

Investor 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.

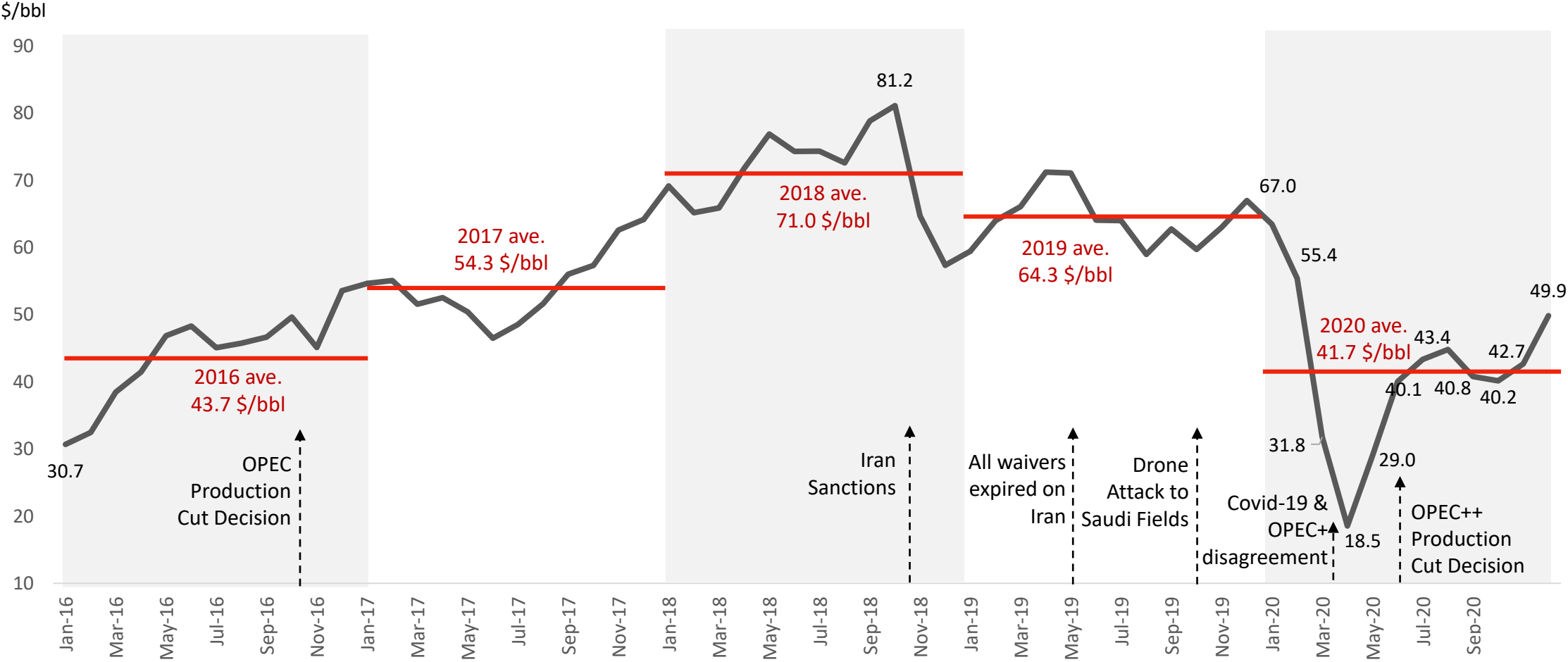
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Refining Market

Brent Crude Prices

- + OPEC ++ production cut
 - + Impact of Iran & Venezuela sanctions
 - + Escalating regional tension
- Concerns on global economic development
 - Covid-19 related demand drop
 - Storage capacity fill up



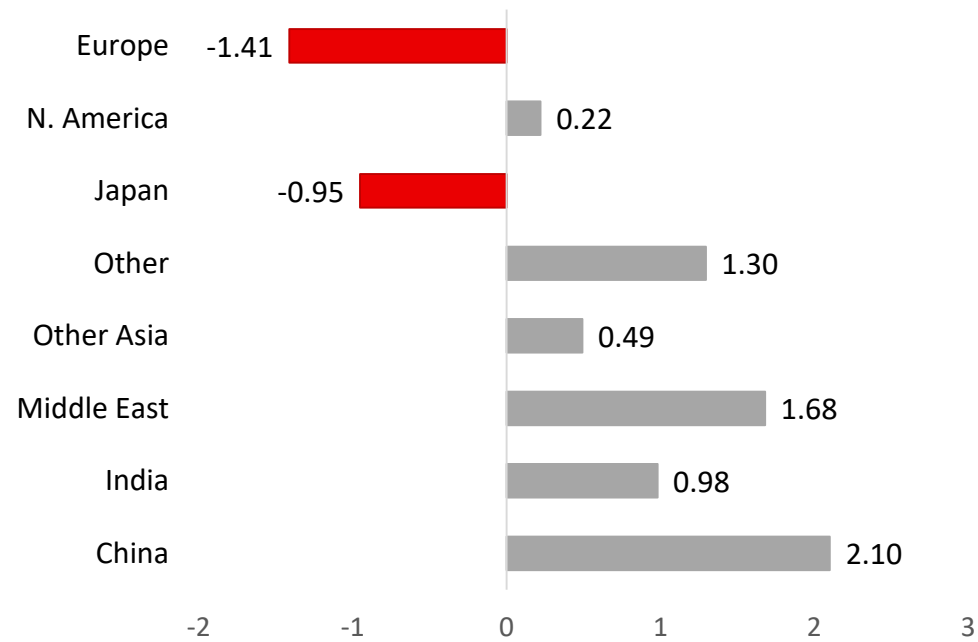
data as of 31 December 2020

Global Refinery Capacity Changes

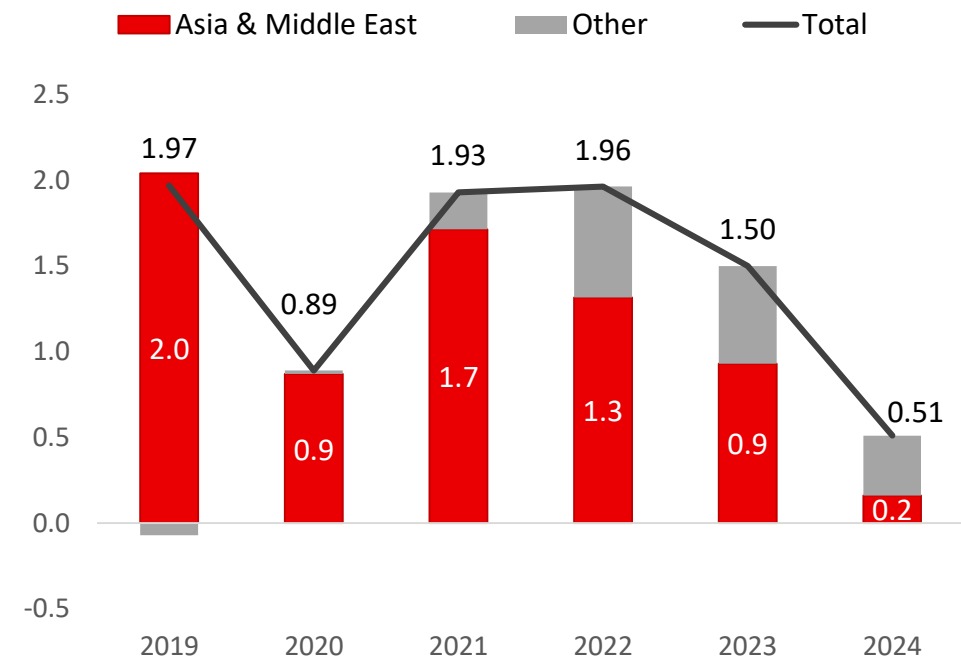
Expectations until 2024:

- ~80% of net capacity additions will come from Asia & Middle East
- Net capacity and demand in Europe will remain roughly unchanged

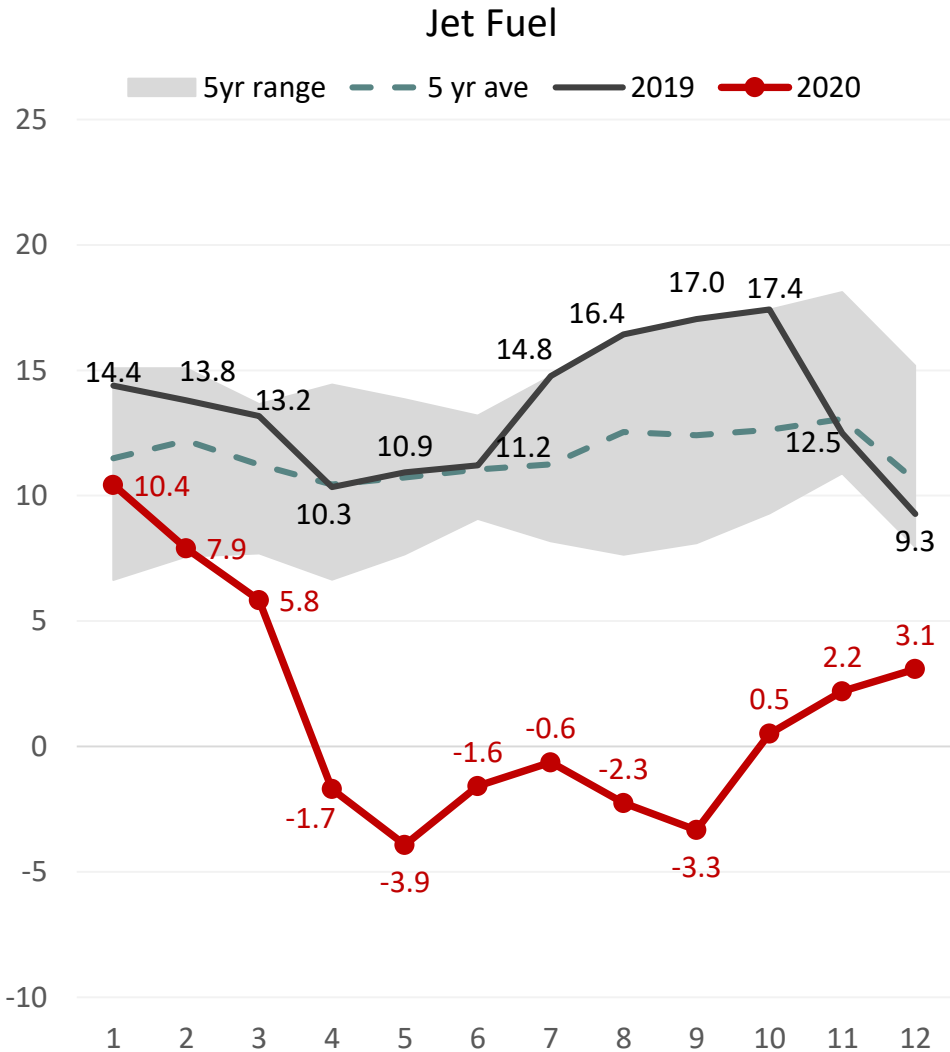
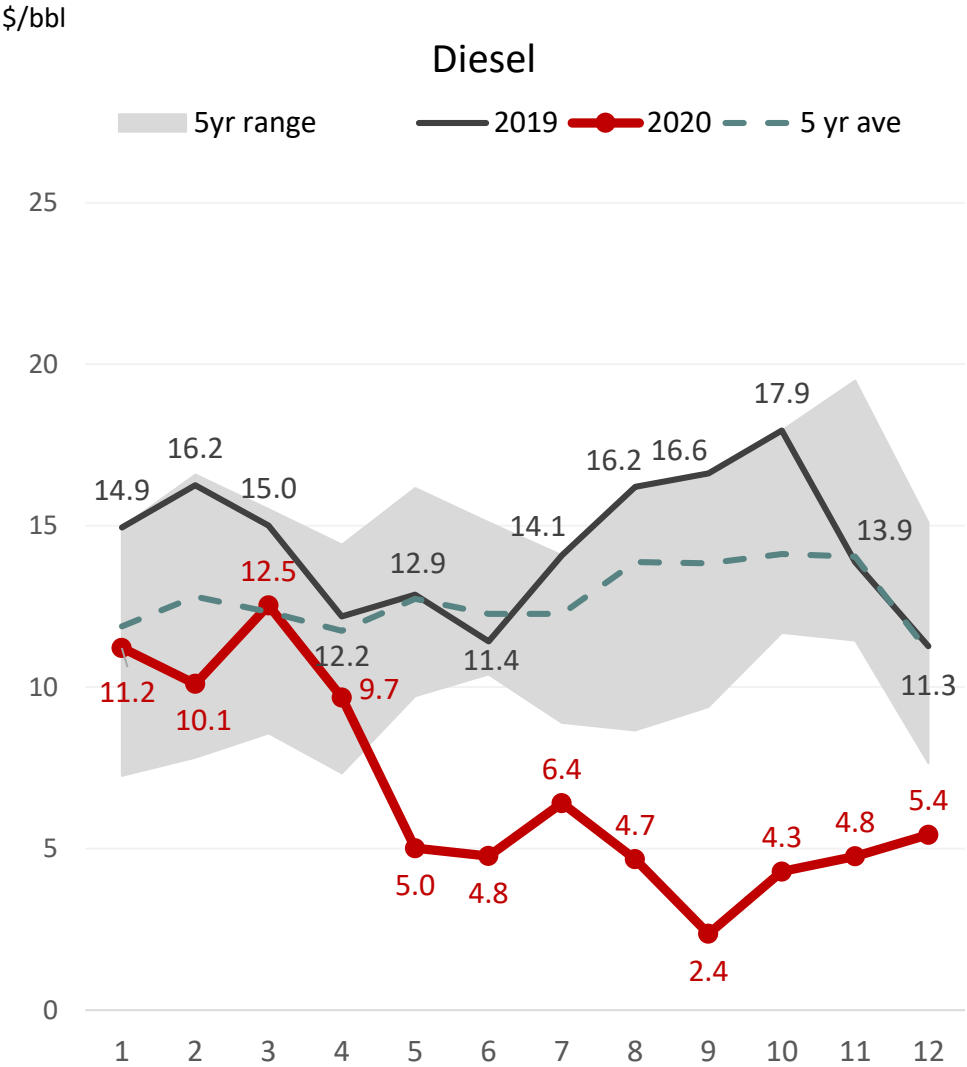
2012-2018 Net Capacity Additions by Region



2019-2024 Net Capacity Additions

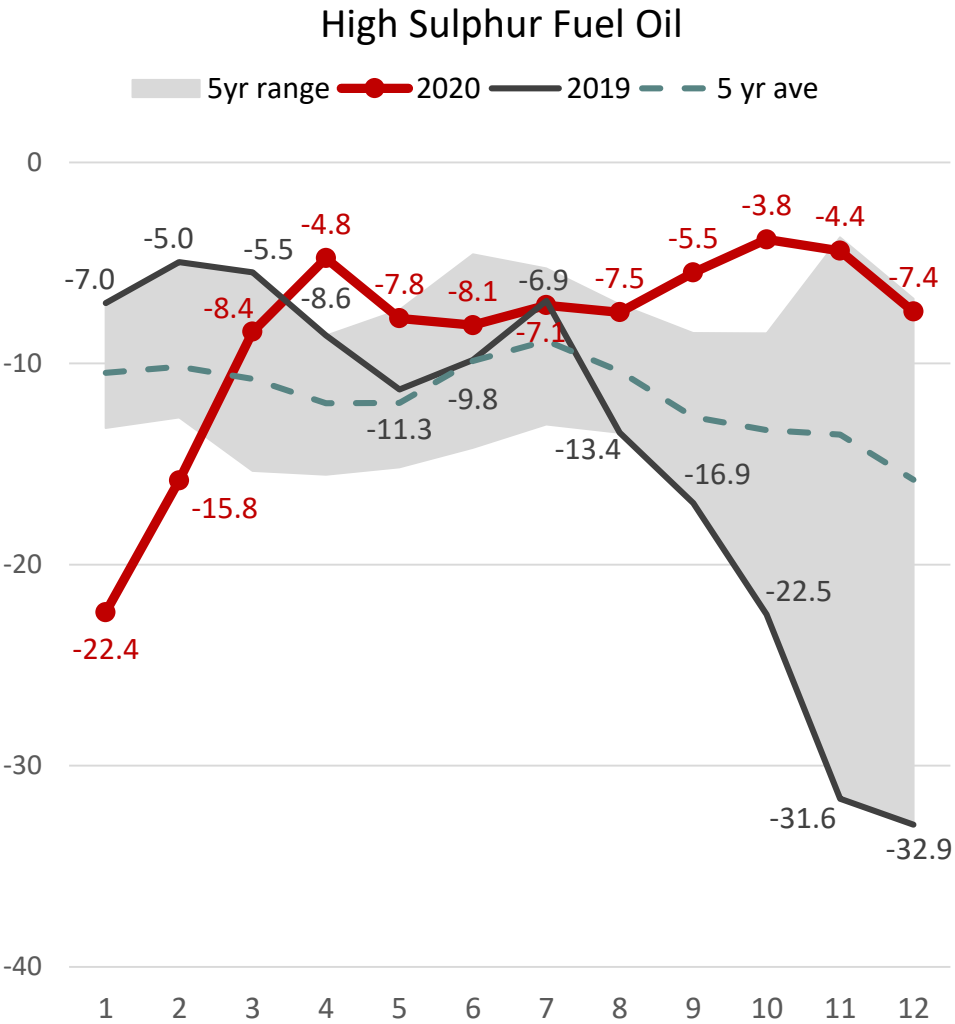
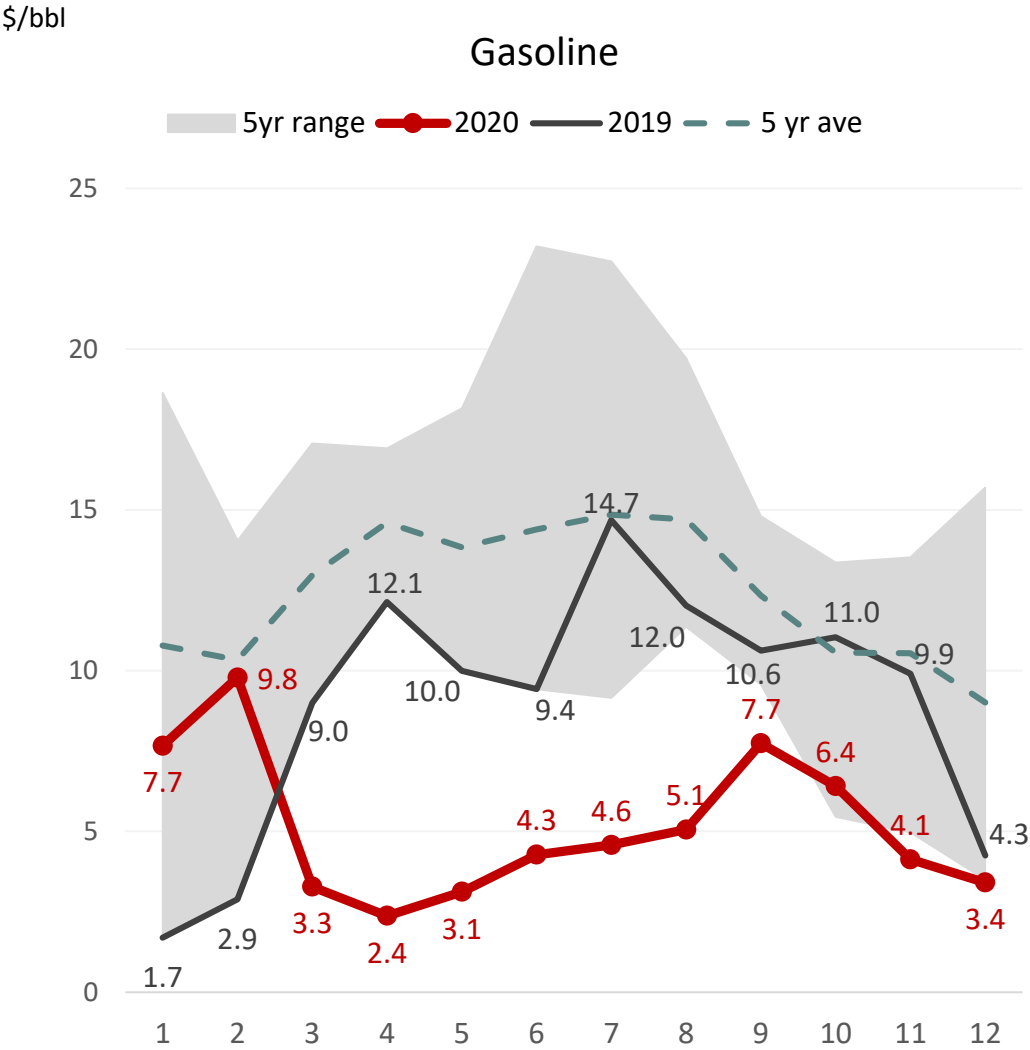


