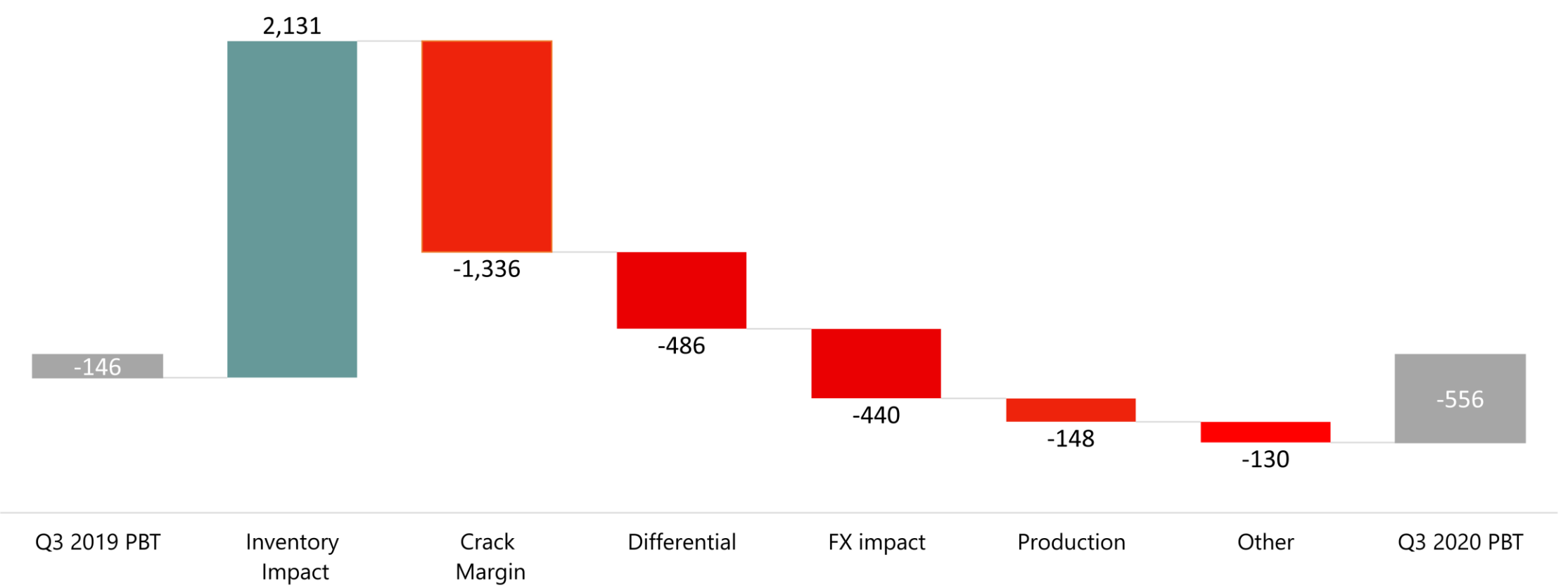
Million TL	Q3 2020	Q3 2019	%	9M 2020	9M 2019	%
Net Sales	17,035	23,309	-27%	43,254	67,970	-36%
COGS	-15,845	-22,152	28%	-42,083	-64,150	34%
Gross Profit	1,190	1,157	3%	1,171	3,820	-69%
Operating Expenses	-500	-451	-11%	-1,477	-1,244	-19%
Income/Loss from other operations	-492	-98	-400%	-933	-407	-129%
Operating Profit	199	608	-67%	-1,239	2,169	-157%
Income/Loss from equity investment	78	63	25%	-147	172	-186%
Operating Profit Before Fin. Income/Loss	277	671	-59%	-1,386	2,341	-159%
Financial Income/Expense	-833	-817	-2%	-2,297	-2,214	-4%
Profit Before Tax	-556	-146	-280%	-3,683	127	-2995%
Net Profit (excluding minority interest)	-420	-155	-170%	-2,870	340	-945%
EBITDA*	977	956	2%	163	3,301	-95%
Inventory Gain/Loss	1,439	-692	-308%	-585	283	-306%
EBITDA* CCS	-463	1,648	-128%	747	3,018	-75%

*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.

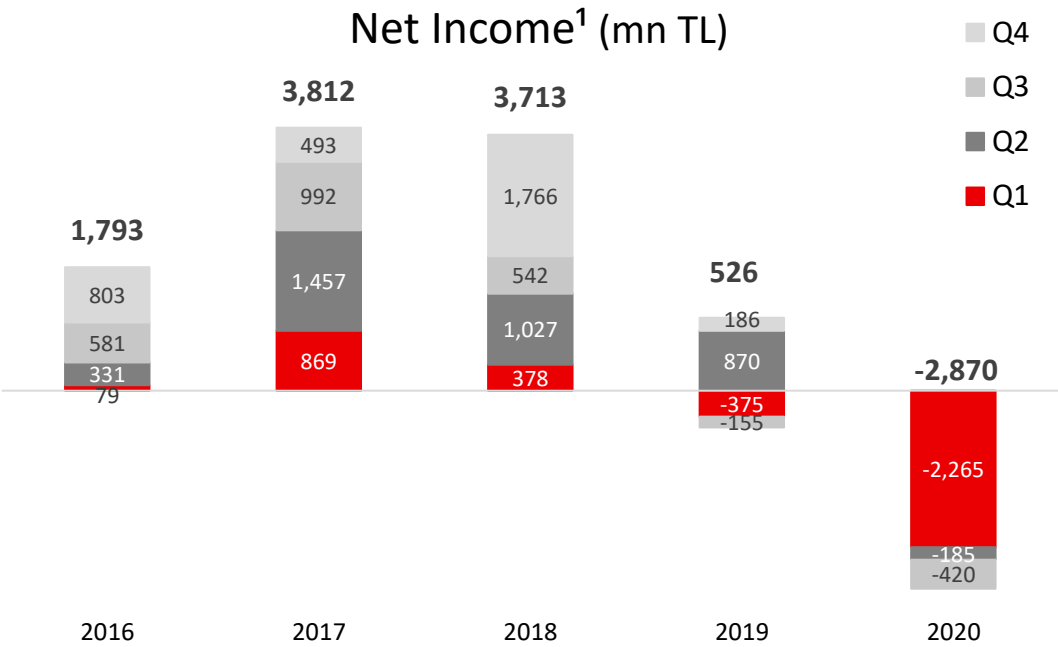
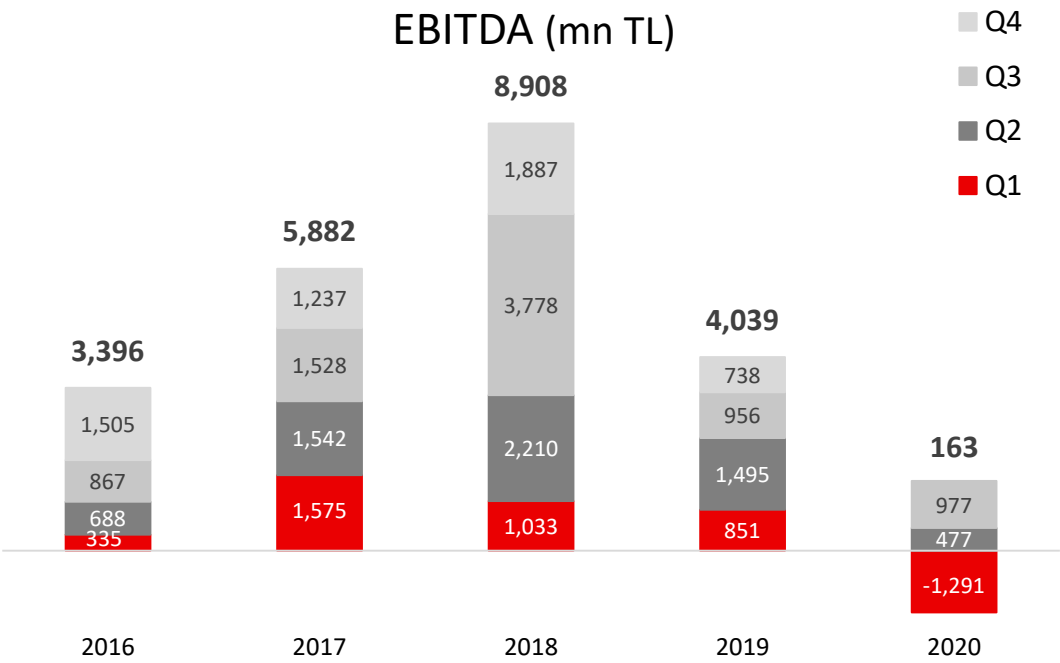
Q3 Profit Before Tax Bridge (2019-2020)

Inventory gain was off set by weaker crack margins and narrower differentials as well as higher fx loss leading to decline in PBT compared to Q3 2019.

