

9 November
2018



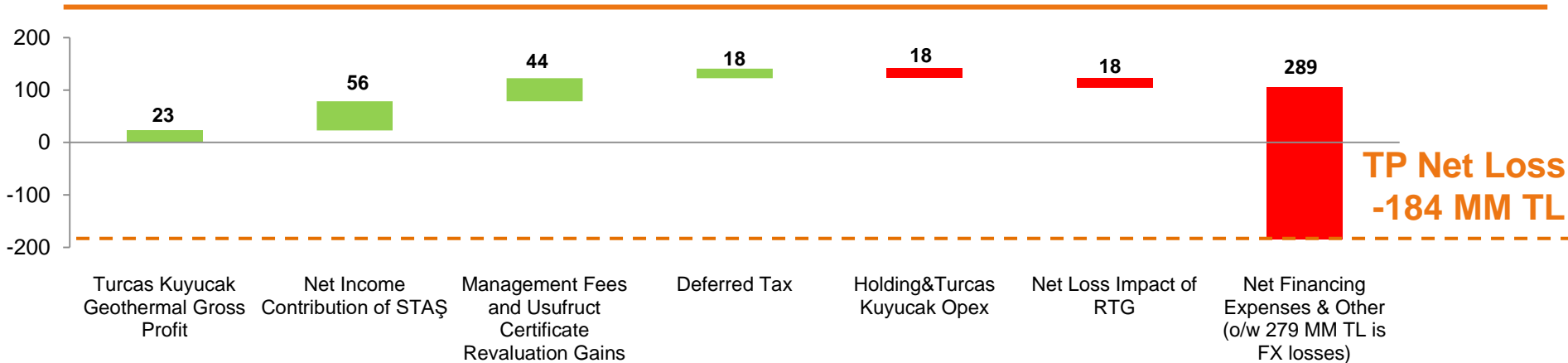
9M18 Earnings Presentation



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9M18 General Overview

Turcas Petrol IFRS Consolidated Net Income Bridging (9M18)



Message from Turcas Petrol CEO



- First nine months of 2018 is marked by **heavy FX losses despite ongoing support from fuel distribution** (Shell & Turcas) and **geothermal business** (Turcas Kuyucak)
- On a quarterly basis, **net financial losses** (3Q18: - 195 MM TL, 2Q18: - 56 MM TL) has **created significant pressure** on bottomline (3Q18: -164 MM TL, 2Q18: +3 MM TL) **due to depreciation of TL**
- **Non-cash FX losses likely to be converted into gains in the upcoming quarter (+11% TL appreciation against USD since end of Sep'18)**