Middle Distillate Cracks



5 yr between 2015-2019, data as of 31 December 2020

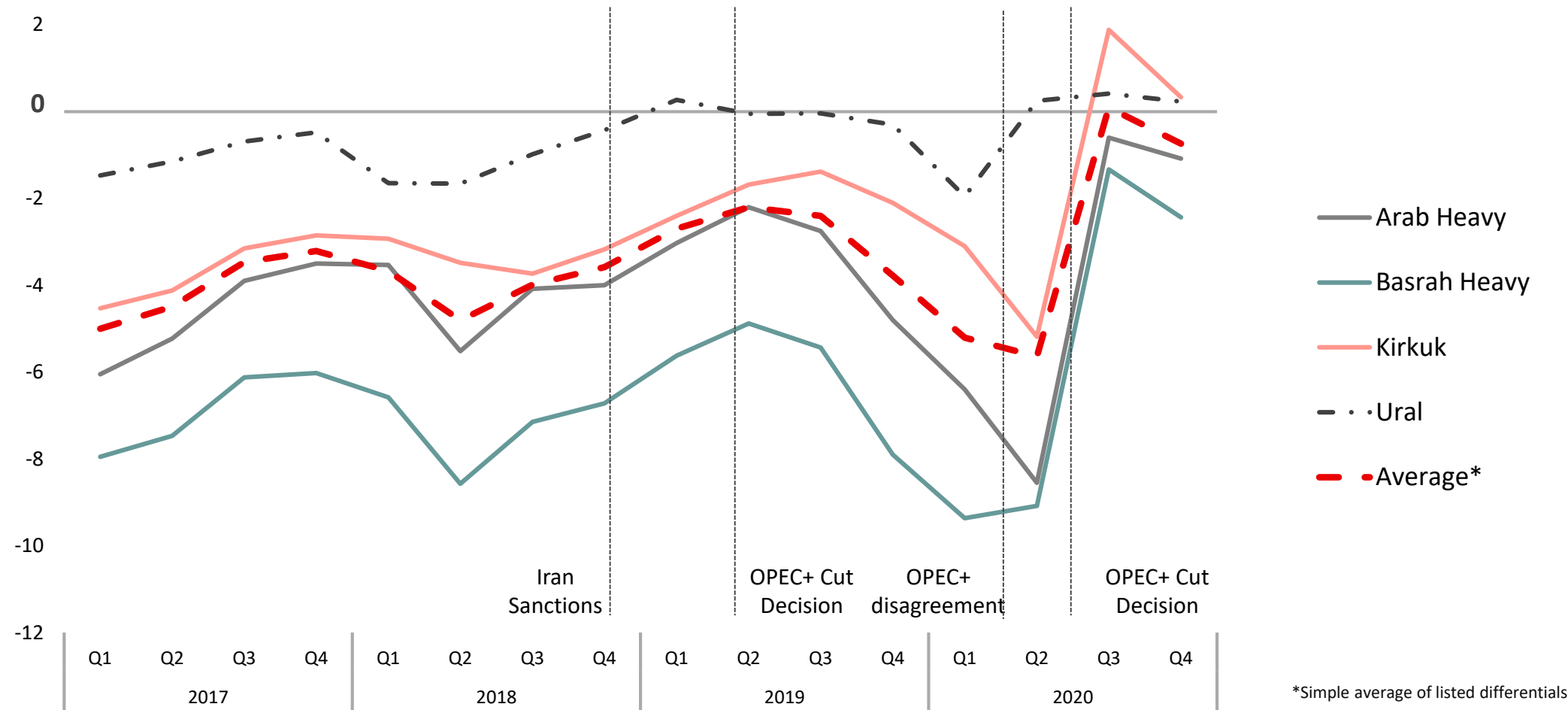
Gasoline and High Sulphur Fuel Oil Cracks



5 yr between 2015-2019, data as of 31 December 2020

Crude Price Differentials to Brent

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.

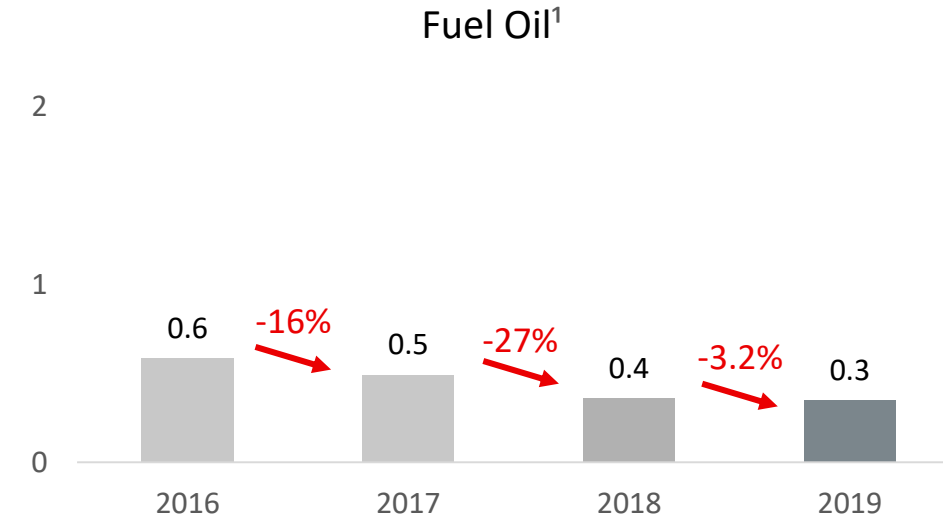
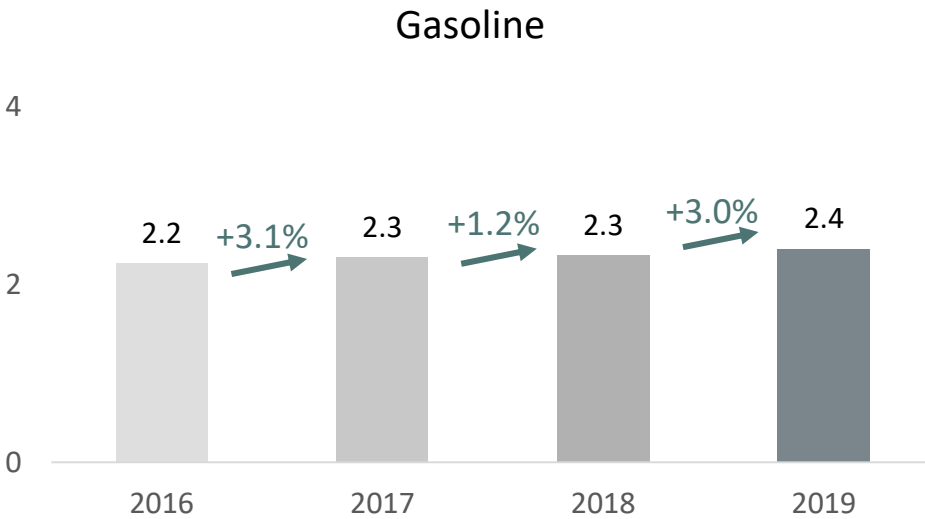
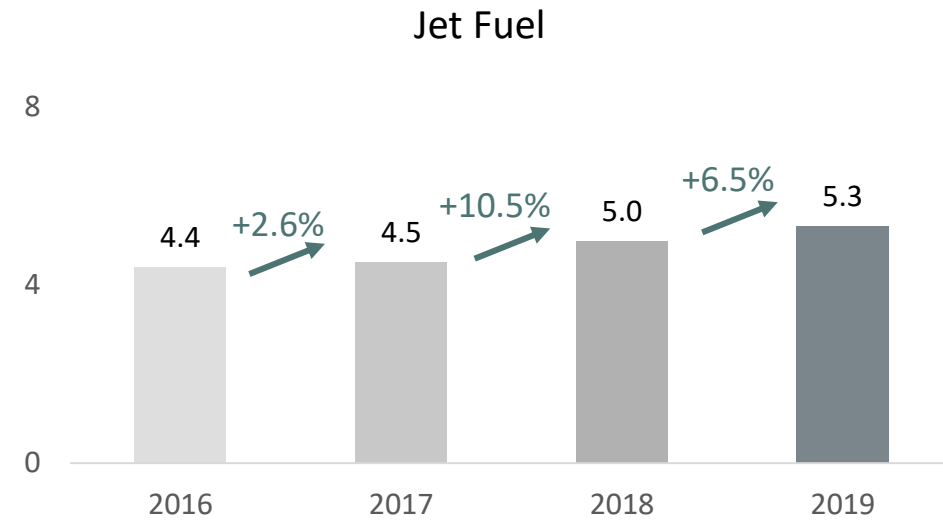
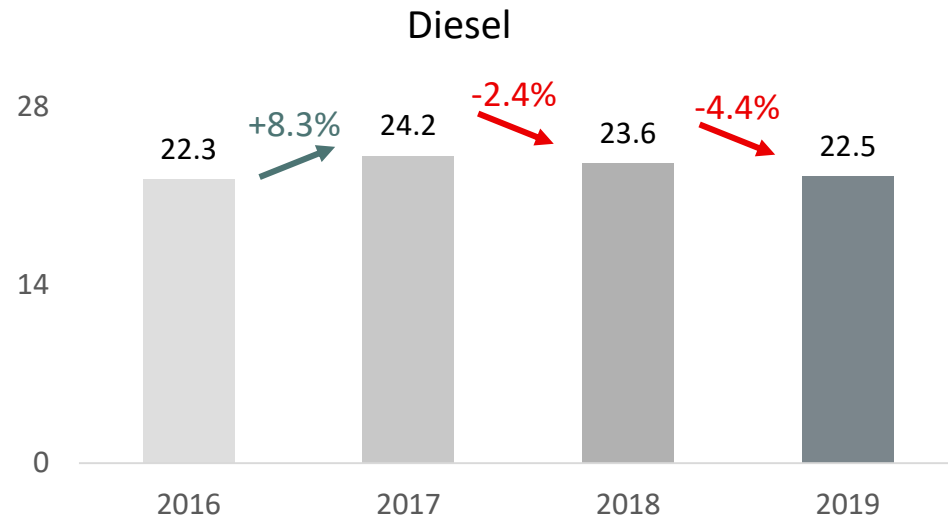




Turkish Market

Turkish Consumption 2016-2019

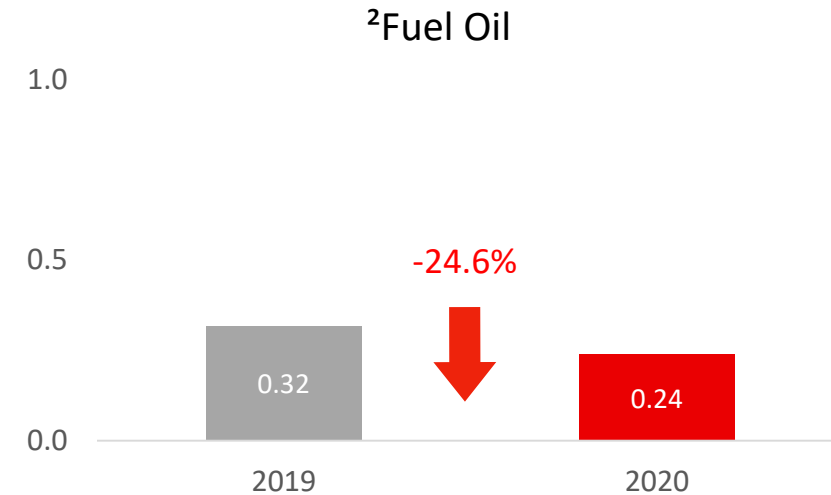
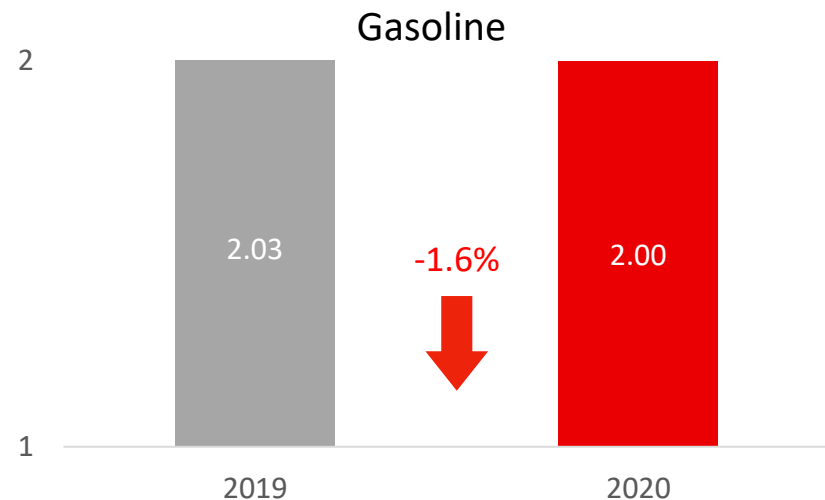
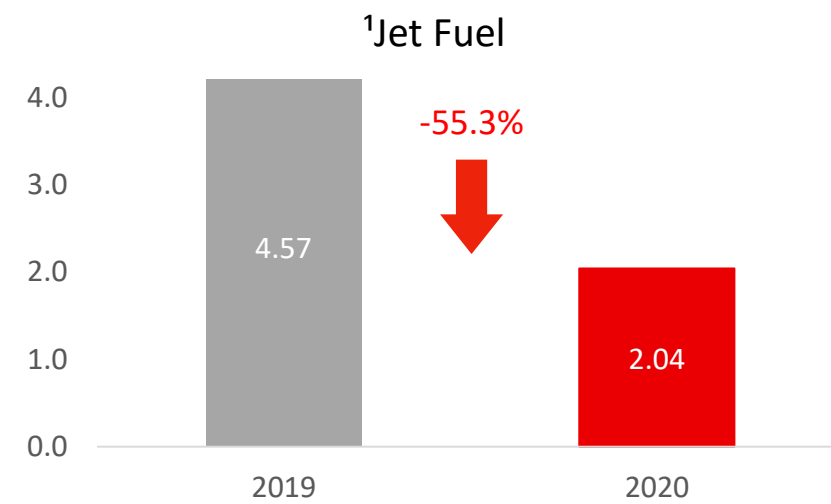
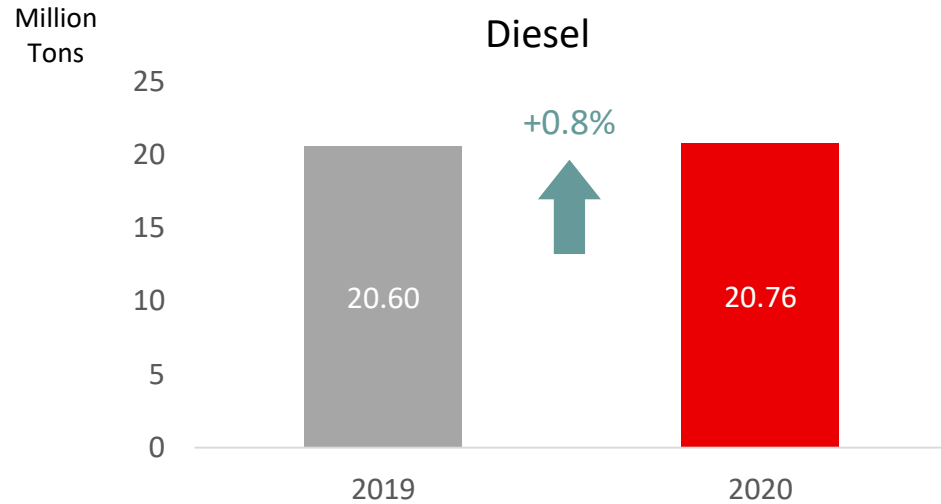
Million
Tons



Source: Tüpraş and EMRA ¹Bunker excluded

Turkish Market, 10M 2020

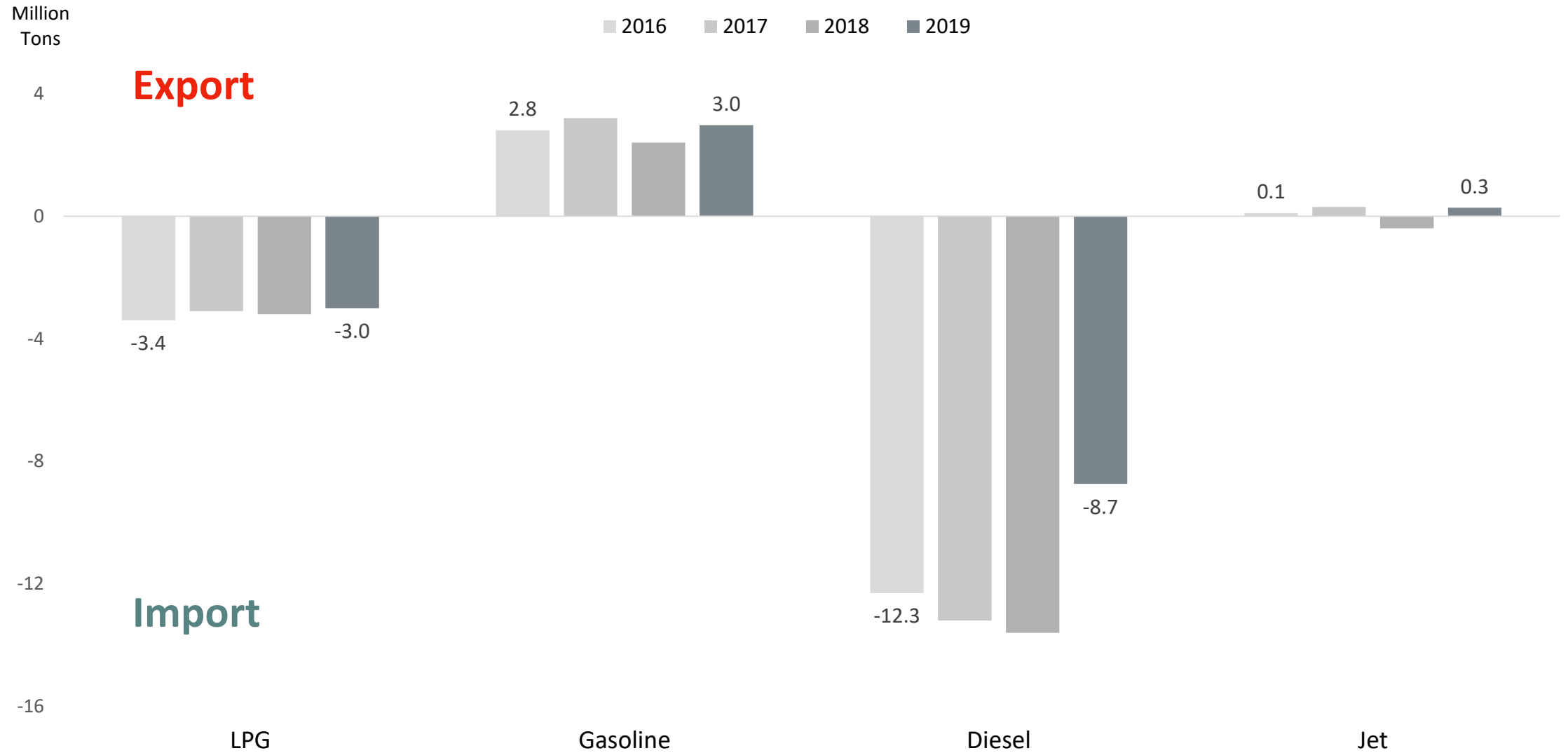
Covid-19 impact on demand started to ease as of June. While Diesel seems to be in lead, Jet is lagging far behind.