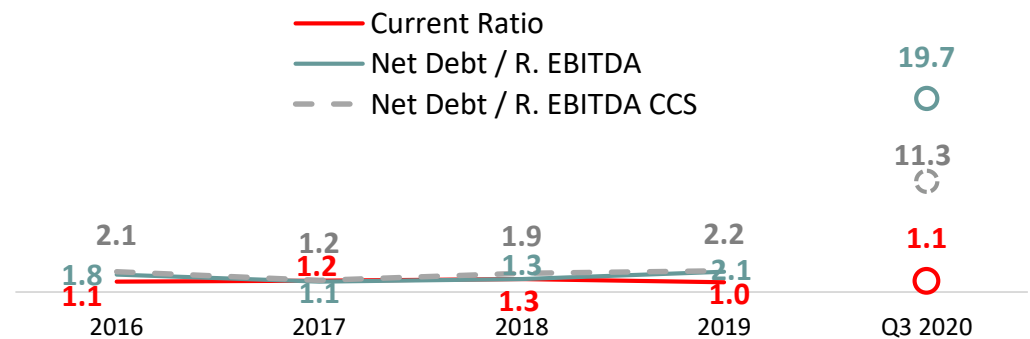
Million TL



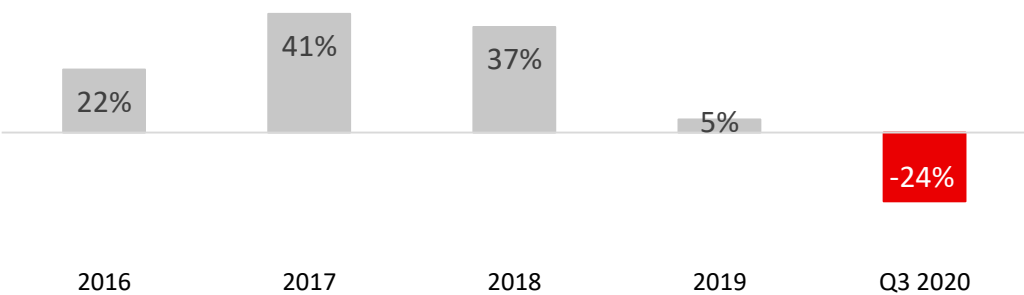
Financial Highlights



Current Ratio & Net Debt / R. EBITDA

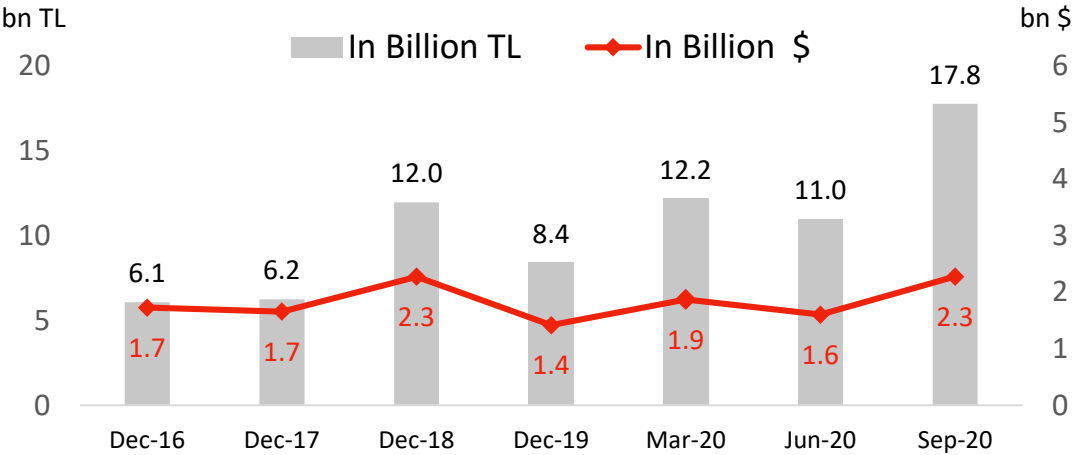


Return on Average Equity²

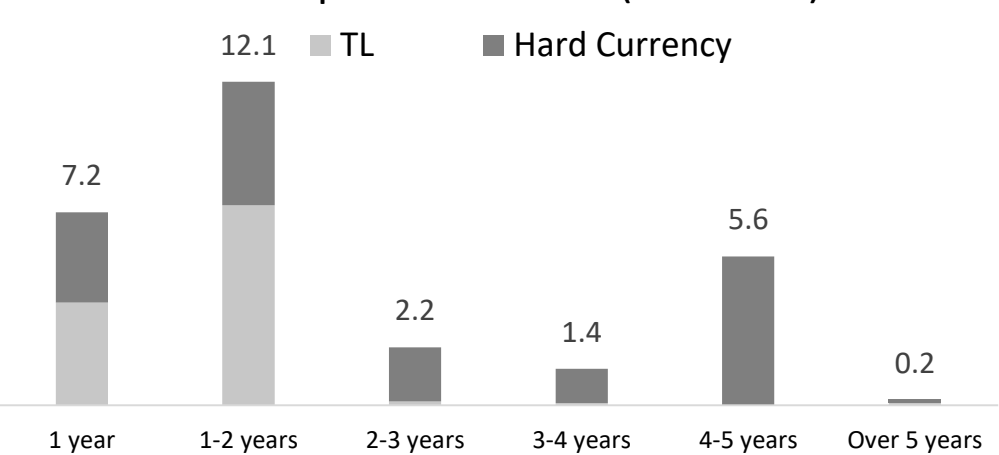


Balance Sheet Analysis

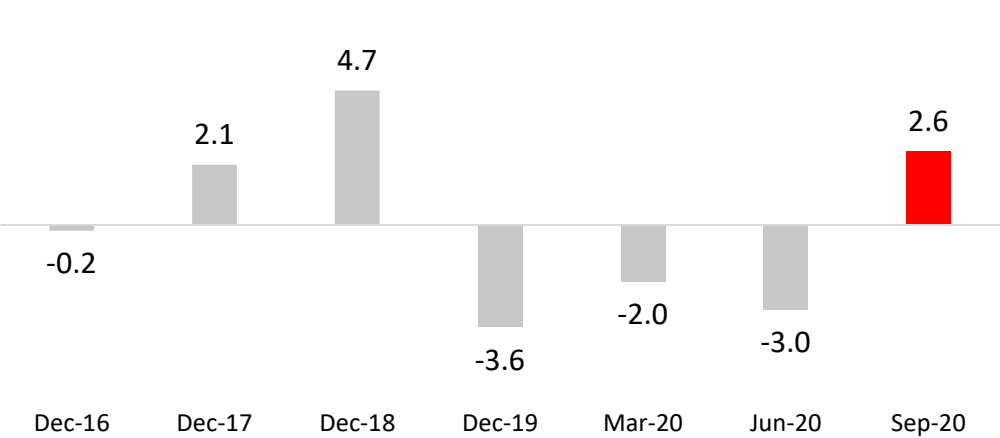
Net Debt



Redemption Schedule (Billion TL)