At a glance- 9M18



Shell & Turcas JV



>1 million
daily
visitors via
1,014
fuel stations



791
MM TL
EBITDA



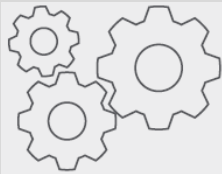
186
MM TL
Net
Income



RWE & Turcas JV



2.07 billion
kWh
Generation



611
MM TL
Net Sales



14
MM TL
EBITDA



Kuyucak
Geothermal



60 million
kWh
Generation



11.8
USc/kwh
Feed -In
Tariff



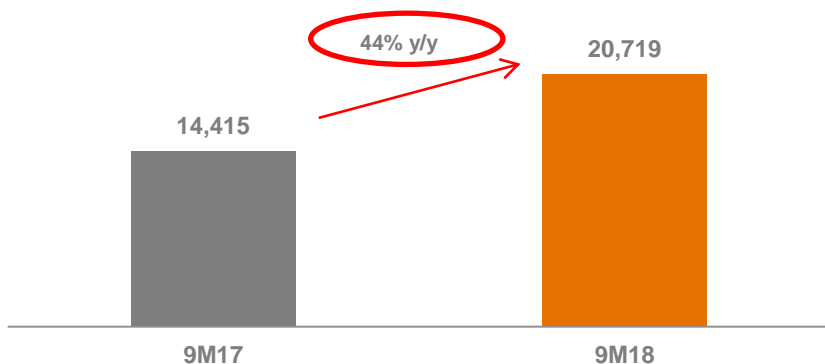
23
MM TL
EBITDA



Shell & Turcas JV – 9M18 Key Highlights

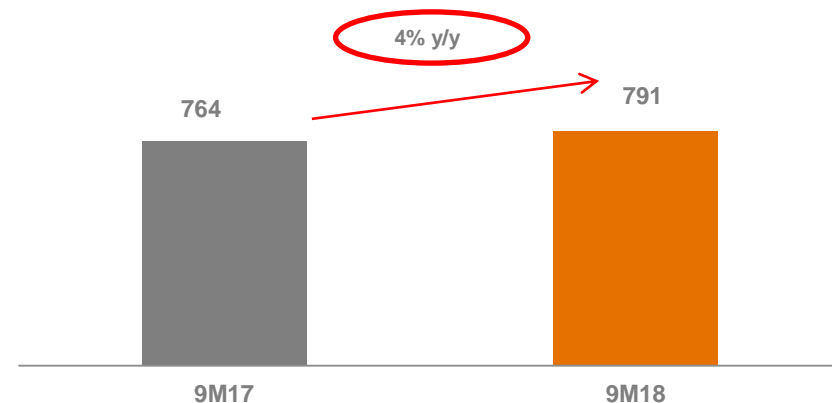
Net Sales

MM TL



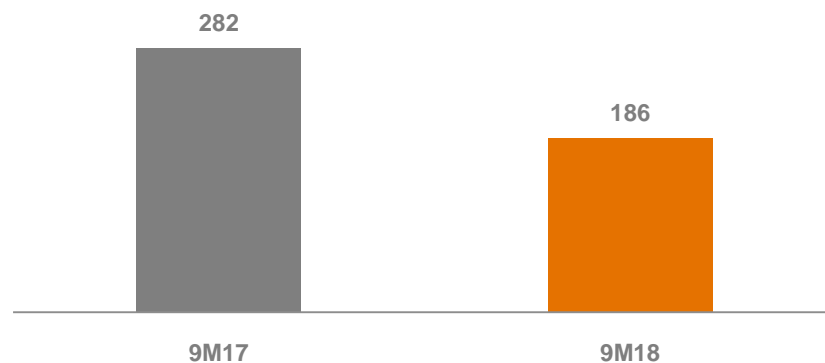
EBITDA

MM TL



Net Income

MM TL



Shell & Turcas 9M18 Highlights

- Sustained above sector volume growth leading to maintained leadership position
- Net income impacted by i) FX losses from operations, ii) higher financial expenses on TL denominated loans
- Net Debt / EBITDA at a very healthy level of 1.1x (100% of debt in local currency)

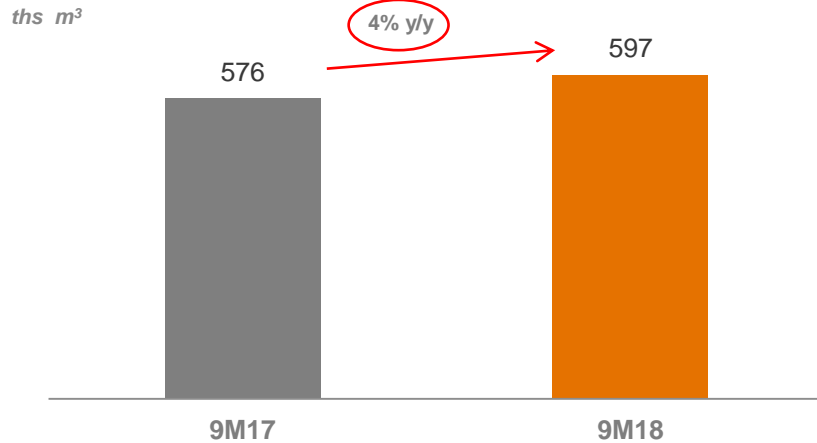


Source: STAŞ IFRS consolidated financials. EBITDA includes EBIT, depreciation, amortisation and amortisation of prepaid rent expenses