¹Transit flight consumption included

²Bunker excluded

Turkey's Net Import / Export Balance

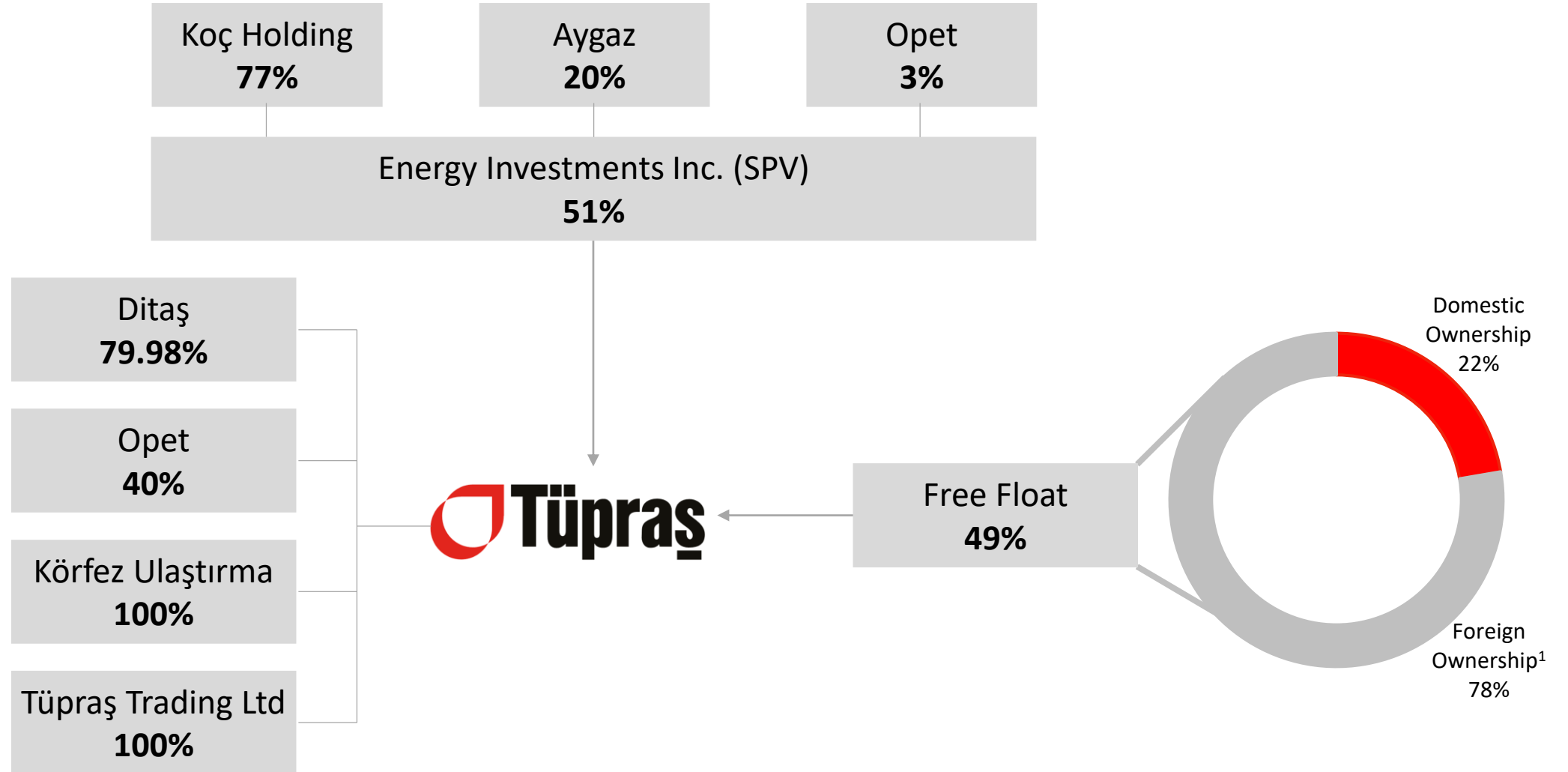




Company Overview

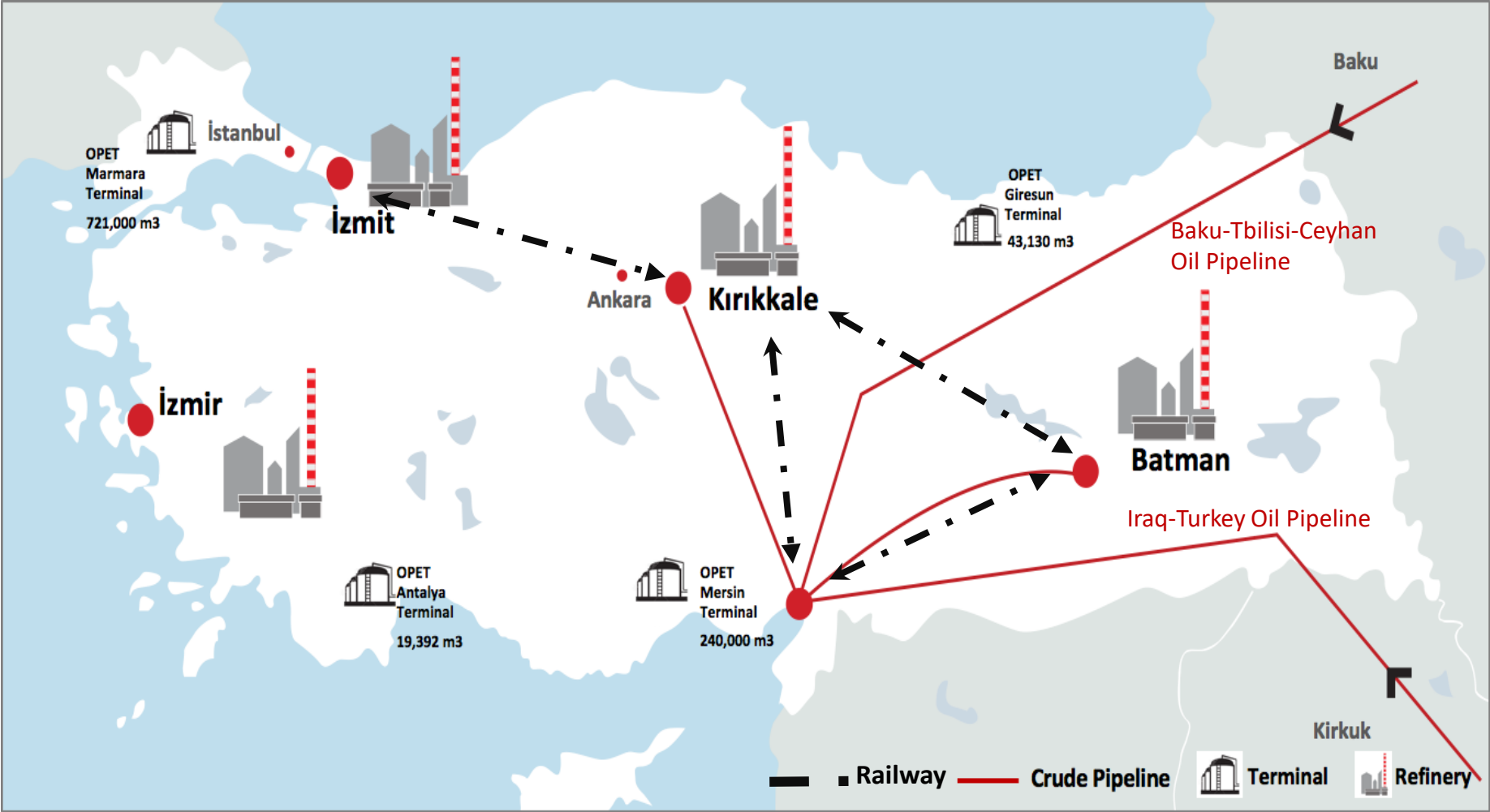
Tüpraş Shareholder Structure

Tüpraş is Turkey's biggest industrial company and leading refiner.



¹As of December 31th, 2019

Tüpraş's Refining Assets & Distribution Network



- + Tüpraş supplies ~55% of Turkey's petroleum product needs
- + Tüpraş benefits from an integrated system optimization with its high complexity, procurement and logistics flexibility

Turkey's Storage Capacity	
Tüpraş & Opet	57%
Others	43%

Total Capacity	30 mn tons
Nelson Complexity	9.5
Tüpraş Storage Cap.	7 mn m ³

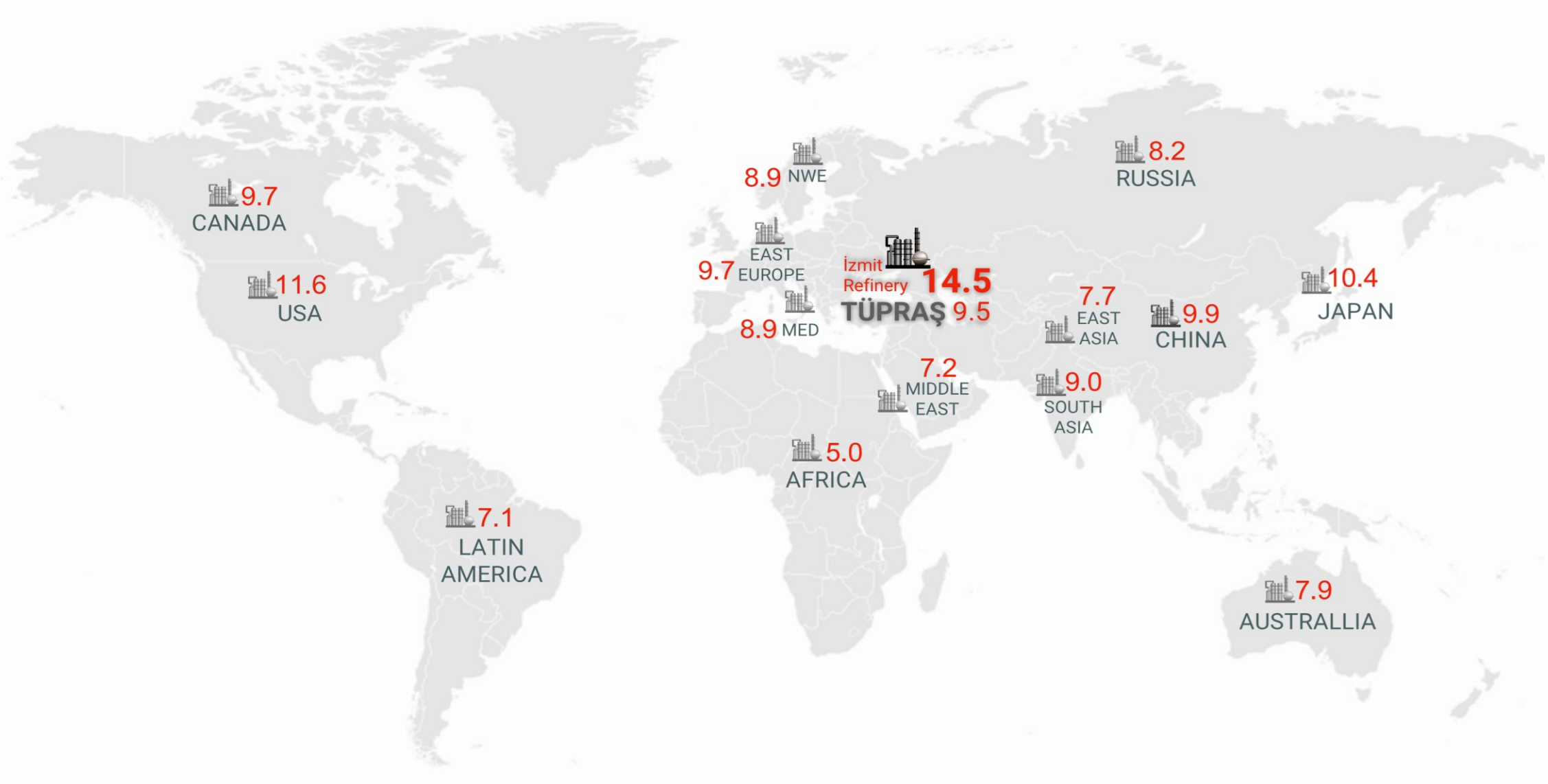
Izmit
• 11.3 MT Capacity
• NC: 14.5
• Storage Capacity: 3.0 mn m ³

Izmir
• 11.9 MT Capacity
• NC: 7.66
• Storage Capacity: 2.5 mn m ³

Kırıkkale
• 5.4 MT Capacity
• NC: 6.32
• Storage Capacity: 1.3 mn m ³

Batman
• 1.4 MT Capacity
• NC: 1.83
• Storage Capacity: 0.3 mn m ³

Nelson Complexity of Refining Companies



Tüpraş Subsidiaries

OPET, Distribution, Tüpraş Share: 40%



- 1,749 stations as of 30 Sep 2020
- As of Aug 2020 Market share: 20.1% in white products; 22.3% in black products

DİTAŞ, Marine Transport, Tüpraş Share: 79.98%



- 3 Crude Oil Tanker: 479,765 DWT
- 1 Crude Oil - Product Tanker: 51,532 DWT
- 10 Product Tanker: 171,453 DWT

Körfez Ulaştırma, Railway Transport, Tüpraş Share: 100%



- ~7% share in Turkish rail freight market
- ~1.8 mn ton of product and semi-product carried in 2019.
- Operates with 10 diesel locomotives and over 600 cistern wagons

Tüpraş Trading UK, Trading, Tüpraş Share: 100%



- Trading Office in London will be an important step into wider integration with the global energy landscape by allowing to:
 - Closely monitor international market opportunities
 - Support import and export operations
 - Create additional value from supply chain and sales activities