Working Capital Requirement (Billion TL)

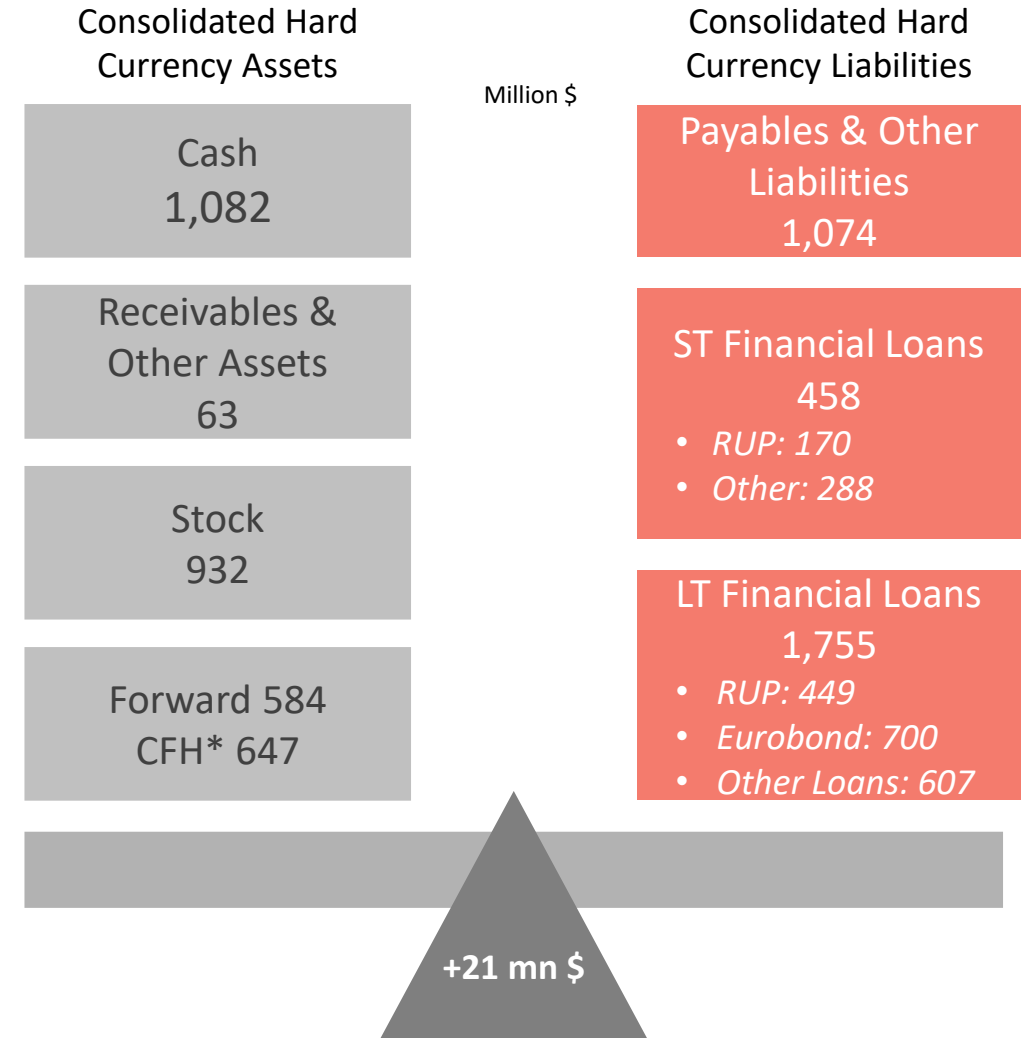


Proactive Financial Management

- Utilized ample liquidity in the market to increase the share of TL in our borrowing and extended maturities.
- Lower rates achieved in new loans, re-negotiated some of the existing loans with better rates.

FX Exposure Management (30 September 2020)

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

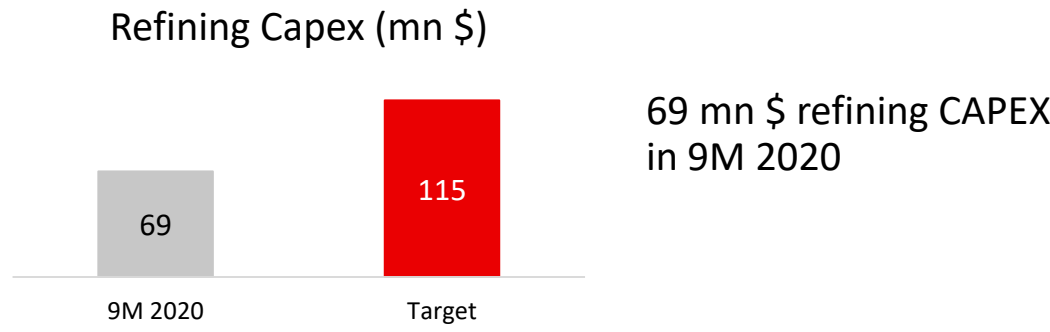
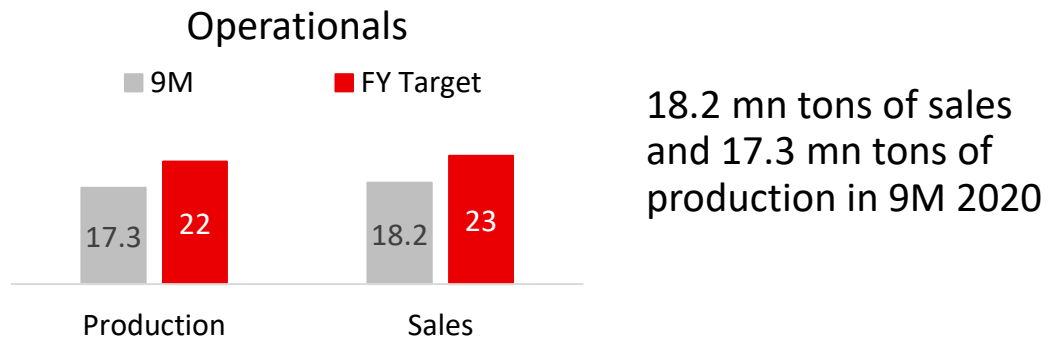
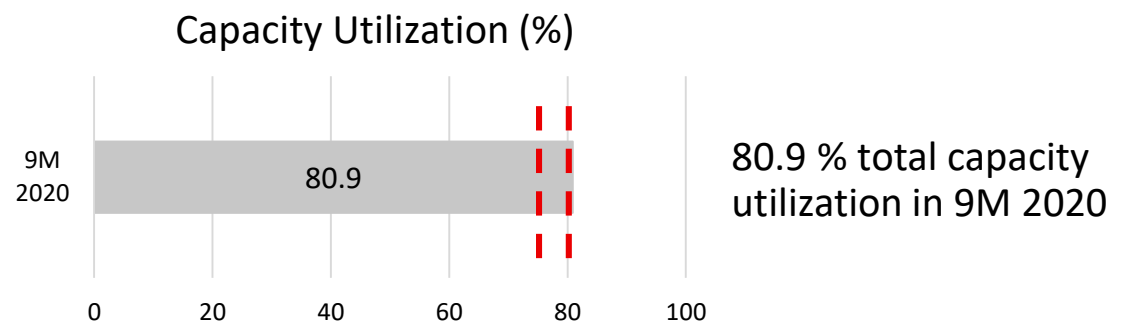
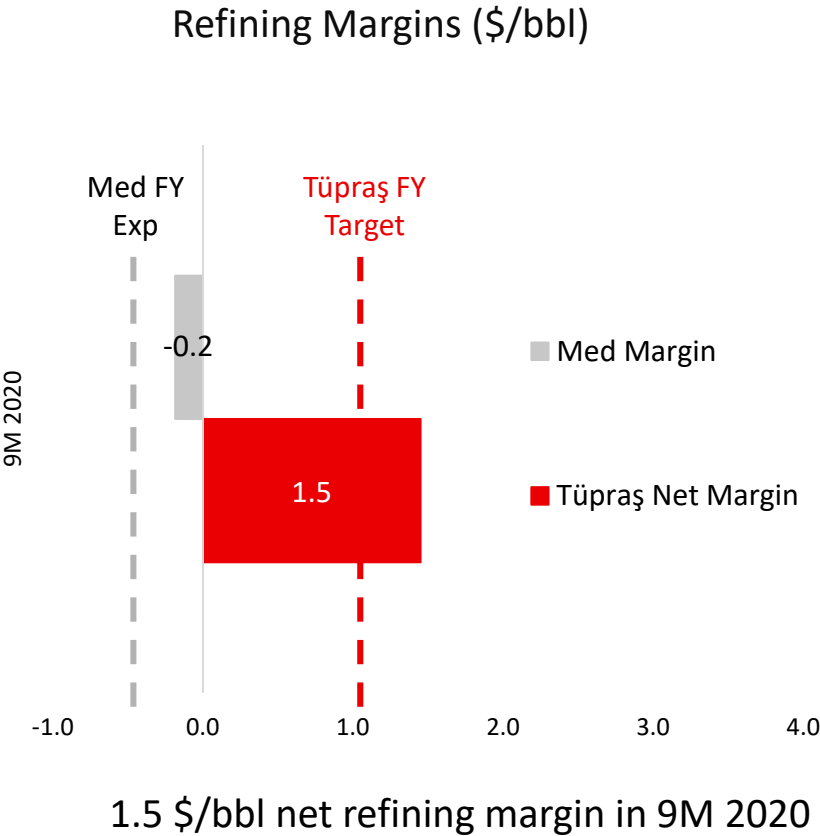