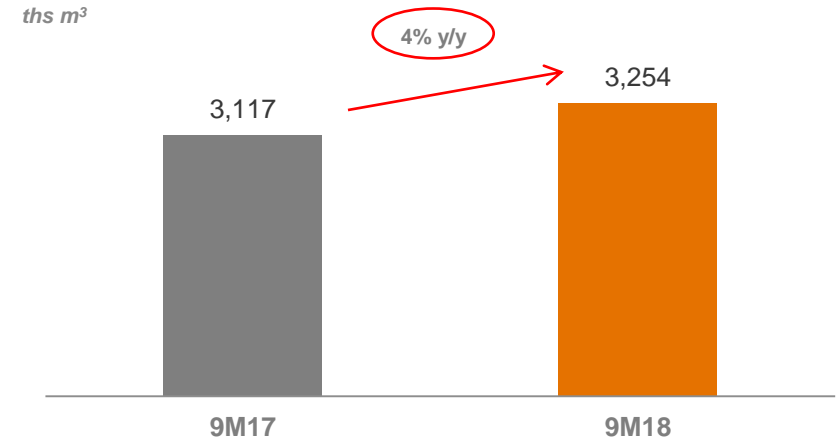


Shell & Turcas JV – 9M18 Key Highlights

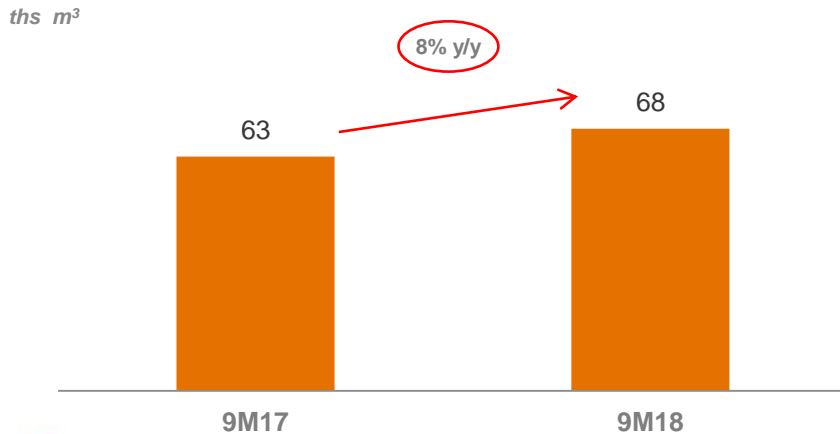
Gasoline Sales (STAŞ)



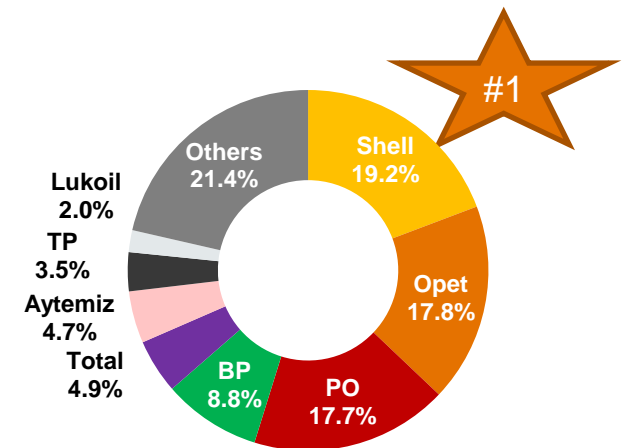
Diesel Sales (STAŞ)



Lubricants Sales (STAŞ)



Onsite Market Share (9M18)