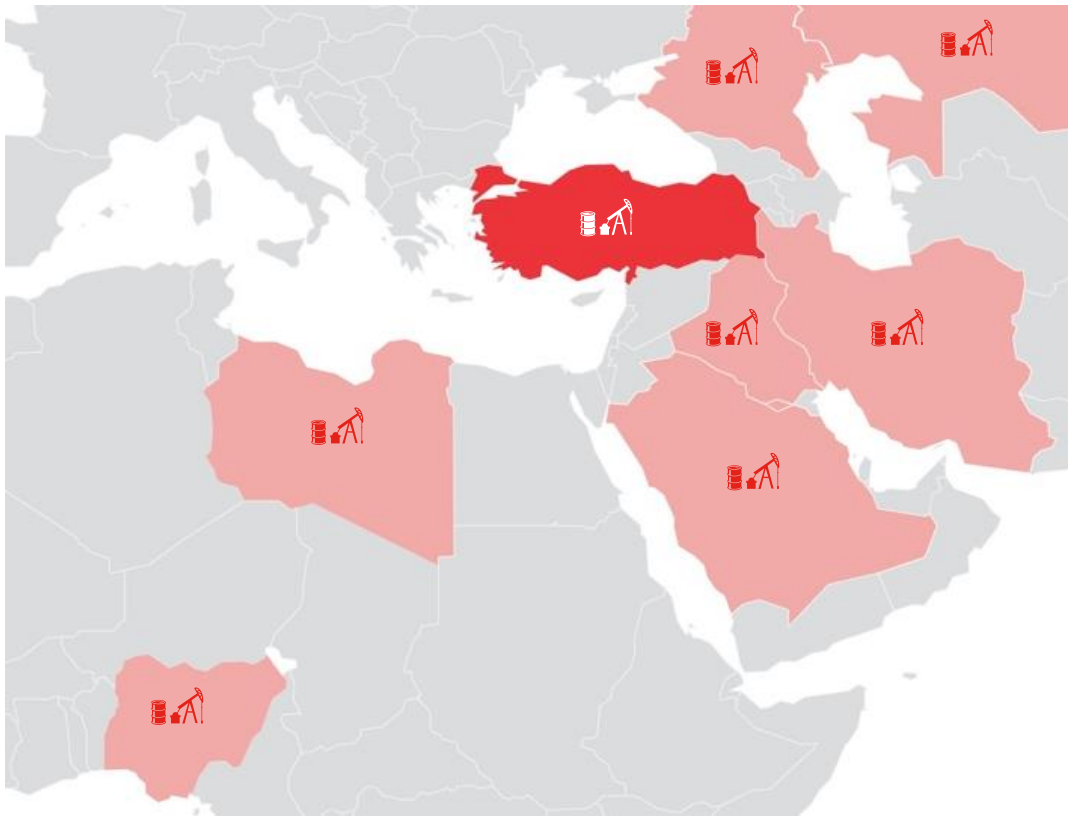


Operations

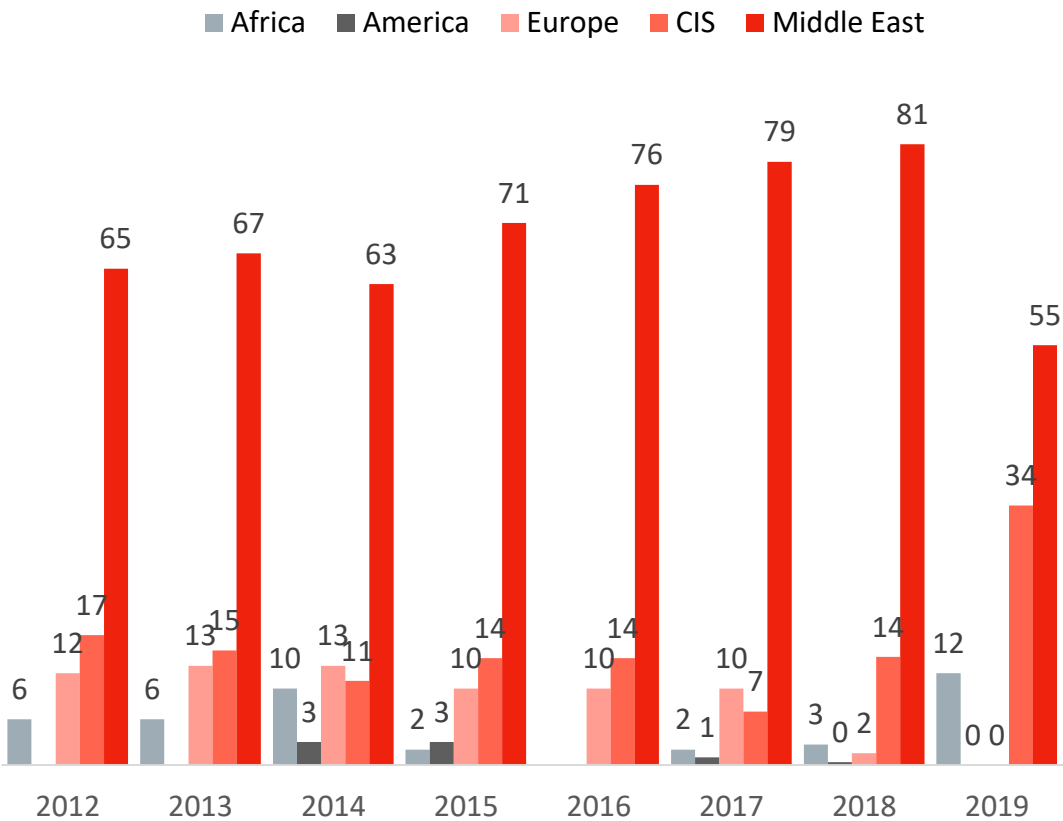
Crude Suppliers of Tüpraş

In 2019, Tüpraş purchased 15 different types of crude from 8 countries with gravities ranging between 20-47 API.

Main Crude Suppliers in 2019

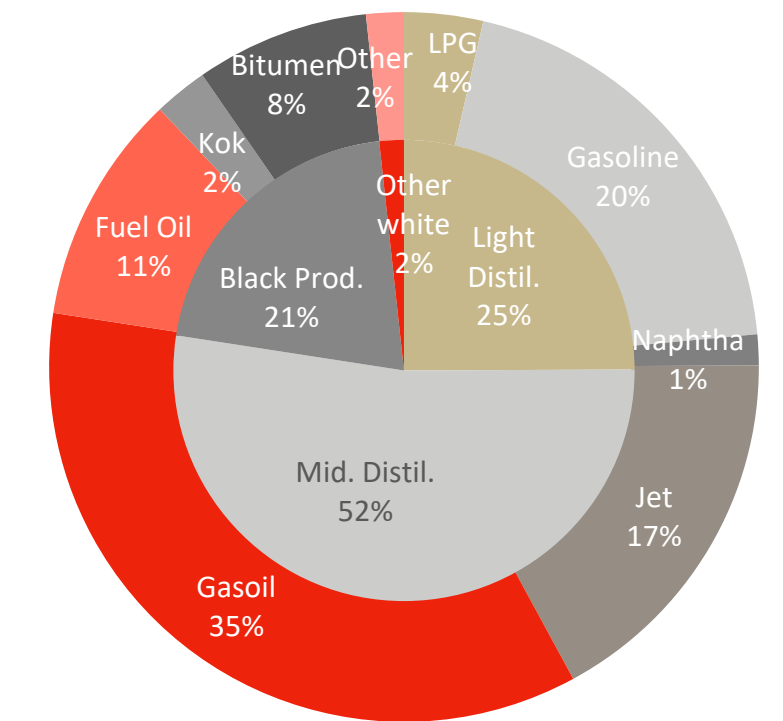


Crude Oil Imports by Region (%)



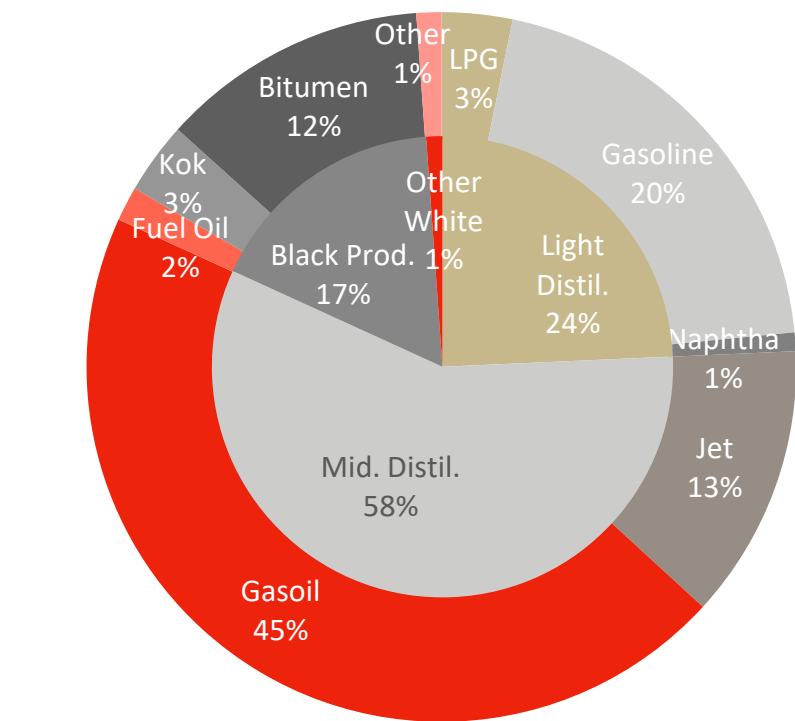
9M Product Yields

2019 9M



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

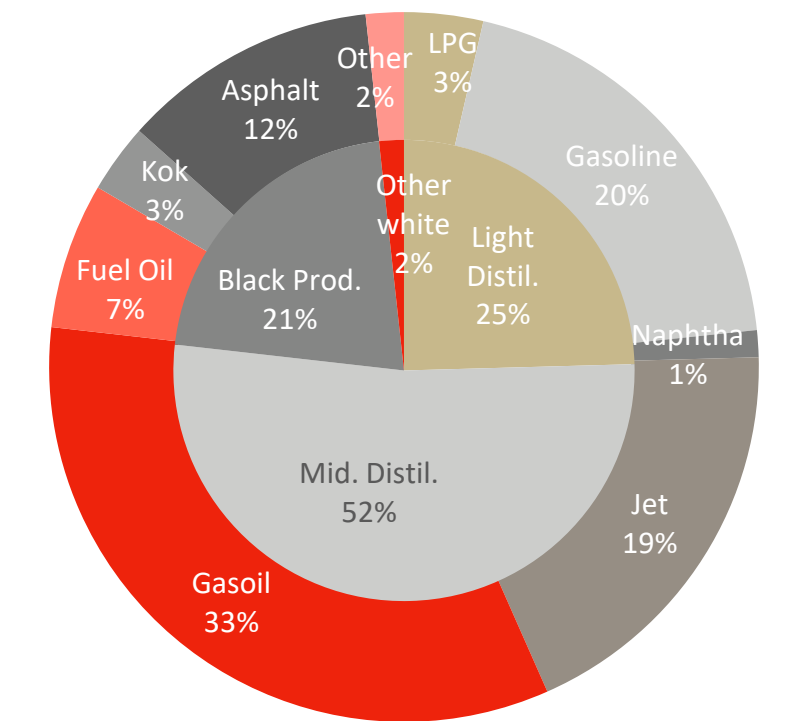
2020 9M



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

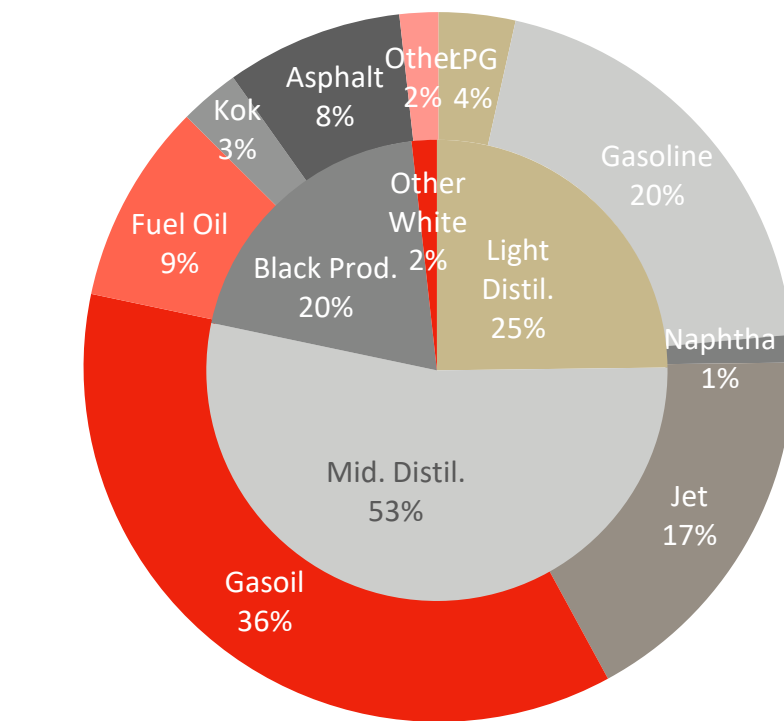
Annual Product Yields

2018



White Product Yield (%)	77.4%
Production	25.7 mn tons
API	31.0

2019

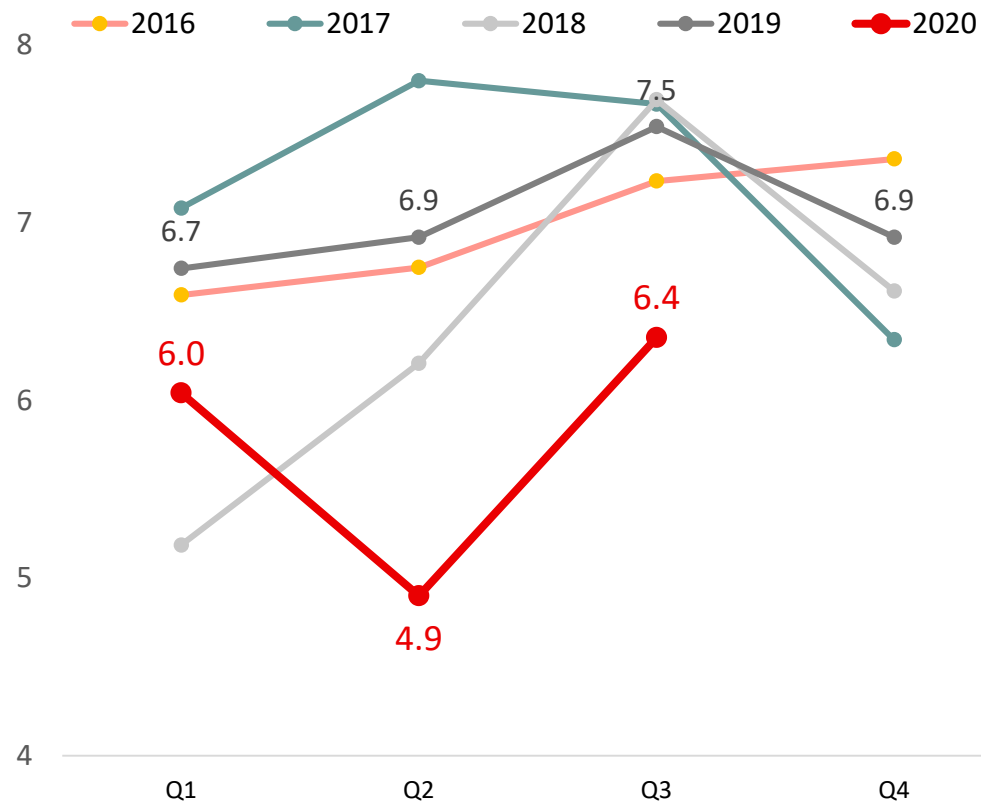


White Product Yield (%)	79.0%
Production	28.1 mn tons
API	32.0

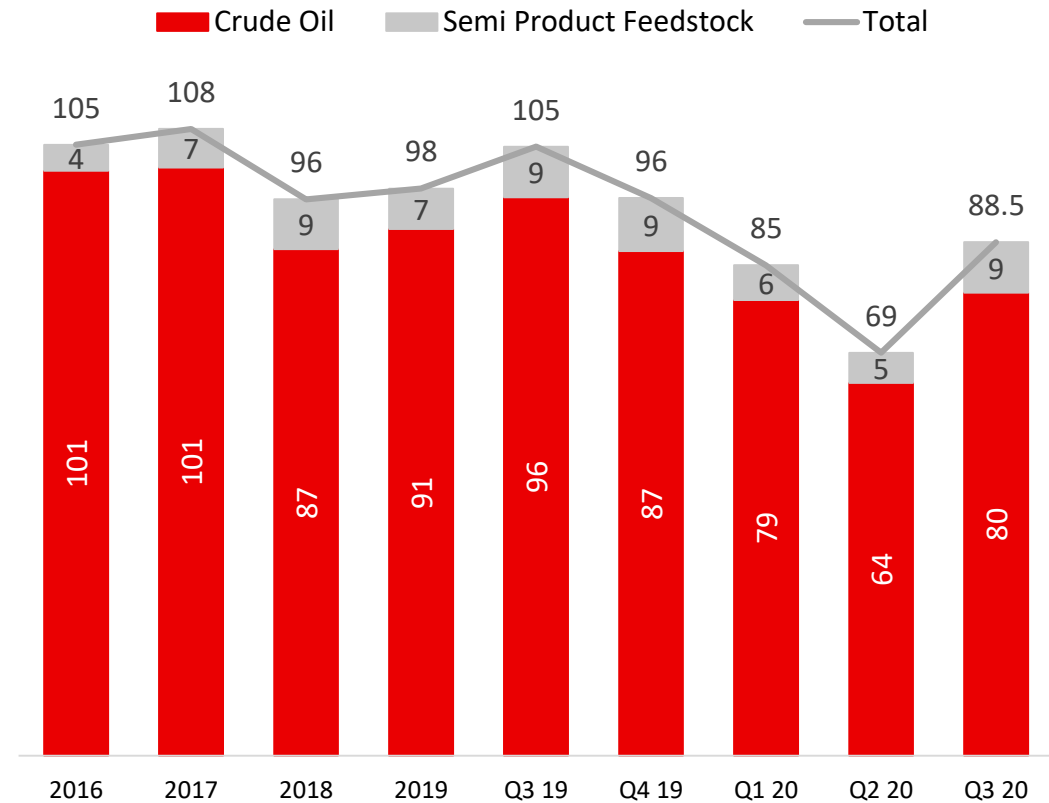
Capacity Utilization and Quarterly Production Volume

- 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 (Mn tons)