*Cash Flow Hedge



Outlook for 2020

9M 2020 Results



2020 Refinery Maintenance Schedule

Refinery	Unit	Quarter	Duration (weeks)	Status
Batman	Plt 100/1100 Crude Oil & Vacuum	Q1	10-12	Completed
		2019 Q4-2021 Q1	8	Planned
İzmir	U-100 Crude	Q1	9*	Completed
	U-9200 CCR	Q1	3	Completed
	U-4000 FCC	Q4	6	Planned
	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
	Plt- 5 Crude & Vakum	Q4	2	Planned
	Plt-47 Hydrocracker	Q4	2	Planned
	Plt-147 Hydrocracker	Q4	4-5	Completed
Kırıkkale				

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

2020 Expectations(*)

Med Complex Refining Margin ~-0.5 \$/bbl

- Weak outlook for mid-distillate cracks
- Ural-Brent differential slightly wider compared to 2019

Tüpraş Net Refining Margin ~1.0 \$/bbl

- Weak performing mid-distillate cracks
- Strong HSFO and relatively resilient gasoline cracks
- **~22 mt production, ~23mt sales and 75 - 80% capacity utilization**

Refining Capex ~115 million \$

- Process improvement projects

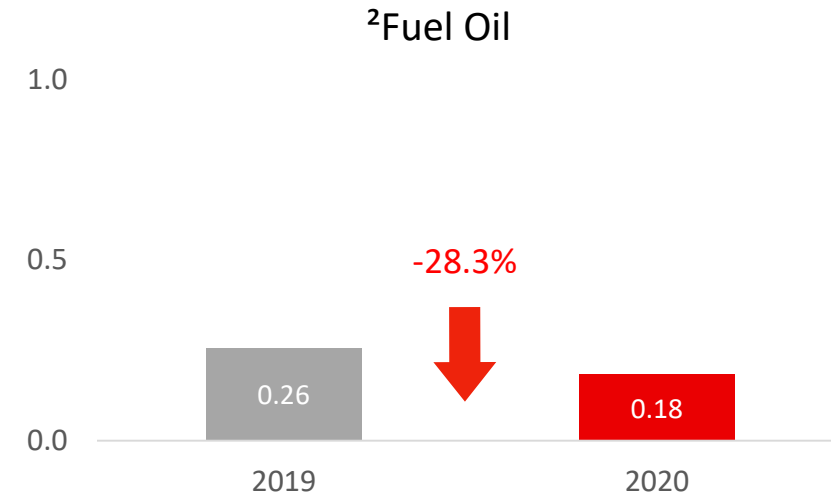
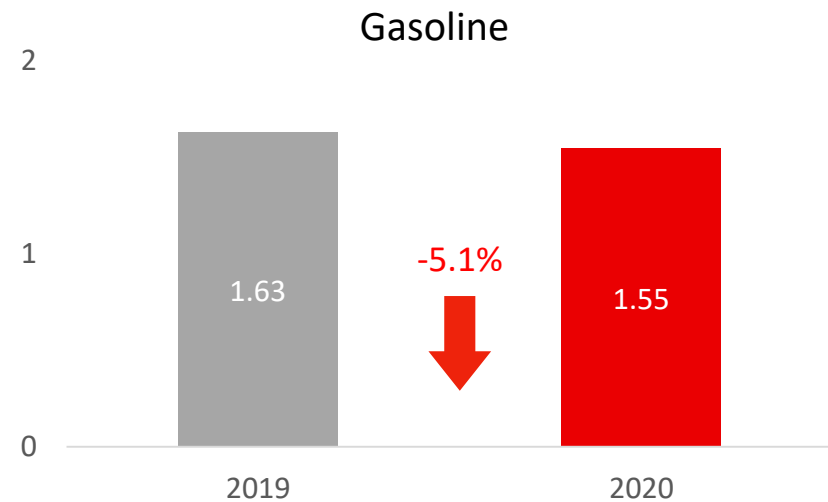
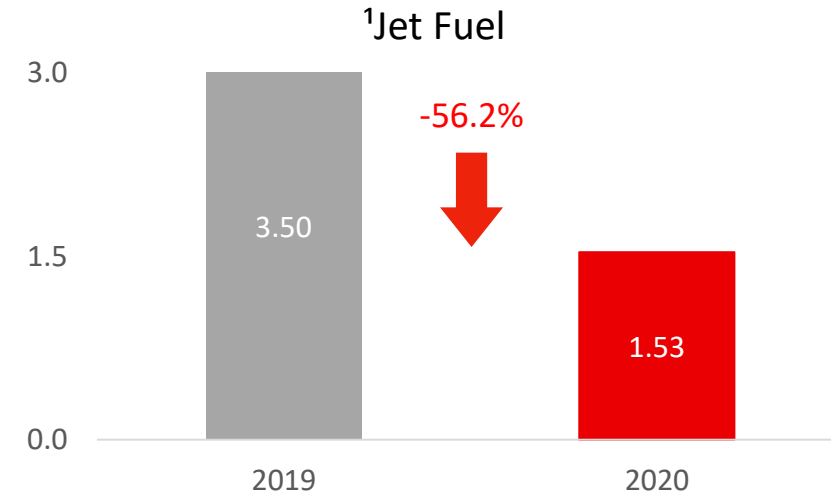
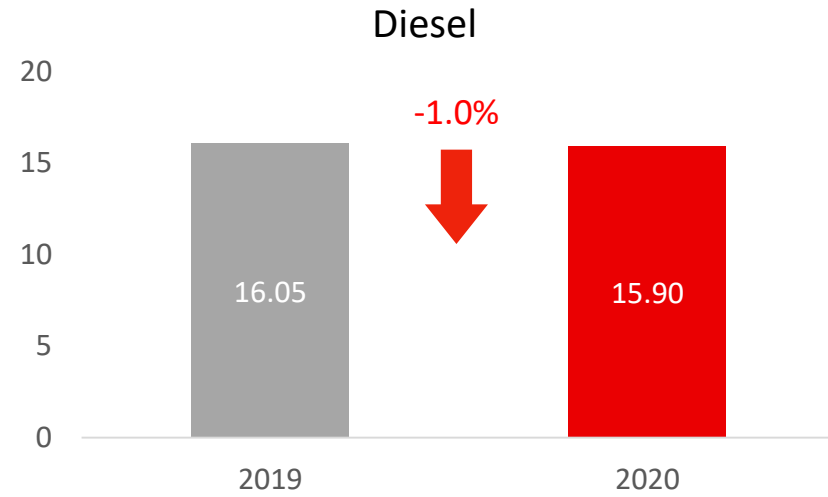
*Due to the ongoing negative impact of the Covid-19 outbreak on petroleum products demand globally and significant deterioration in crack margins due to the elevated global product inventories, our 2020 expectations were revised.



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Appendix

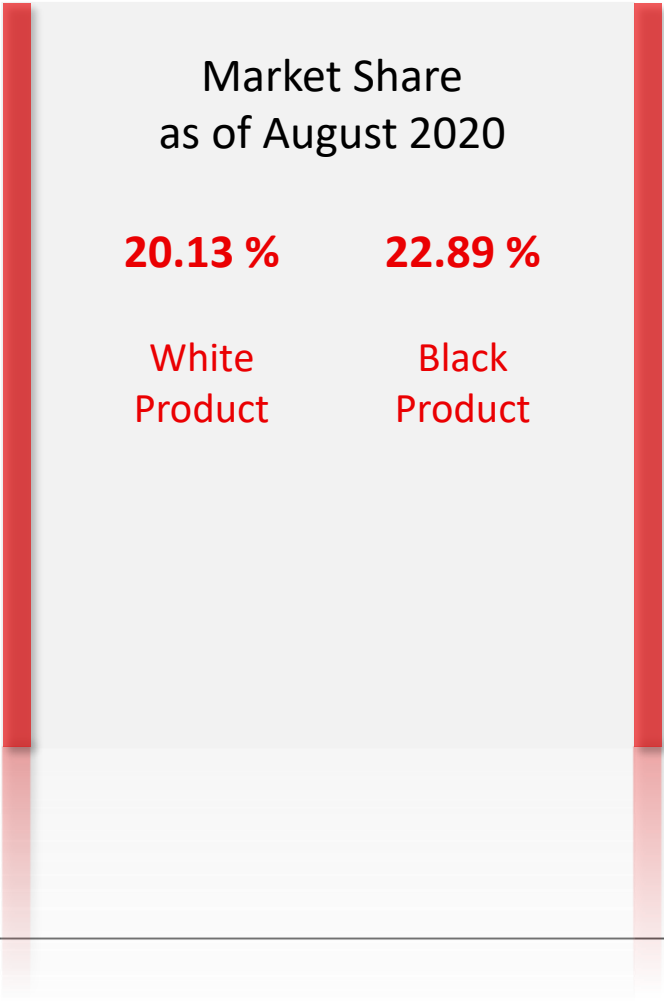
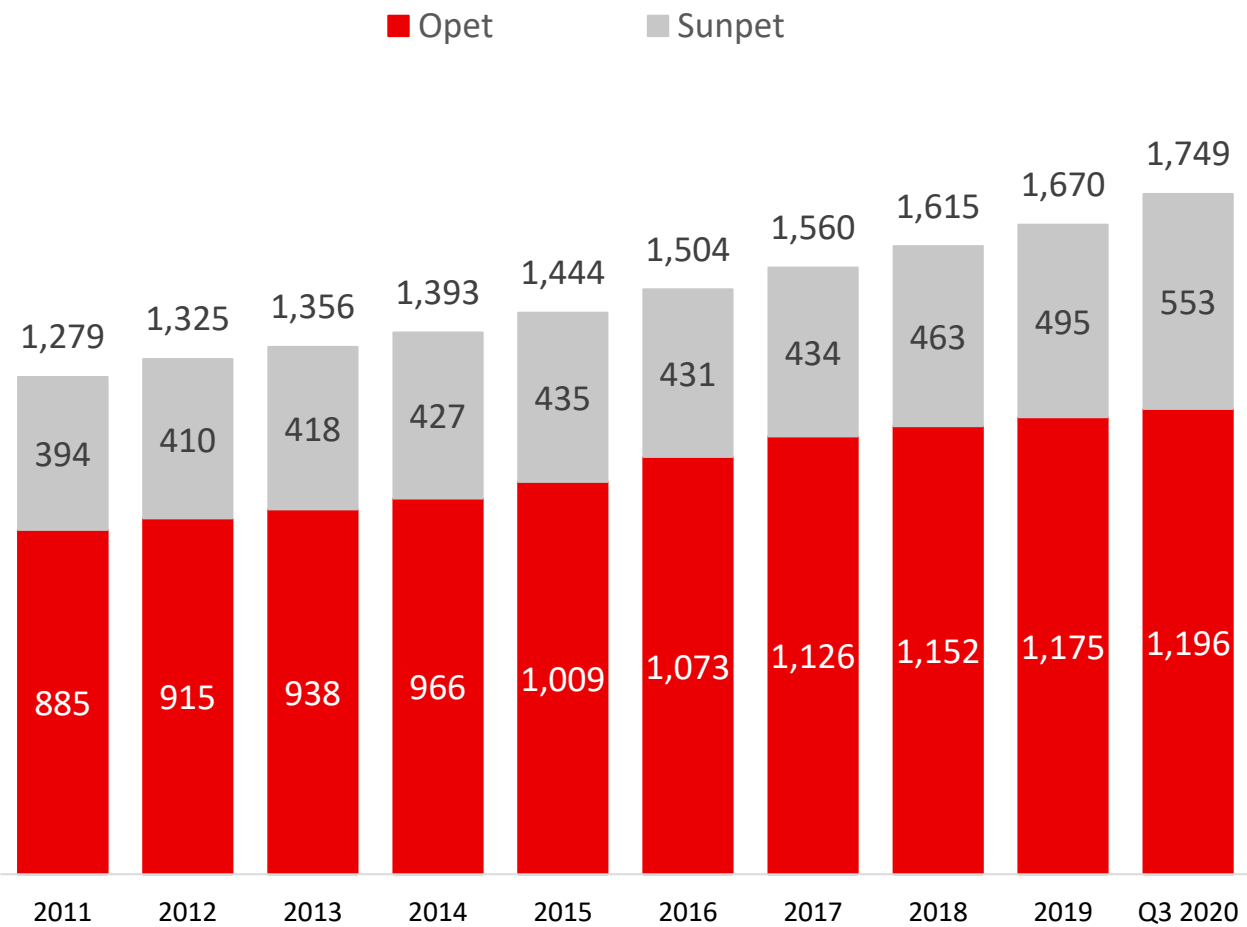
Turkish Market, Jan-Aug 2019/20 (Million Tons)



¹Transit flight consumption included

²Bunker excluded

Opet has 1,749 fuel stations as of September 2020.