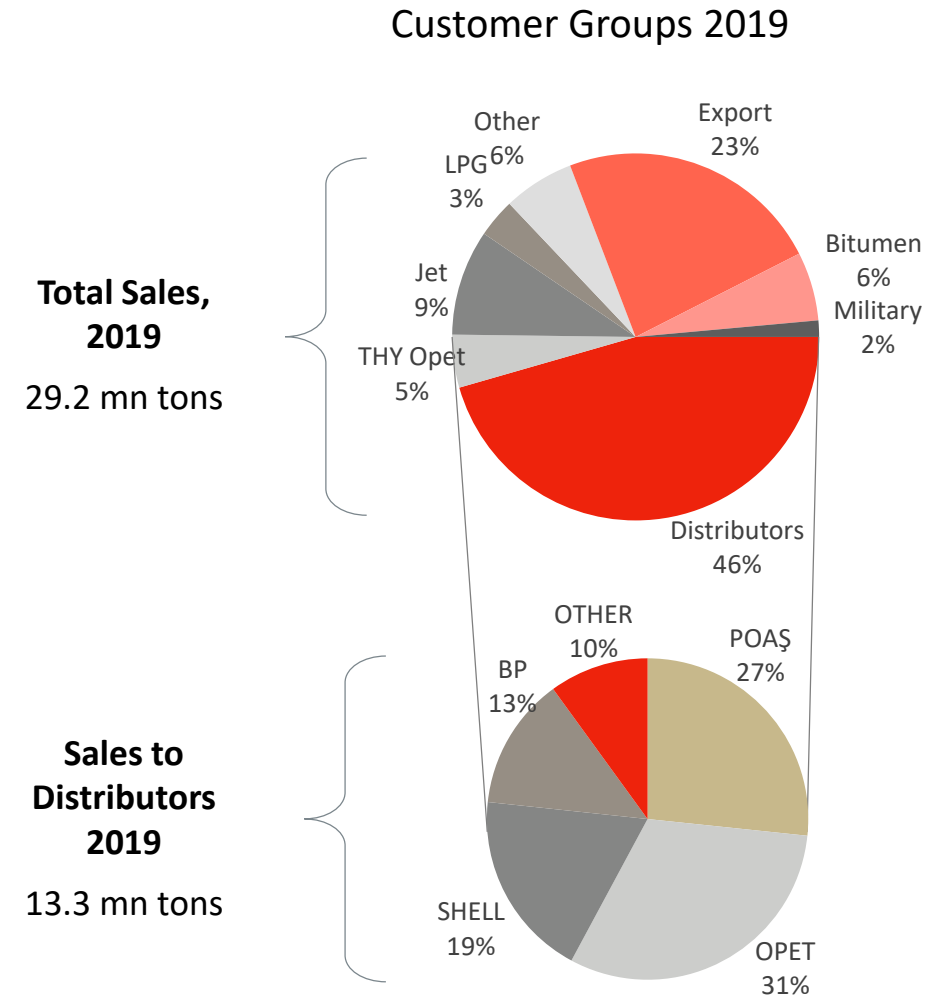
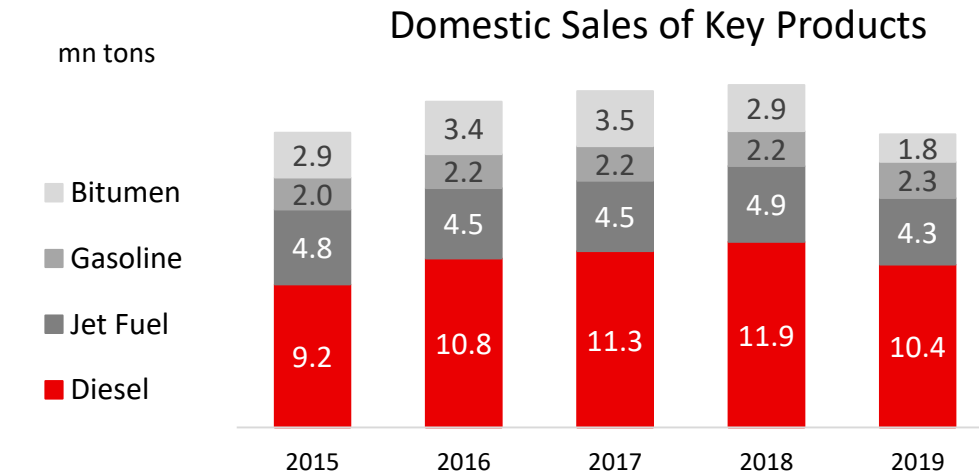
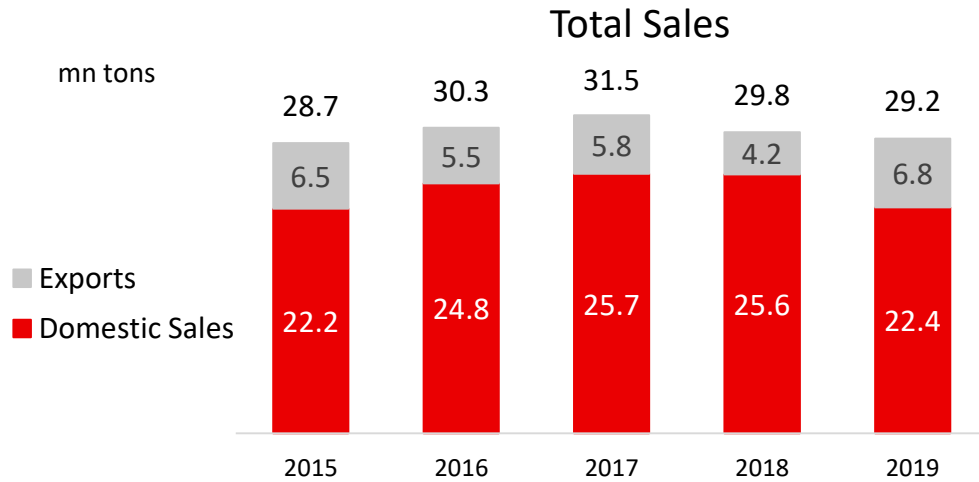
Capacity Utilization¹ (%)



¹Capacity utilization calculation is based on 30 mn tons for Q1 2019 and onwards.

Sales

- Tüpraş generated 29.2 million tons of total sales 2019.



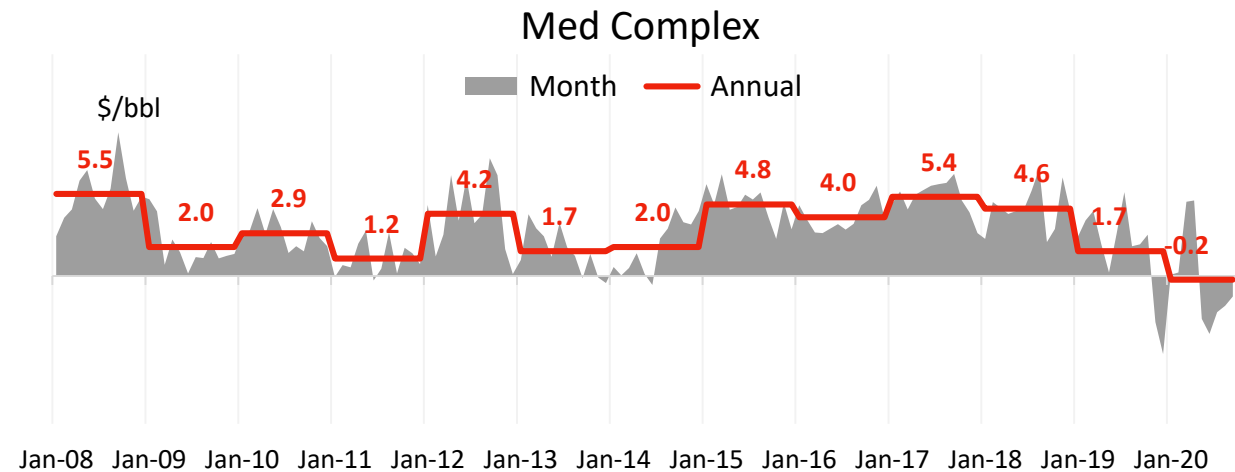
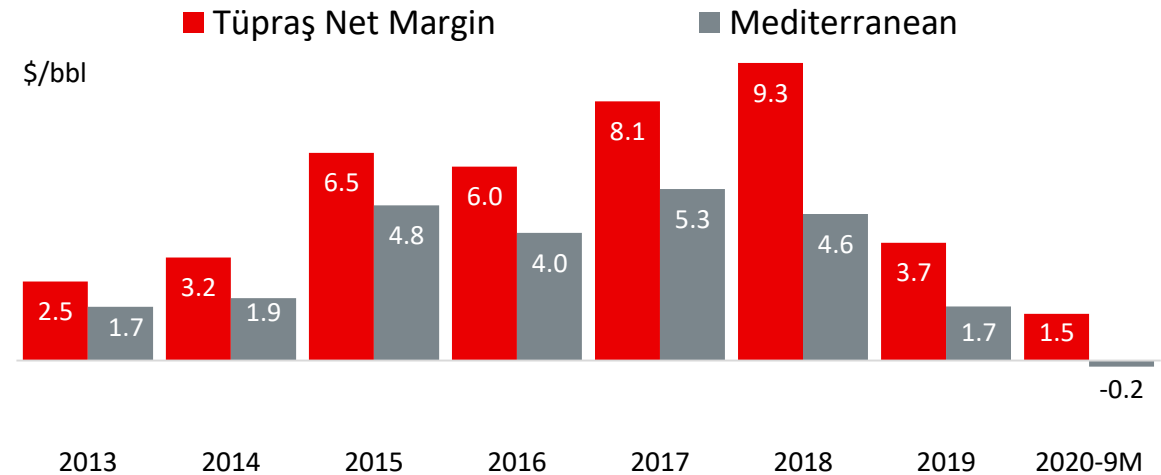


Financials

Refining Margin

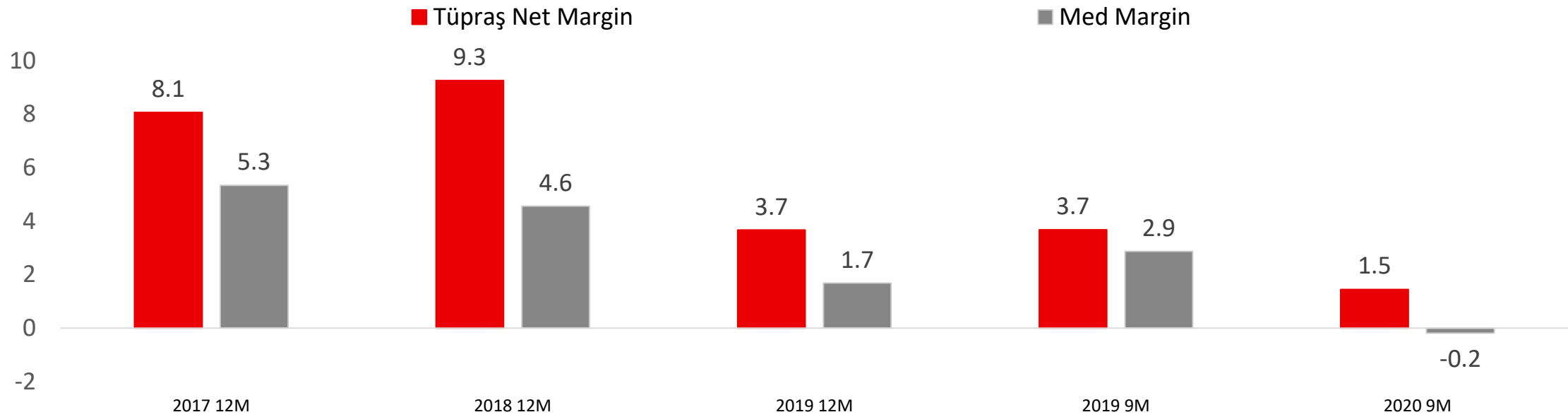
Premium to the benchmark Mediterranean peers' refining margin due to:

- Ability to use heavier and sour crudes with higher complexity
- Access to a wide range of cheaper sources of crude oil
- Close proximity to major suppliers reduces transport costs
- Lower cost basis and more efficient energy usage
- Ability to produce a broad range of refined products with higher value added
- Direct pipeline connections with domestic clients



Tüpraş and Med Refining Margins

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

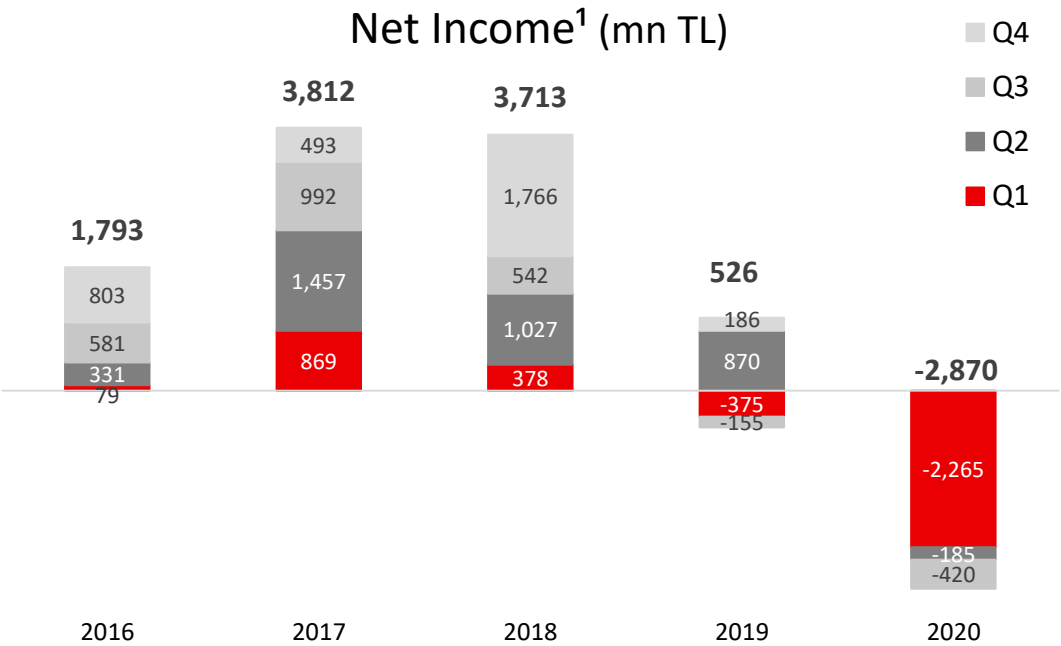
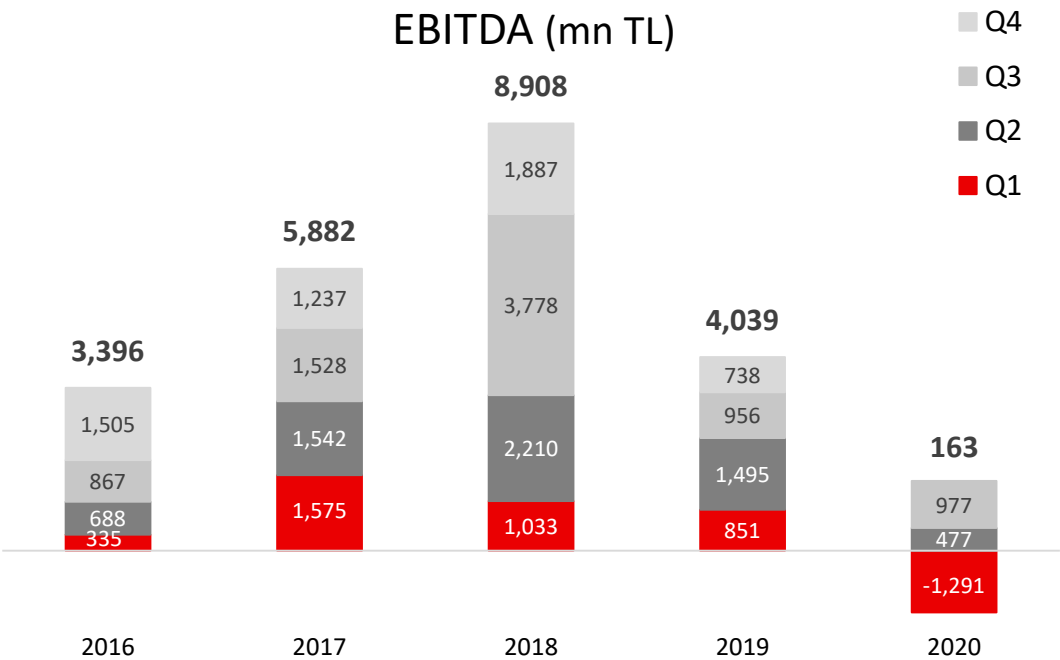
Income Statement

EBITDA realized as 977 mn TL in Q3 2020.

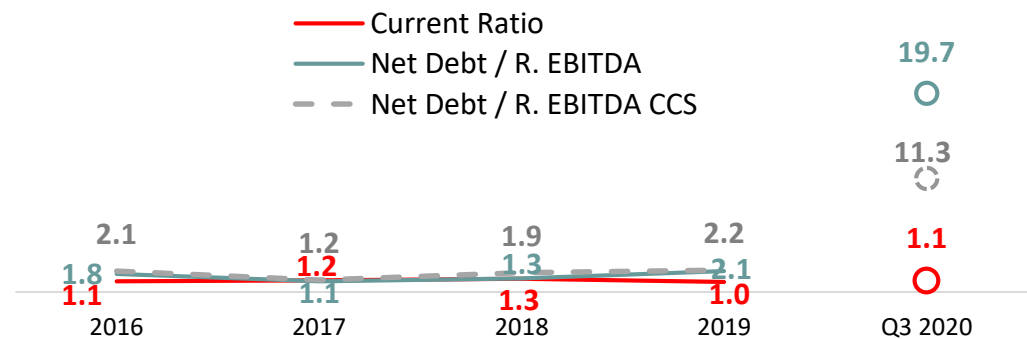
Million TL	Q3 2020	Q3 2019	%	9M 2020	9M 2019	%
Net Sales	17,035	23,309	-27%	43,254	67,970	-36%
COGS	-15,845	-22,152	28%	-42,083	-64,150	34%
Gross Profit	1,190	1,157	3%	1,171	3,820	-69%
Operating Expenses	-500	-451	-11%	-1,477	-1,244	-19%
Income/Loss from other operations	-492	-98	-400%	-933	-407	-129%
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.

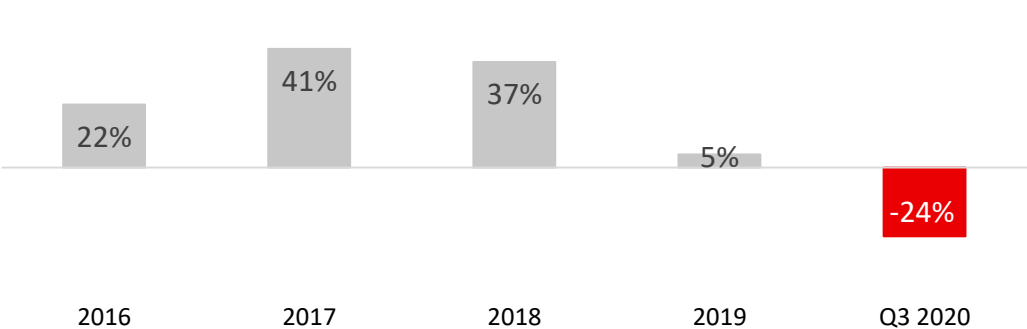
Financial Highlights



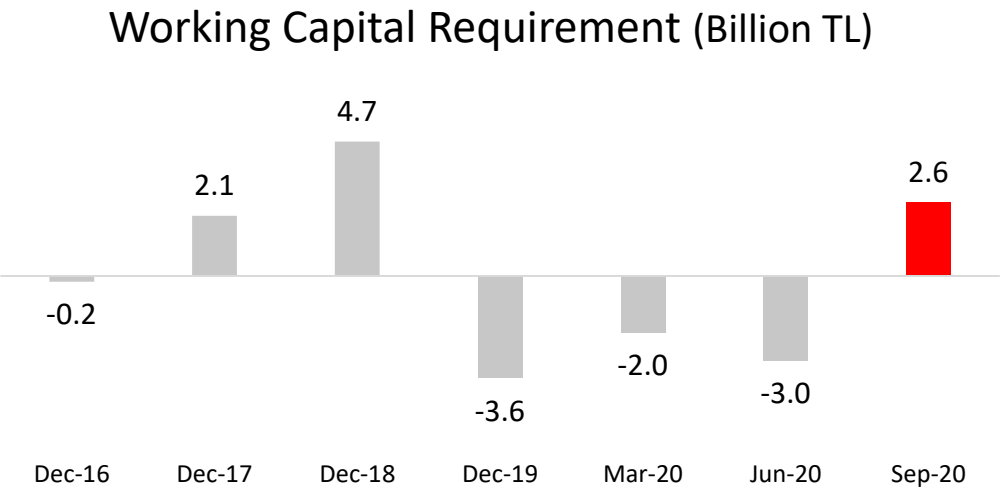
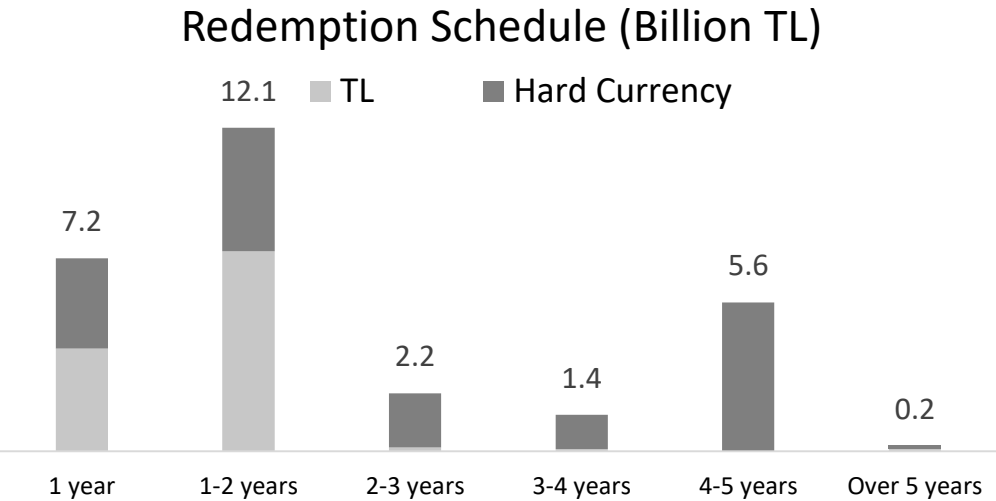
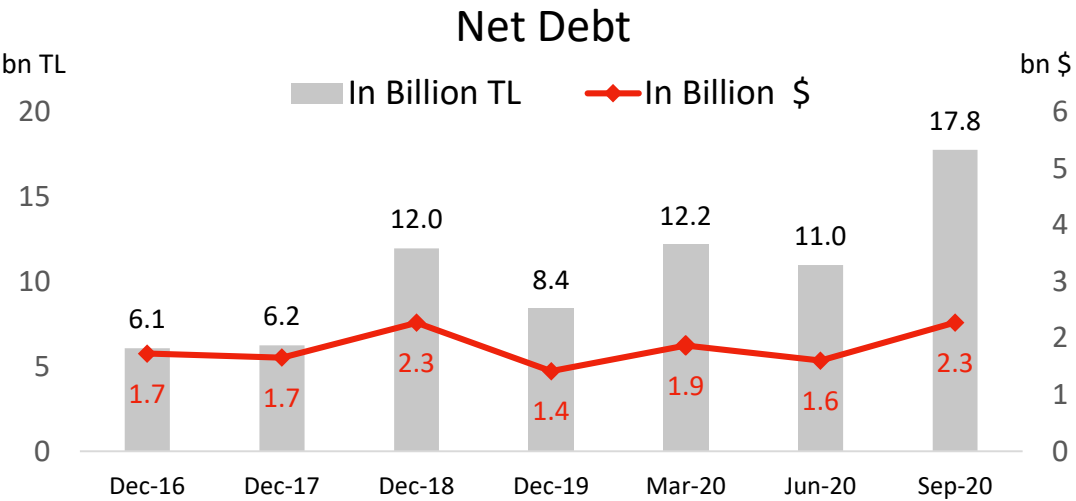
Current Ratio & Net Debt / R. EBITDA²



Return on Average Equity³



Balance Sheet Analysis



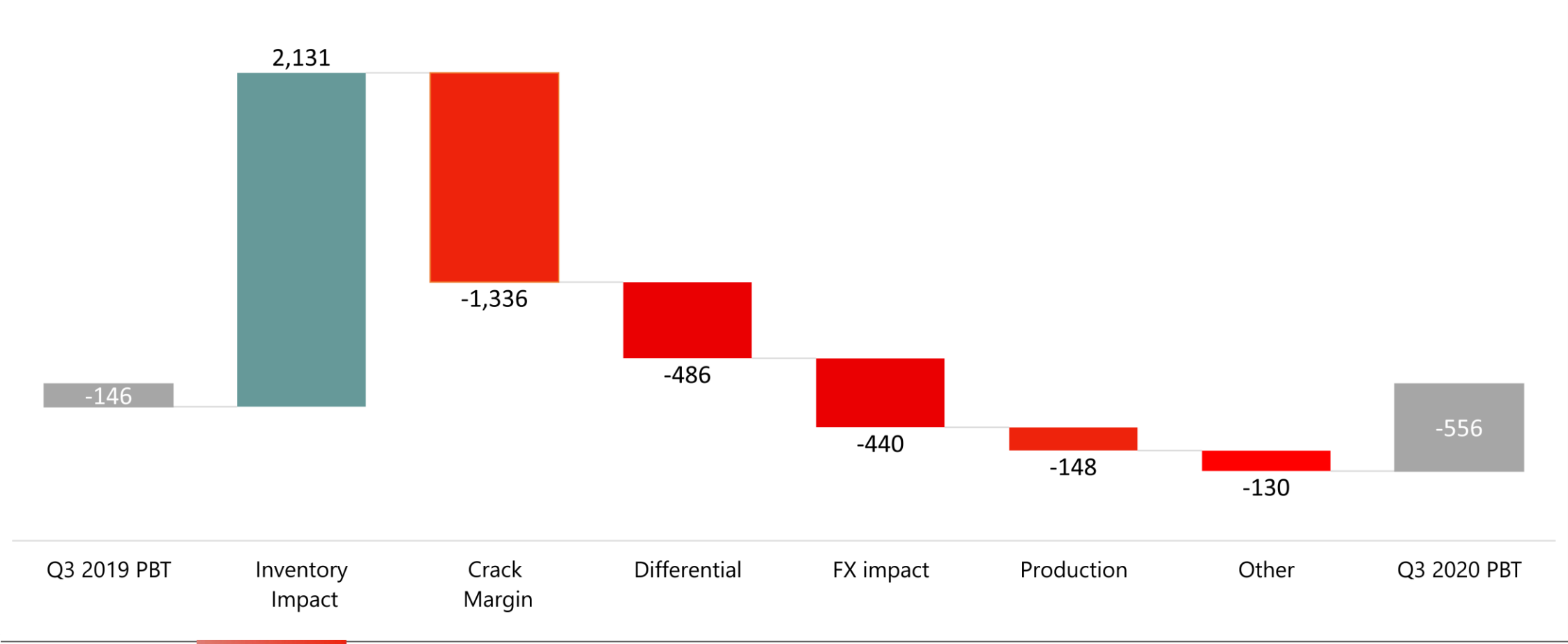
Proactive Financial Management

- 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.

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.

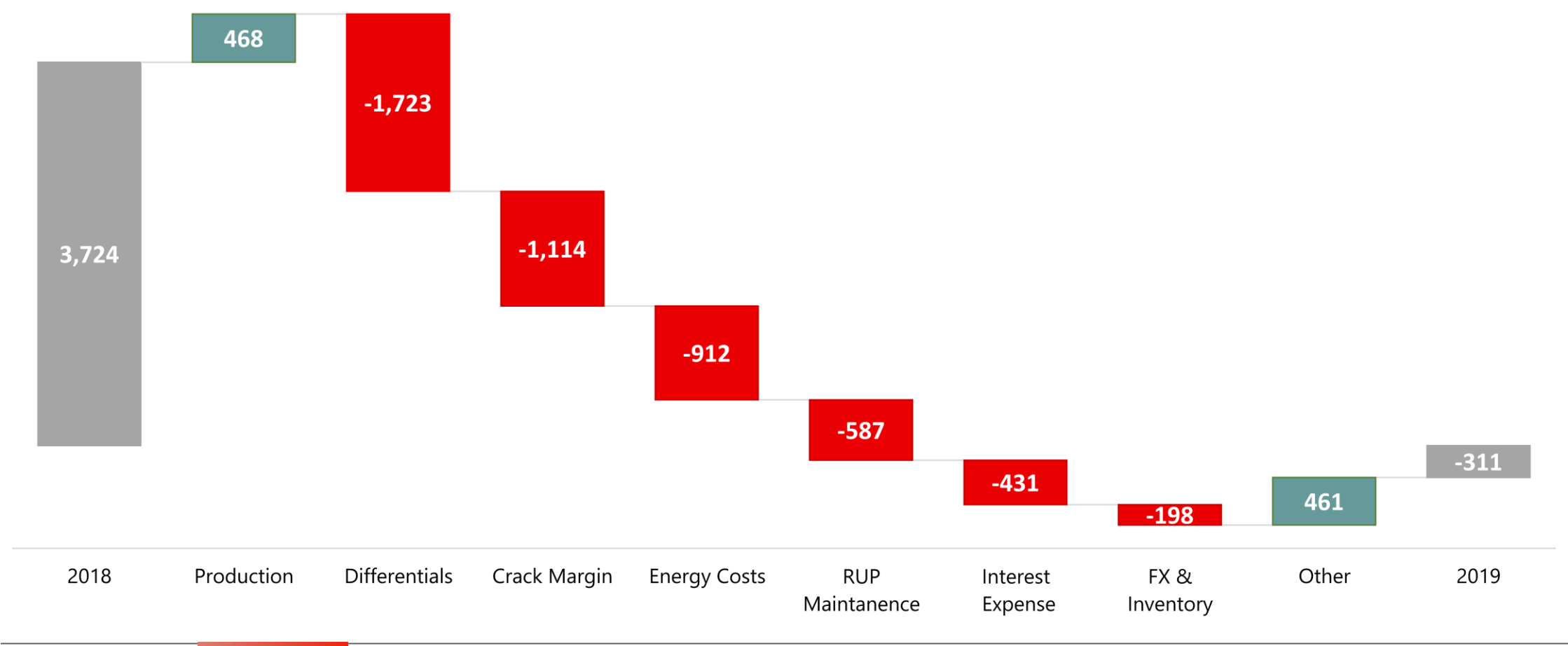
Million TL



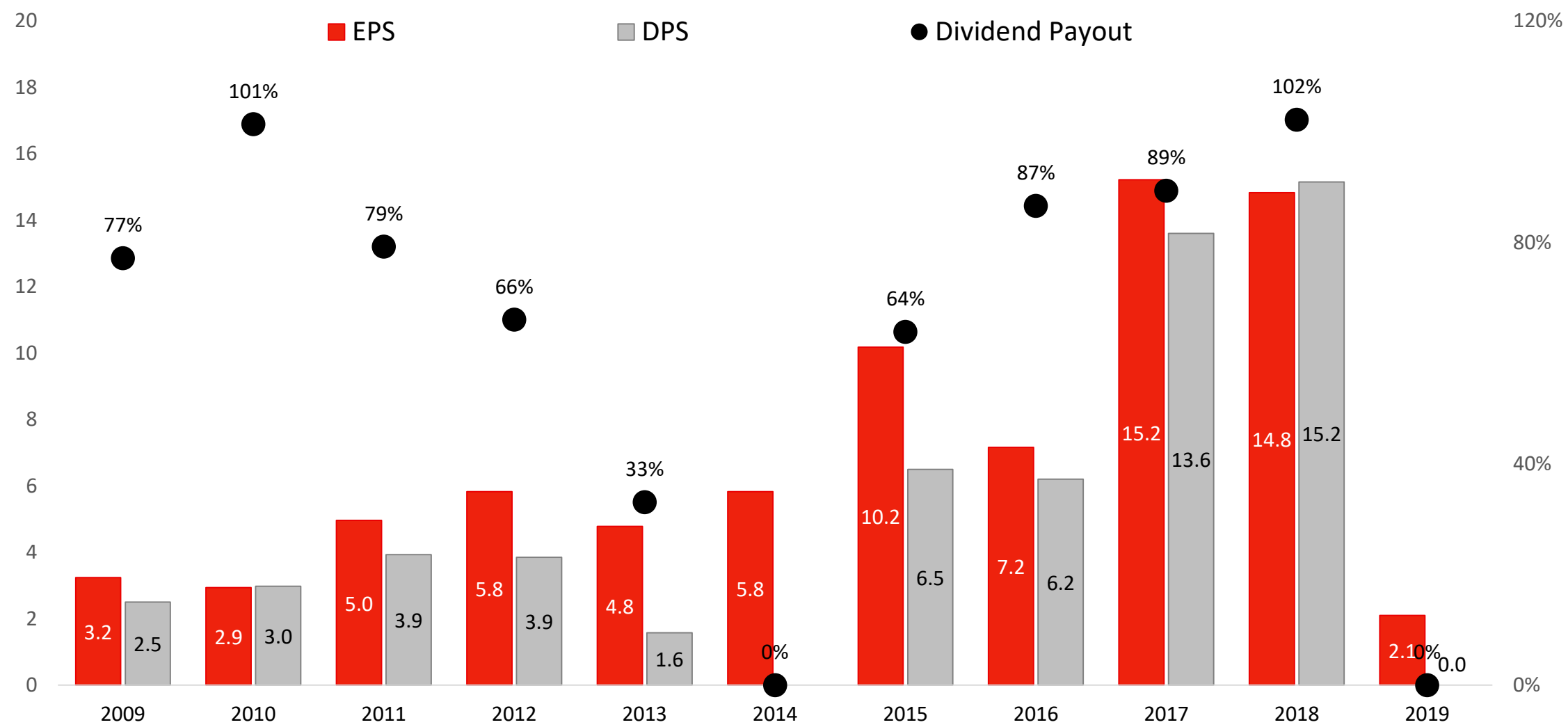
Annual Profit Before Tax Bridge (2018-2019)

2019 PBT was lower mainly due to narrow differentials, weaker crack margins and natural gas price hikes.

Million TL

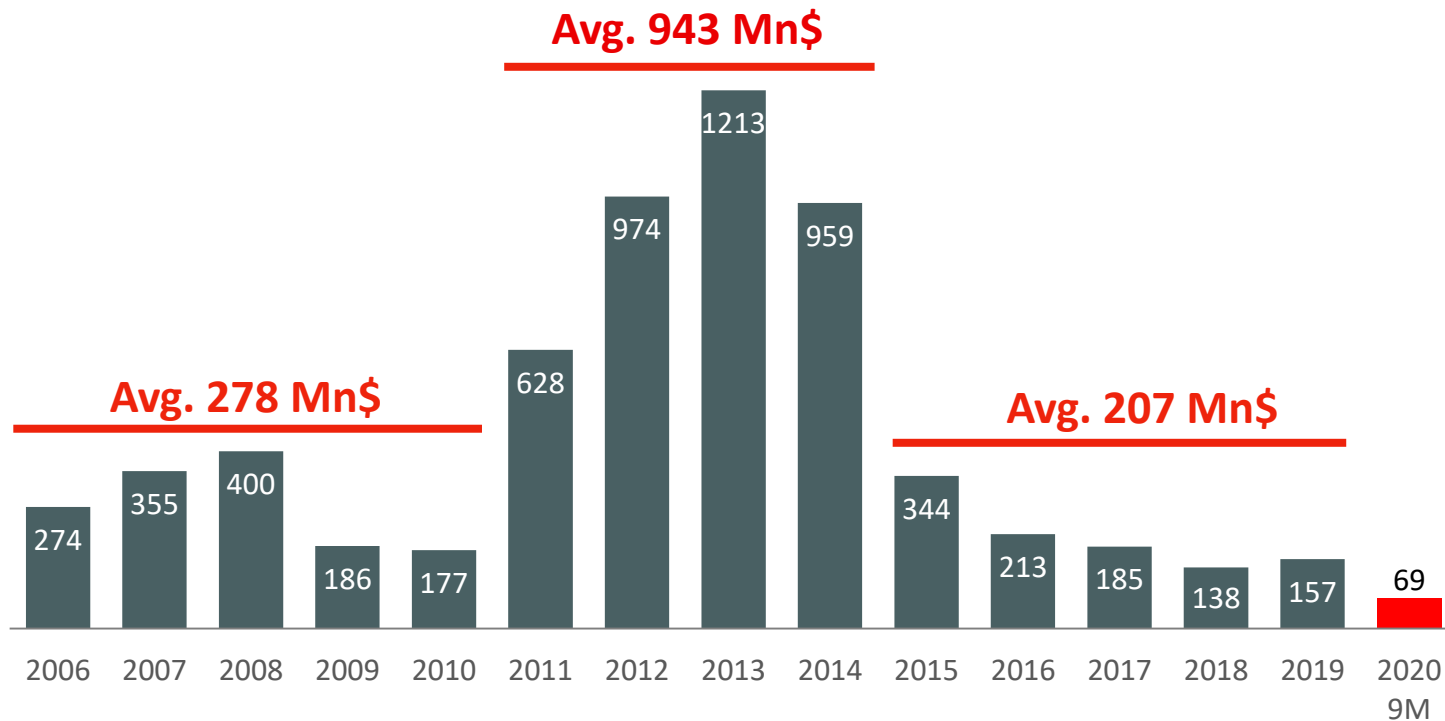


Dividend (TL)



Investments (Million \$)

- c6.7 bn USD investments since privatization
- Reached 9.5 Nelson Complexity
- Capability to process heavier and more sour crude

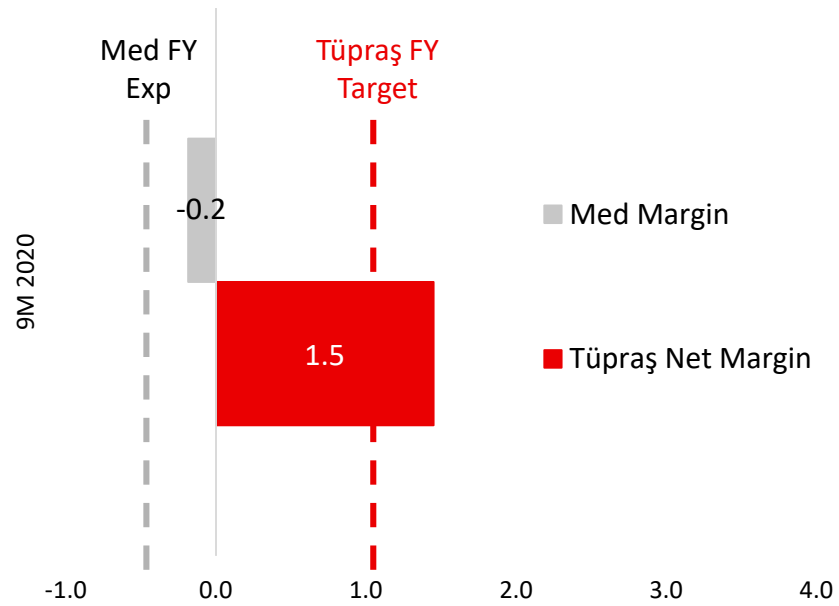


Ongoing Projects

- Revamp of Crude Units
- FCC Modernization
- New Sulphur Units
- Energy Saving Projects
- Optimization of conversion units

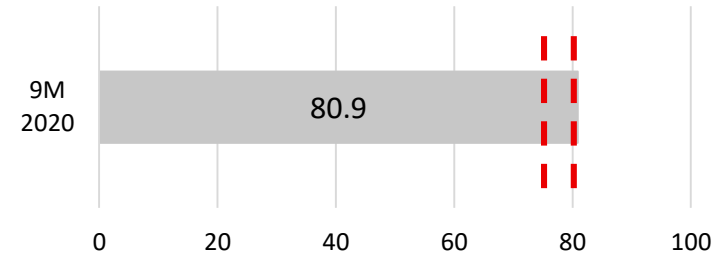
9M 2020 Results

Refining Margins (\$/bbl)