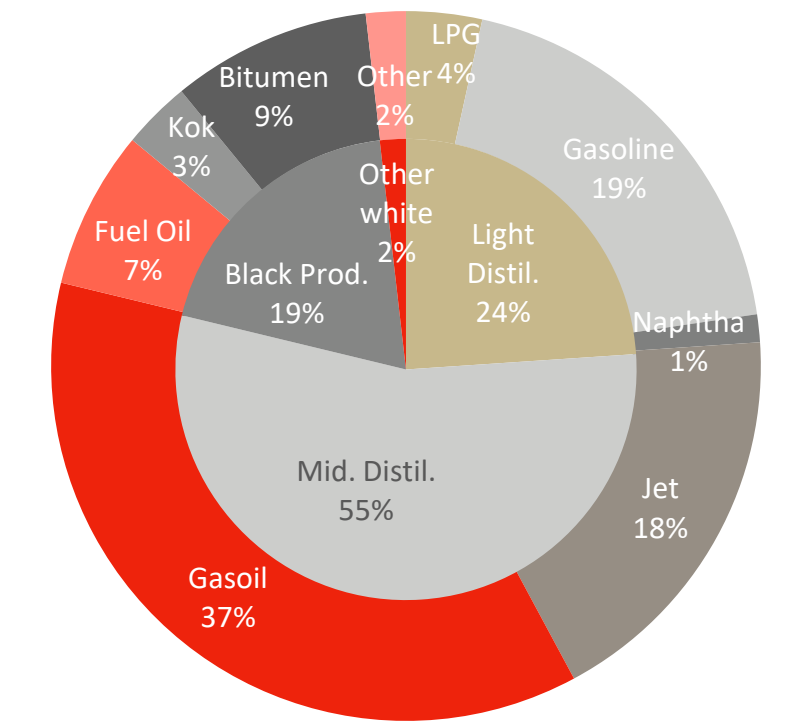
Crack Margin Effect on Tüpraş in Q3 (FOB Italy Prices)

Product	Product Price (\$/ton)		Tüpraş 2020 Q3 Production Yields	Crack Margin (\$/bbl)	
	2020 Q3	2019 Q3		2020 Q3	2019 Q3
LPG	316	312	4.8%	-14.8	-34.2
Gasoline	396	604	21.7%	5.8	12.4
Naphtha	359	459	1.3%	-2.4	-10.2
Jet Fuel	322	613	10.3%	-2.1	16.1
Diesel	353	577	41.4%	4.5	15.6
Diesel 1000	346	570	2.0%	3.4	14.6
Fuel Oil 1%	268	384	0.2%	-1.7	-2.7
Fuel Oil 3.5%	235	321	0.4%	-6.7	-12.4
Others	280	290	12.6%	5.2	-13.5
Dated Brent (\$/bbl)	43.0	61.9	94.7%		

Total Crack Margin (\$/bbl)			Total Processed 2020 Q3 (mn bbl)	Total Effect (mn \$)	Total Effect (mn TL)
2020 Q3	2019 Q3	Difference			
2.9	6.7	-3.8	48.1	-185	-1,336