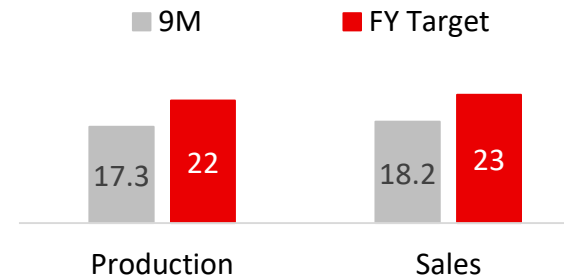
1.5 \$/bbl net refining margin in 9M 2020

Capacity Utilization (%)



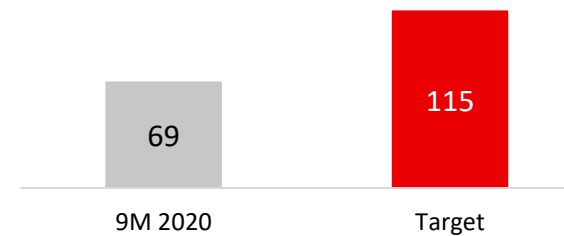
80.9 % total capacity utilization in 9M 2020

Operational



18.2 mn tons of sales and 17.3 mn tons of production in 9M 2020

Refining Capex (mn \$)

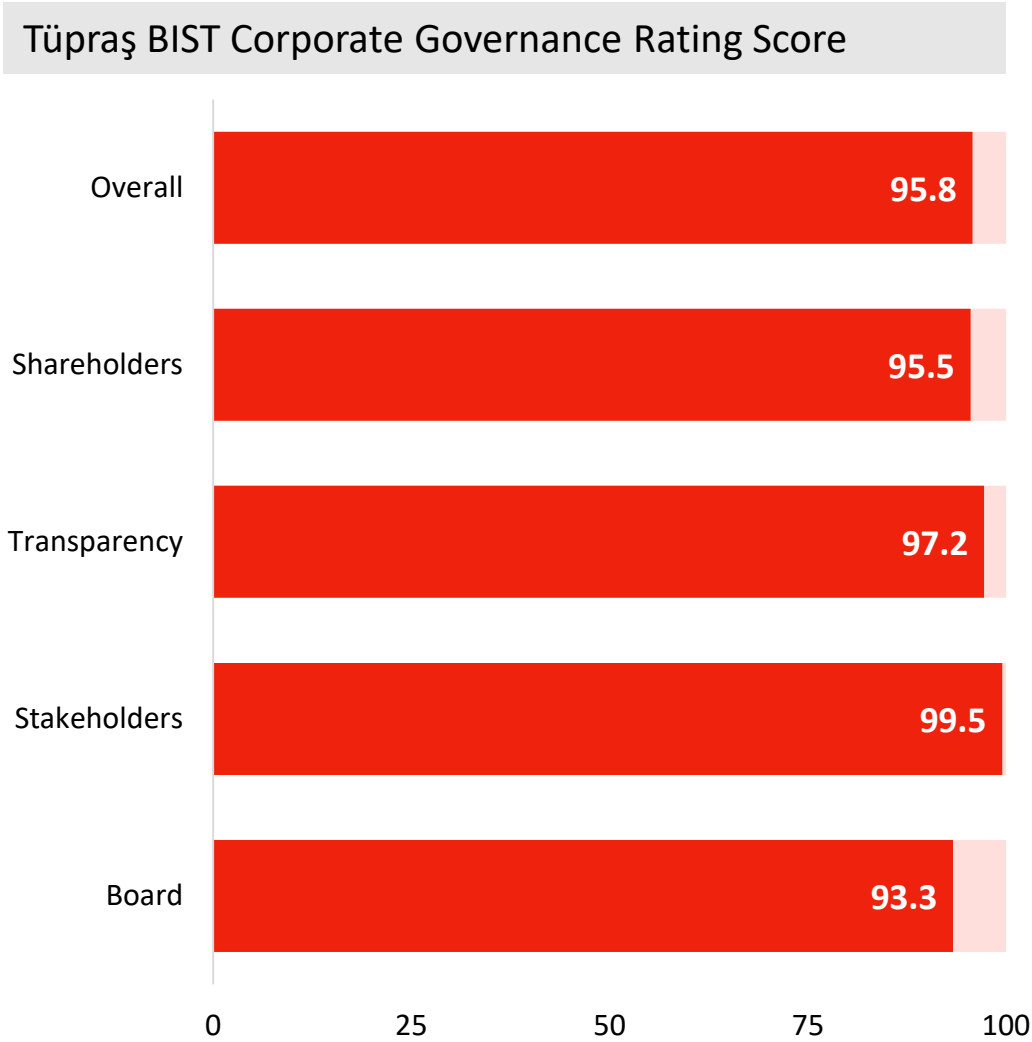


69 mn \$ refining CAPEX in 9M 2020

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

Leading Corporate Governance Score

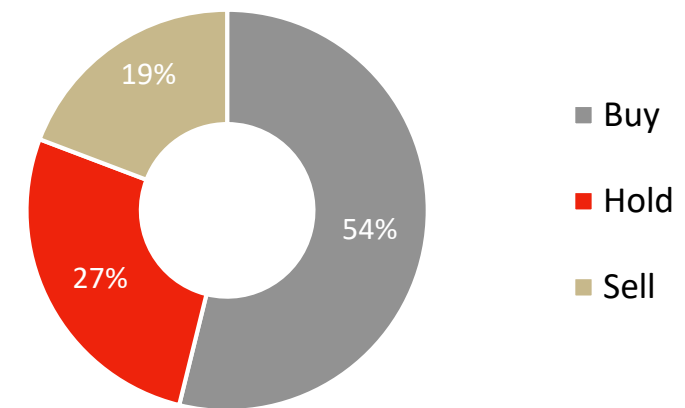


Source: SAHA Corporate Governance and Rating Services Inc. (October 2020)

Credit Rating Scores

Foreign Currency Long Term	FitchRatings	MOODY'S	S&P Global Ratings
Tüpraş	B+ (Negative)	B2 (Negative)	
Turkey	BB- (Negative)	B2 (Negative)	B+ (Stable)
Koç Holding		B2 (Negative)	BB- (Stable)

Analyst Recommendations



Source: Bloomberg

Financial Policy

Financial Discipline: Risk management policies focusing on areas such as leverage, liquidity, counterparty risk, commodity, interest rate and currency exposure.

Leverage & Liquidity

Proactive in liquidity risk management & targets/limits for financial ratios:

- Net financial debt/EBITDA
- Net financial debt/Equity
- Current ratio
- Share of long term debt

Counterparty Risk Policy

Deposit is kept within bank-based limits:

- Credit rating assessment and strong capital base.
- Cap on the maximum deposit allocated to a single bank.
- Threshold for deposits subject to banks shareholders' equity.

Interest Rate & Fx

- The fixed/floating profile of financial debt.
- Proactive management of FX risk with derivative instruments
- Zero FX exposure target.

Commodity Hedging Policy

Inventory Hedging Policy:

- Operational hedge: Optimum stock policy & forward pricing mechanism.
- Financial hedge: Expected inventory exposure for the year end is hedged by using derivatives.
- Hedging ratio increasing throughout the year.

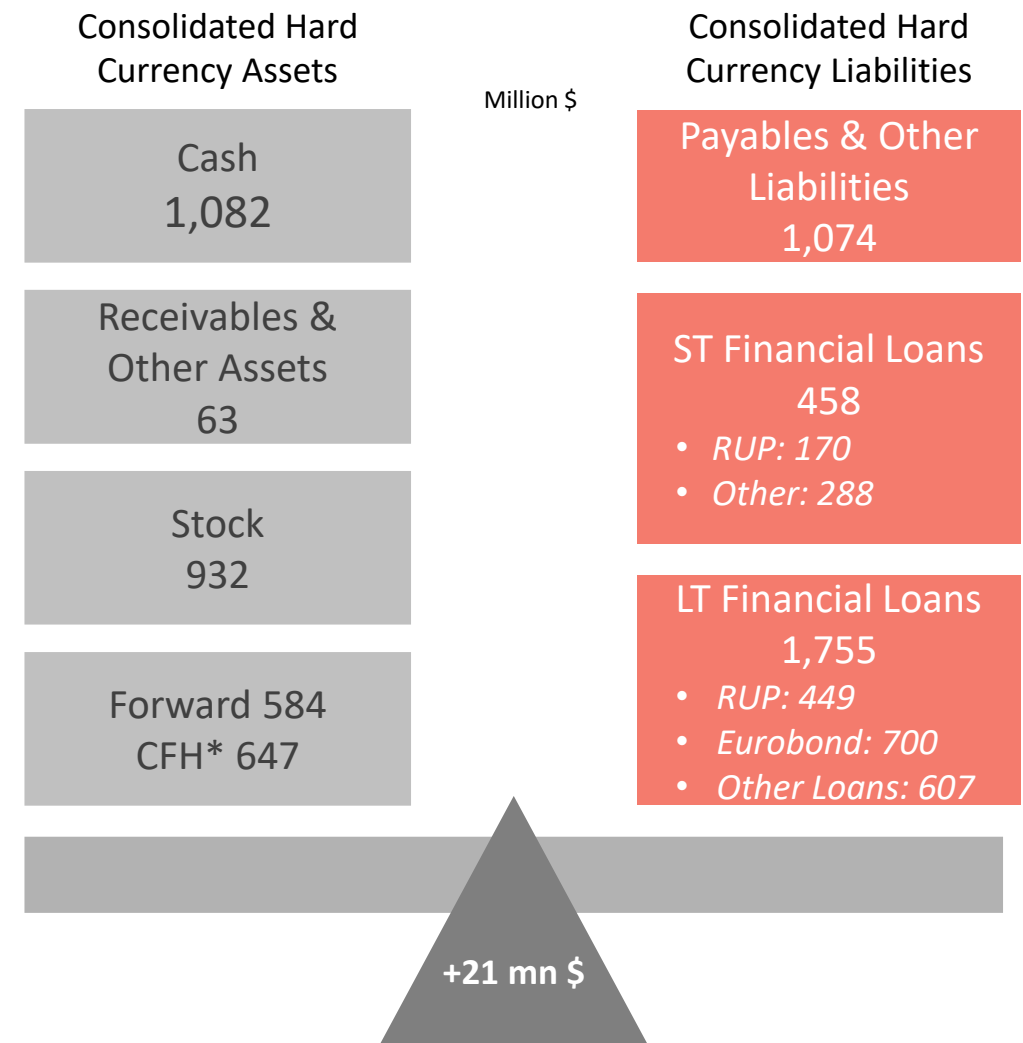
Crack Margin Hedging Policy:

- Financial hedge: Crack margin (gasoline, diesel, jet fuel, fuel oil) risk mitigation by using derivatives.
- Hedge ratio between %0-%50 with up to 1 year hedge tenor

FX Exposure Management (30 September 2020)

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

- A significant portion of the Group's crude oil and refined product purchases are denominated in US Dollars. In addition, the Group finances its capital expenditures mostly through borrowings denominated in US Dollars.
- Natural Hedge: The Group is able to mitigate some of the impact of volatility in exchange rates through natural hedges: crude oil and refined product inventories are US Dollar denominated assets.
- Cash flow Hedge: RUP Facility financing loans designated as hedging instruments of highly probable export revenues.
- As a general Koç Holding financial policy, Group companies are allowed to keep foreign exchange positions within certain limits.



*Cash Flow Hedge



Appendix

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.

Competition - STAR Refinery

Timeline



- Feasibility studies began in 2010 and construction kicked off in 2011
- Goldman Sachs has acquired a 13% stake in SOCAR Turkey for \$1.3 billion.
- Total investment size 6.3 bn USD, with 3.3 bn USD credit agreement.
- Following the completion of construction late 2018, reached full capacity utilization in August 2019

Turkish Market Structure (mn tons)

Turkey Demand	Tüpraş	STAR	Total	Turkish Market Demand	Balance
LPG	1.1	0.3	1.4	4.1	-2.7
Petchem F.	0.2	2.6	2.8		
Gasoline	6.1		6.1	2.4	3.7
Jet Fuel	5.2	1.6	6.8	5.2	1.6
Diesel	10.7	4.5	15.2	26.5	-11.3
Fuel Oil	1.8		1.8	1.3	0.5
Bitumen	3.1		3.1	3.1	
Pet coke	0.8	0.7	1.5	4.6	-3.1
Total	~30	~10	~40		

Competition - Regional Competition

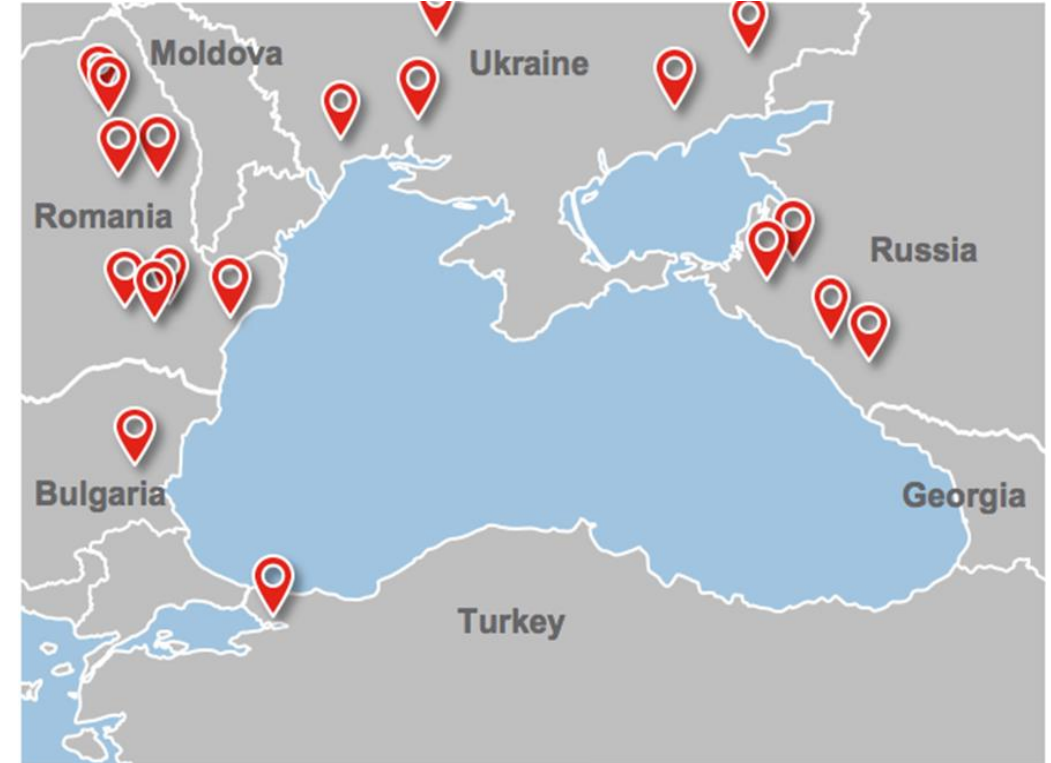
- Tüpraş competes with 71 refineries in the Mediterranean and Black Sea markets.
- Mediterranean regional product balance is also affected from Middle East, North West Europe and Asia flows

Mediterranean



54 Refineries ~7.8mbd

Black Sea

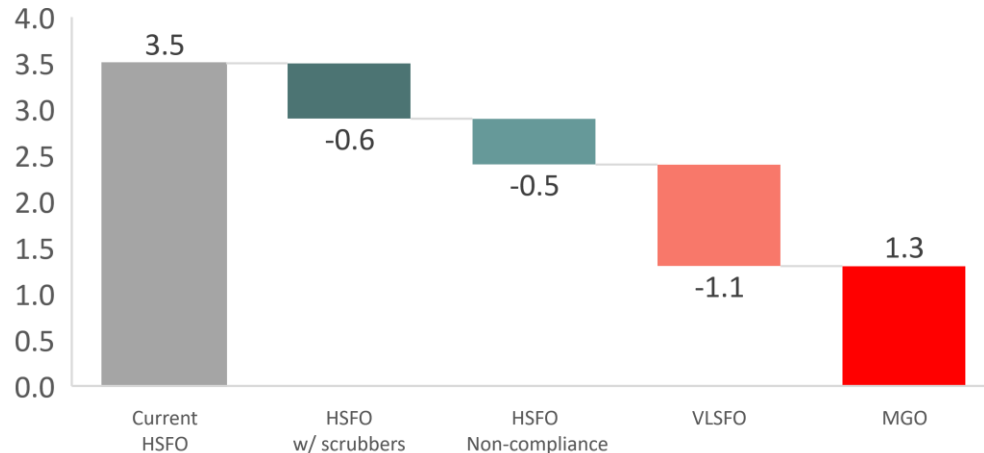


17 Refineries ~1.8mbd

IMO 2020: Changes in Bunker Specification and Its Effects

Current Outlook

HSFO replacement expectations

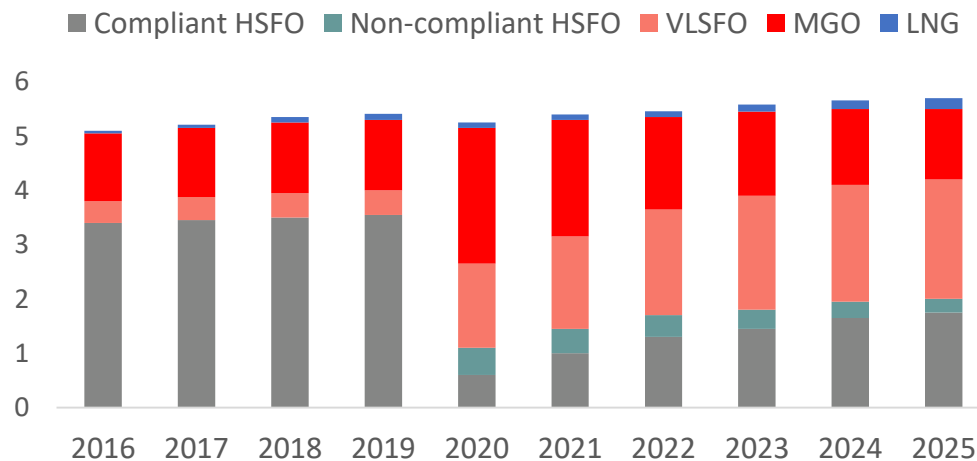


Current compliant fuels

- **Marine Gasoil (Diesel):** Easiest solution as it is already available
- **Very Low Sulphur Fuel Oil (VLSFO):** Either through FCC with sweet crudes or by blending
- **Scrubbers:** As of 17/07/20, ~3.9K vessels are either fitted or scheduled to be fitted and ~0.5K vessels are on order book to be delivered with scrubbers
- **LNG:** requires significant investments at ports

Beyond 2020

Long term outlook for marine fuels



Demand shift beyond 2020

- VLSFO is the initial choice, followed by MGO
- Fuel choice might change through the years as availability & compatibility issues get resolved
- Compliant HSFO use grows as scrubber numbers rise from ~2K after Jan 1st, 2020 (some ports started bans on open-loop scrubbers thus this projection might change)