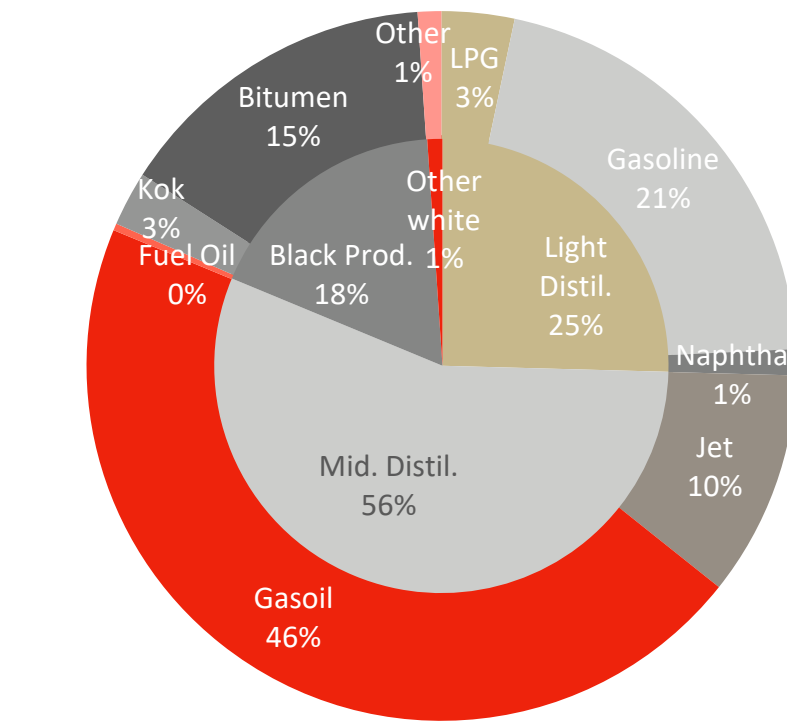
Q3 Product Yields

2019 Q3



White Product Yield (%)	79.5%
Production	7.5 mn tons
API	31.5

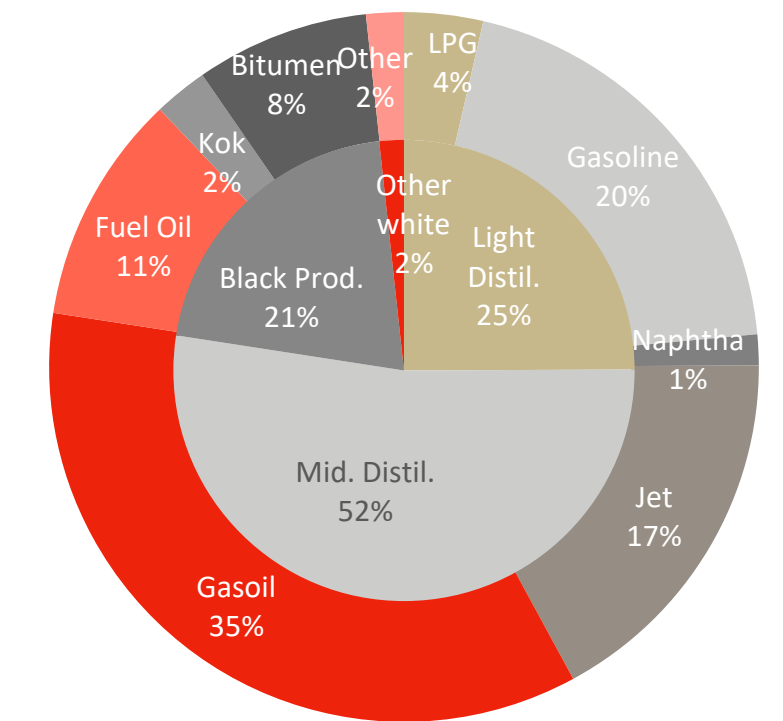
2020 Q3



White Product Yield (%)	81.2%
Production	6.4 mn tons
API	31.6

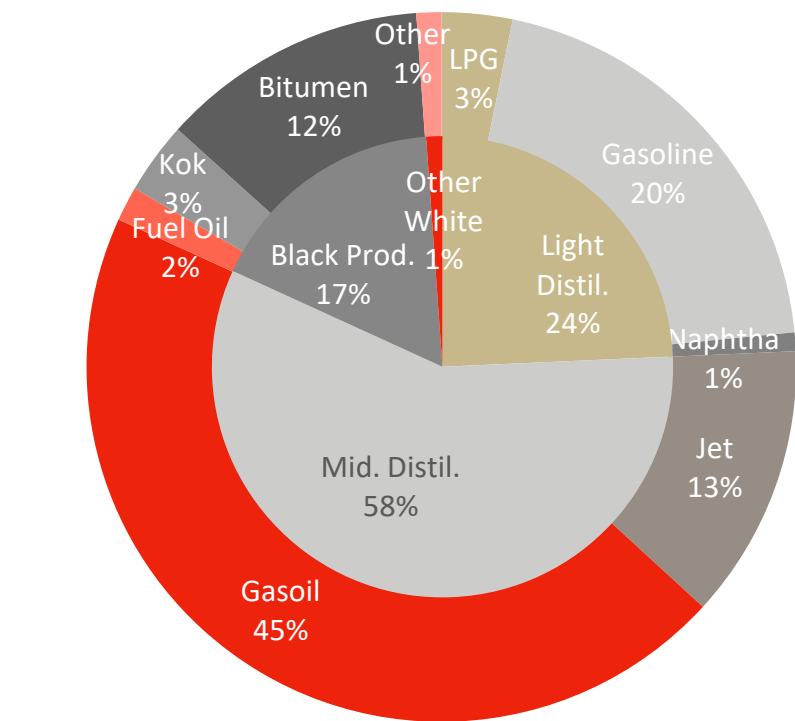
9M Product Yields

2019 9M



White Product Yield (%)	78.1%
Production	21.2 mn tons
API	32.1

2020 9M



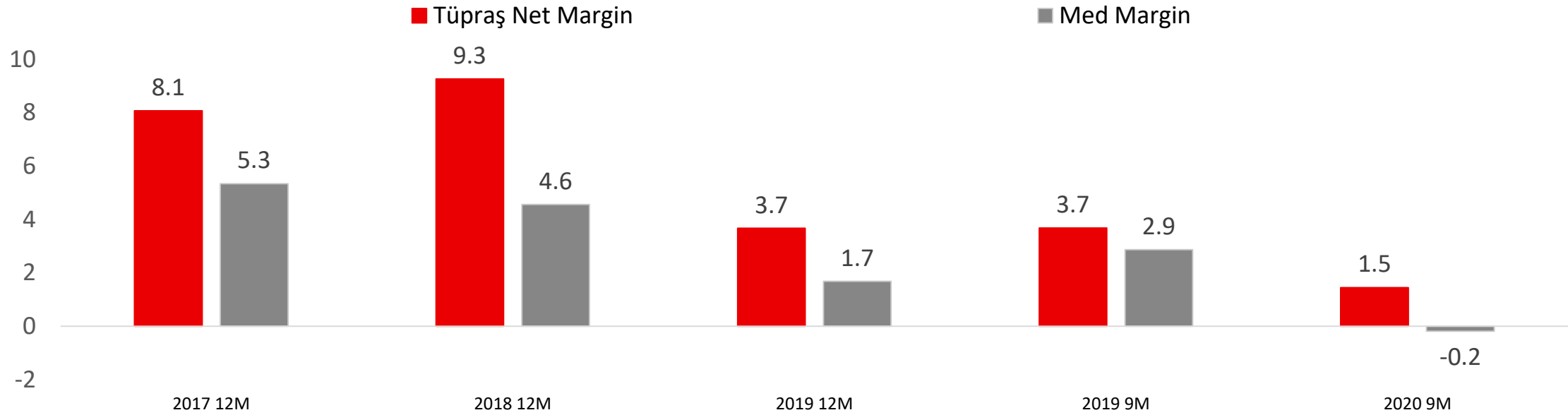
White Product Yield (%)	81.7%
Production	17.3 mn tons
API	31.4

Tüpraş Balance Sheet (Million TL)

	30.09.2020	31.12.2019	Diff.	Diff. (%)
Current Assets	25,054	27,919	-2,865	-10
Cash & C. Equivalents	10,891	10,652	239	2
Trade Receivables	4,676	4,788	-112	-2
Derivatives	1,064	304	760	250
Inventories	7,234	9,469	-2,235	-24
Pre-paid expenses	224	237	-13	-6
Other Current Assets	965	2,470	-1,504	-61
Long Term Assets	28,560	27,593	968	4
Financial Assets & Subsidiaries	1,129	1,363	-234	-17
Fixed Assets	20,785	20,587	198	1
Derivatives	123	99	25	25
Pre-paid expenses	124	199	-75	-38
Deferred Tax	4,753	3,768	986	26
Other Long Term Assets	1,646	1,578	69	4
Total Assets	53,614	55,512	-1,897	-3
Short Term Liabilities	21,890	28,120	-6,230	-22
Financial Loans	7,220	5,178	2,042	39
Trade Payables	9,351	17,816	-8,465	-48
Derivatives	147	79	68	86
Provisions	292	117	175	150
Other ST Liabilities	4,879	4,930	-51	-1
Long Term Liabilities	21,854	14,255	7,599	53
Financial Loans	21,440	13,898	7,542	54
Payables & Provisions	346	316	29	9
Derivatives	57	32	25	78
Other LT Liabilities	11	9	3	30
Total equity attributable to equity holders of the parent	9,663	12,963	-3,300	-25
Minority Interests	207	174	34	19
Total Liabilities & Equity	53,614	55,512	-1,897	-3

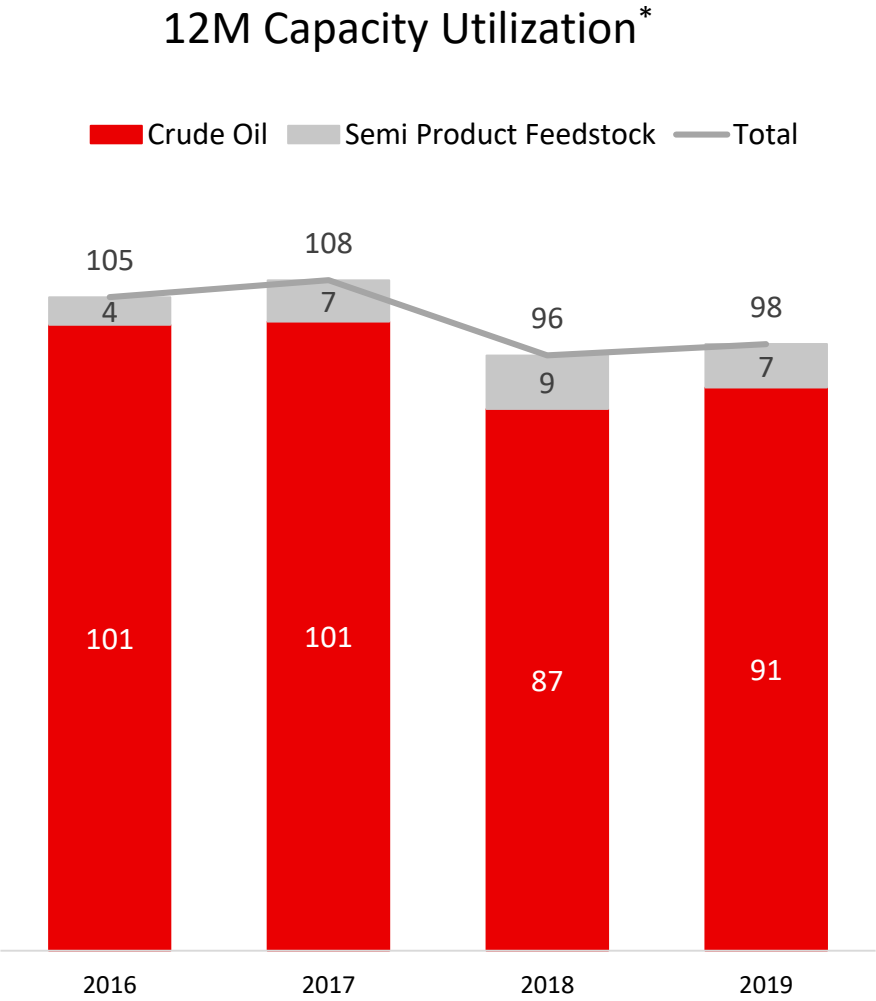
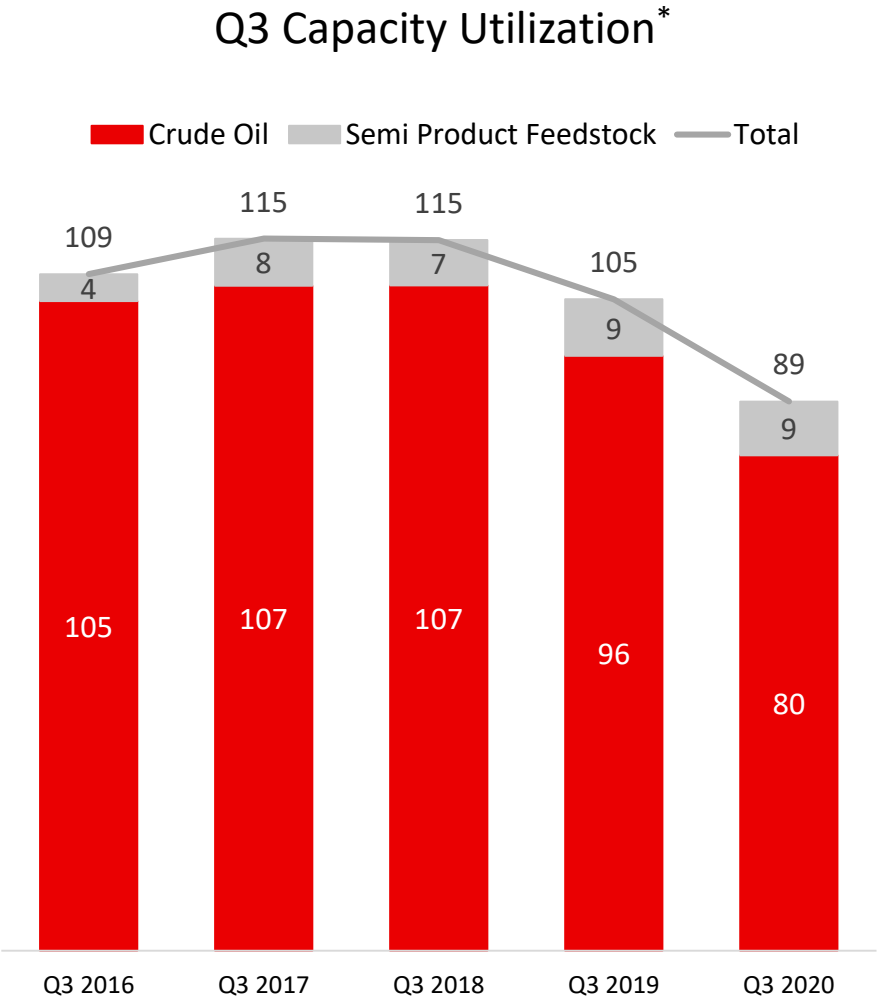
Tüpraş and Med Margins (\$/bbl)

Average Margins



(\$/bbl)	Gross Margin	Inventory Effect	Clean Gross Margin	Clean NET Margin	Net Margin	Med Margin
2020 Q3	6.7	2.9	3.8	-0.8	2.1	-1.9
2020 9M	6.7	-0.2	7.0	1.7	1.5	-0.2
2019 Q3	9.1	-1.4	10.6	5.4	4.0	3.3
2019 9M	9.0	-0.1	9.1	3.8	3.7	2.9

Capacity Utilization (%)

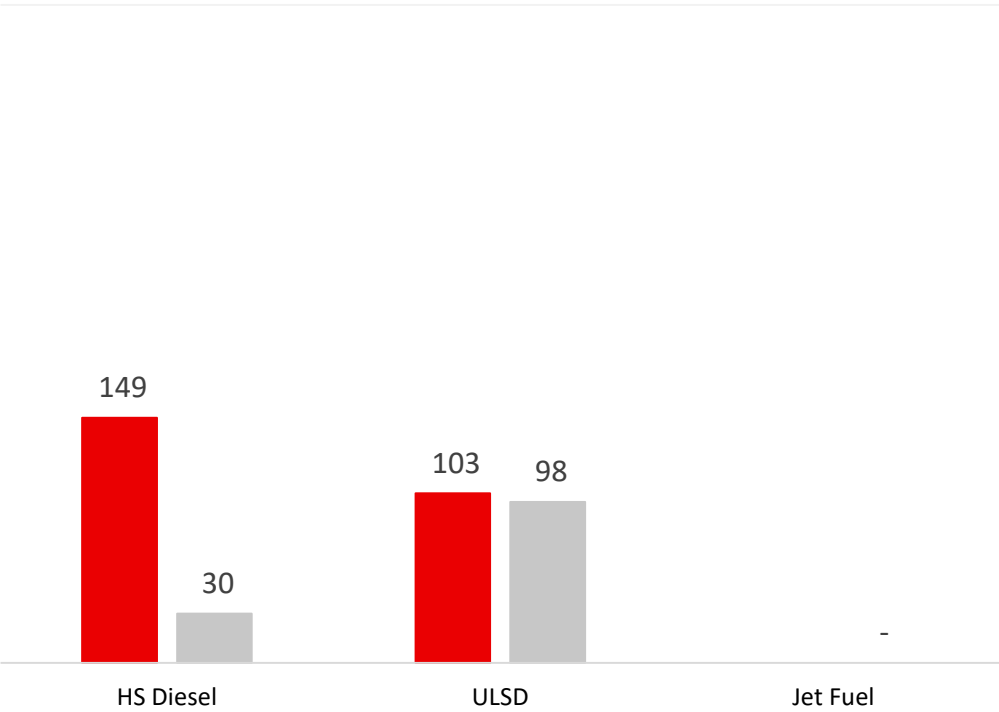


*Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards. Nameplate capacity calculated by standard 330 days of operations.

Finished Product and Semi Product Imports (Thousand Tons)

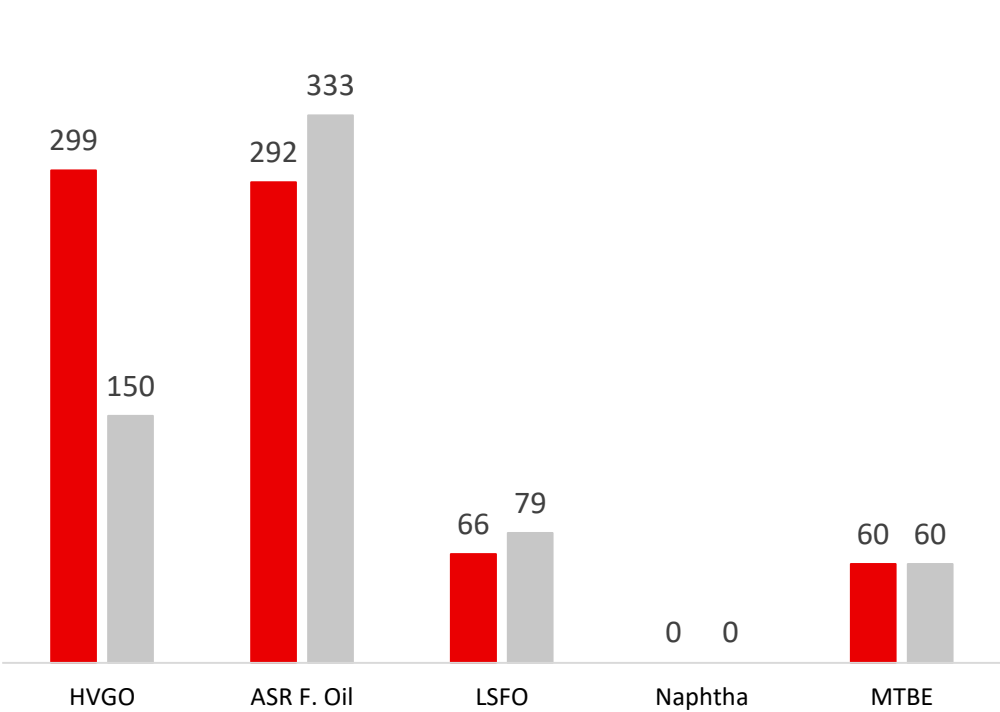
Product Imports

■ Q3 2020 ■ Q3 2019



Intermediate Imports

■ Q3 2020 ■ Q3 2019





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