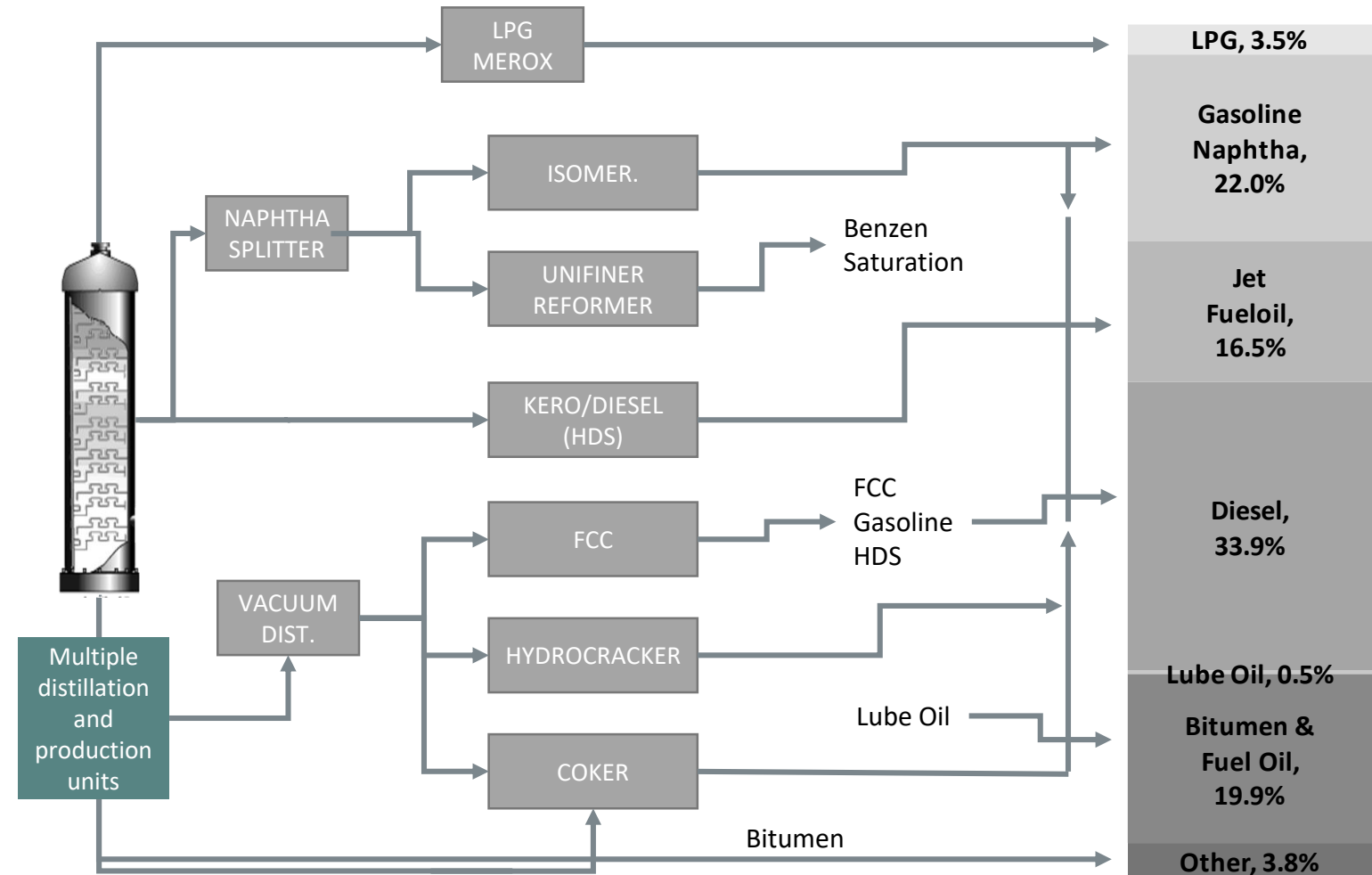
Source: Market Reports

Tüpraş Production Flow and Yield Breakdown

- Tüpraş has 30 million tons of production capacity
- Tüpraş operates 4 refineries with an integrated system optimization program

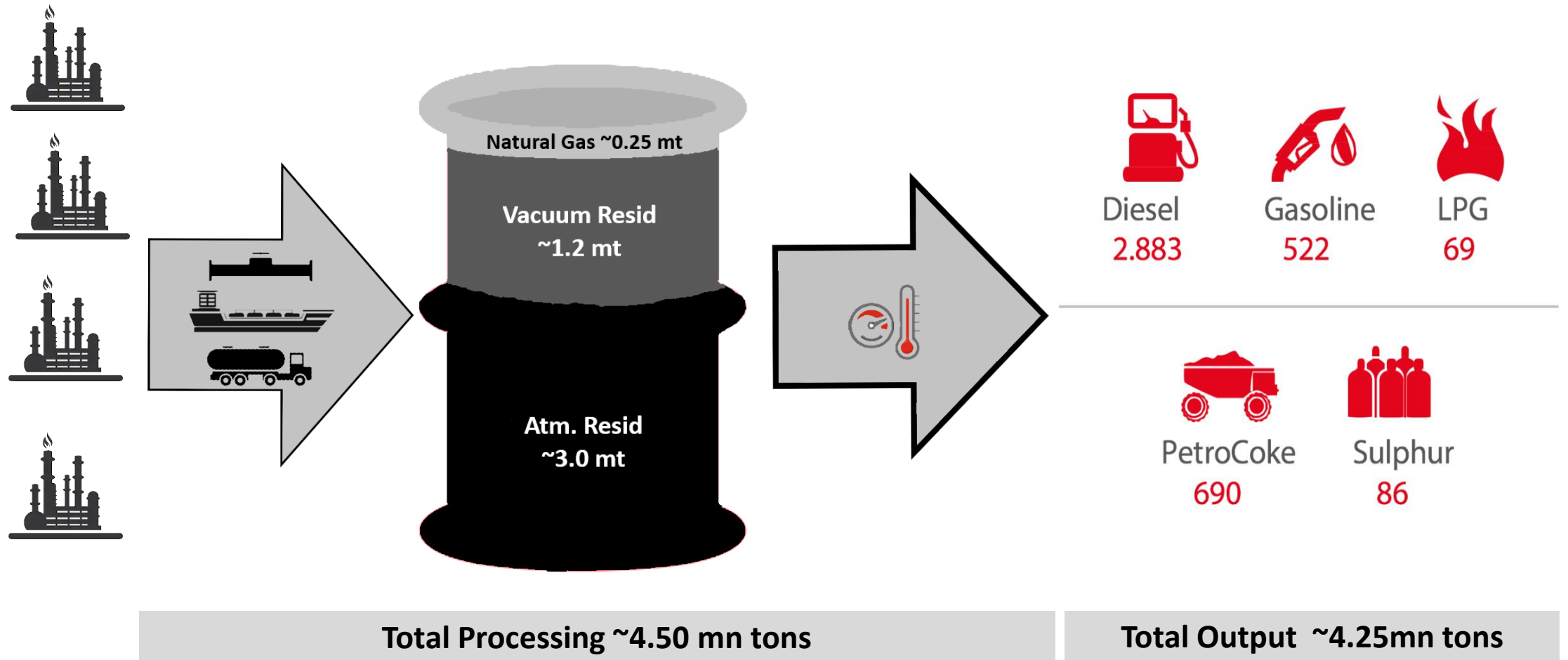
Key Units	# of Units	Capacity (m ³ /d)
CRUDE OIL	8	99,420
VACUUM DIST.	8	42,752
HYDROCRACKER	4	18,032
ISOMERATION	3	7,804
UNIFINER REFORMER	5	16,225
KERO/DIESEL (HDS)	9	37,265
FCC	2	4,650
COKER	1	9000
NAPHTA SPLITTER	8	
LPG MEROX	6	

Flow Diagram



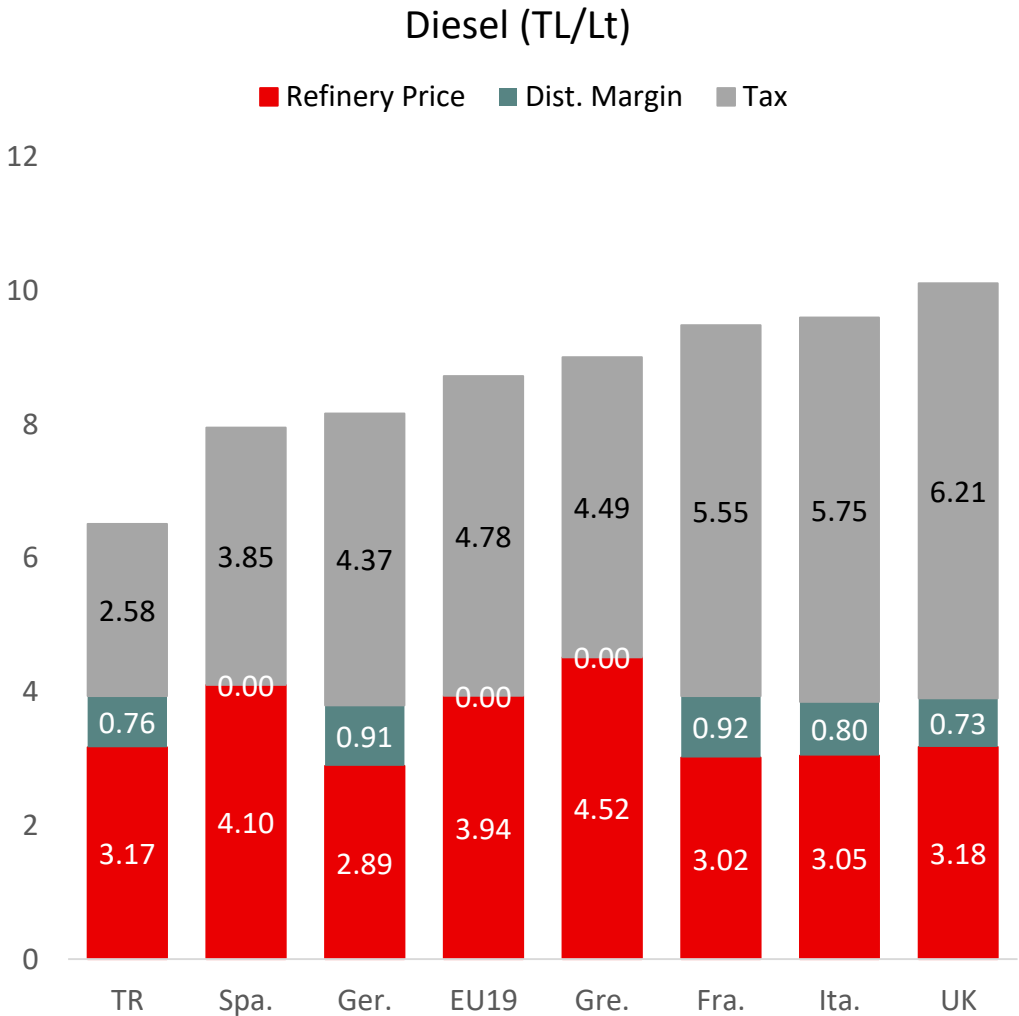
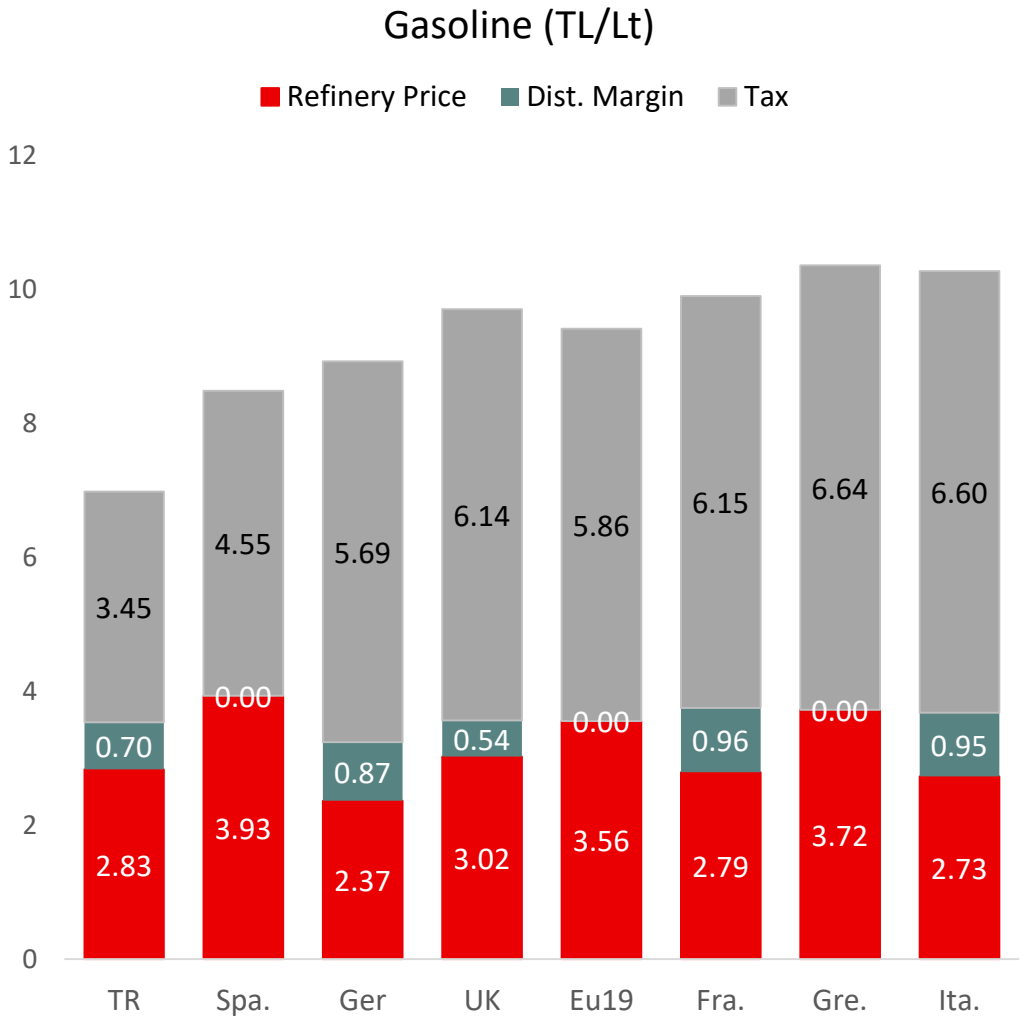
RUP Feedstock and Production

- Residuum Upgrade Plant (RUP) was completed in 2015 and it is the main conversion unit of Tüpraş.
- First periodic maintenance was completed in Q2 2019.



European Pump Price Comparison

Turkish fuel prices are highly competitive with other European countries.



European prices as of 16th December - Turkey's prices as of 24th December 2019

Tüpraş's Sustainability Efforts Over a Decade of Dedication

Tüpraş kicked off its sustainability program back in 2008 and achieved many milestones in a decade

From our investment decisions to our working methodology, we placed sustainability at the forefront of our operations, as a core management aspect. Accordingly, we adopted the UN Sustainable Development Goals (SDGs) as a significant guidance mechanism seeking creative solutions to global challenges.

~500

energy efficiency projects leading to
~35,000 TJ saving
and
2.4 mt CO₂ reduction

11.5%

increase in solid waste recovery

45.5%

decrease in fresh water usage

20.7 points

drop in Energy Intensity

~209 MTL

donations and sponsorships

76.5%

increase in female employee numbers

~1.2 mn

workhours dedicated to OHS training

+1.3 points

increase in Corporate Governance rating

17%

female representation in senior and mid-level management



See our Sustainability Report for details

2019 Achievements

Environmental Responsibility



- Tüpraş won **the first and jury special awards** in Energy Efficiency category of Industry Project Competition.
- Kırıkkale Refinery New Power Plant project was selected as the “**Project of the Year**” at the ICCI International Energy and Environment Fair and Conference.
- Achieved **69.6%** water recycle ratio
- Achieved **69.5%** solid waste recovery

Social Support



- **~12,000** students have received robotic coding training within **Our Energy to the Future; I Code, Model, Produce CSR Project** .
- 80% of ex-crude procurement activities were conducted through **local businesses**.

Governance Excellence



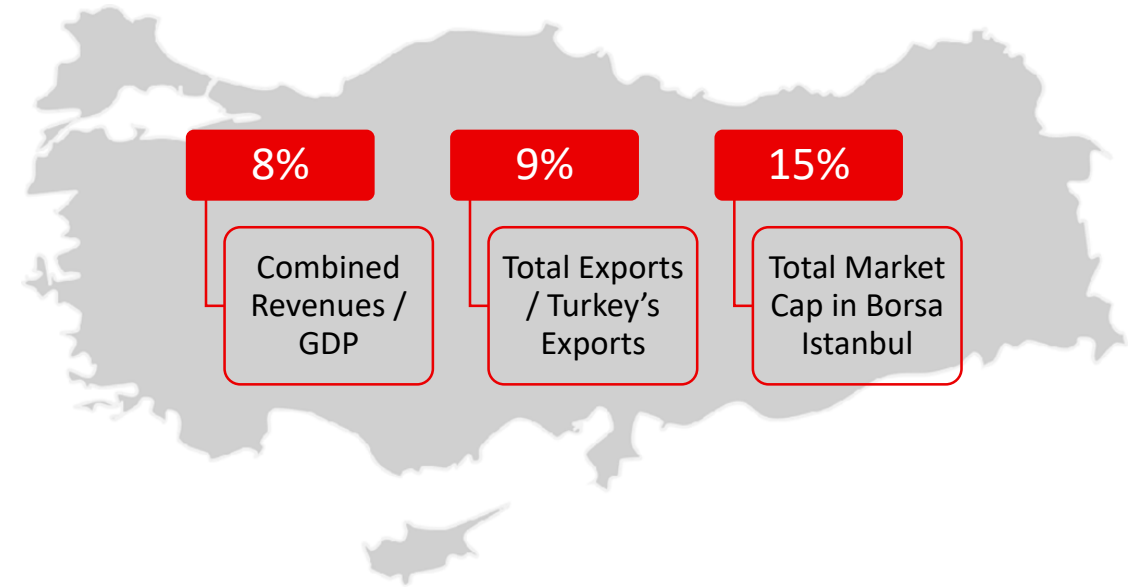
- **9.50** Corporate Governance Rating
- **18%** Female Representation at the Board,
- **17%** Female Representation in Upper and Mid-Level Management.

Turkey's Leading Investment Holding Company

- Koç Holding is Turkey's largest industrial and services group in terms of revenues, exports, employees, taxes paid and market capitalization
- The only Turkish company in Fortuna 500¹.
- 26% CAGR in consolidated profit² the last five years

Pioneer in its Sectors

- Leading positions with clear competitive advantages in sectors with long-term growth potential such as energy, automotive, consumer durables and finance.



Notes : Data as of YE19

(1) 2019 Report (based on consolidated revenues)

(2) In TL terms between 2015-19



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