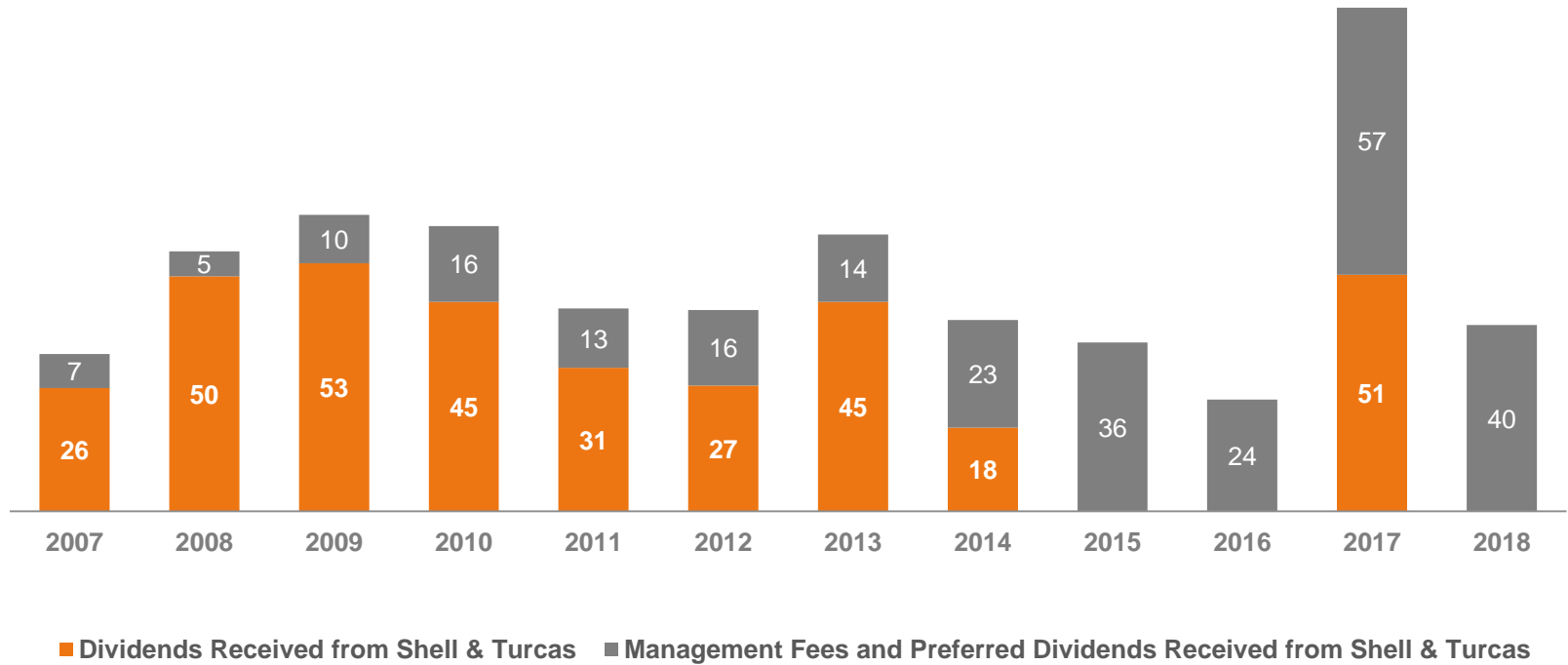
Source: PETDER. Market share info EMRA



Continuous Cash inflows from Shell & Turcas

Dividends & Management Fees & Preferred Dividends Received from Shell & Turcas

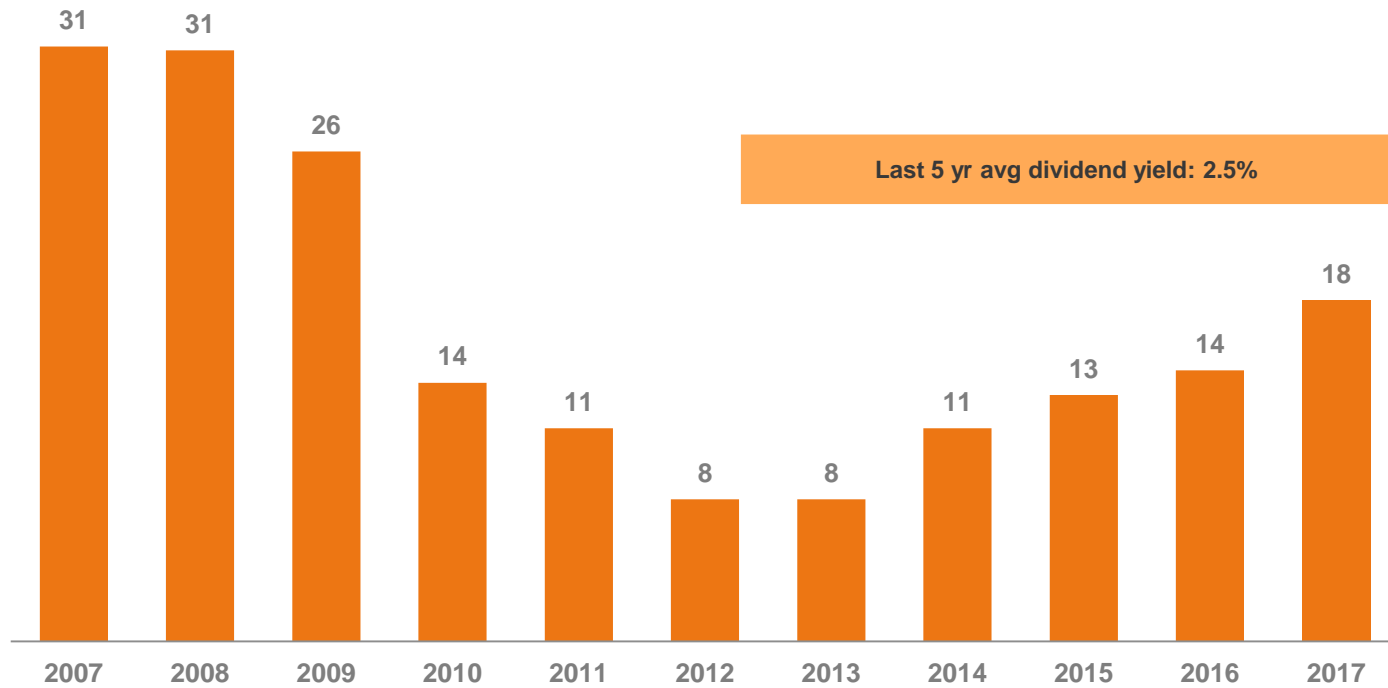
MM TL



Continuous Dividend Distribution

Dividends Paid by Turcas

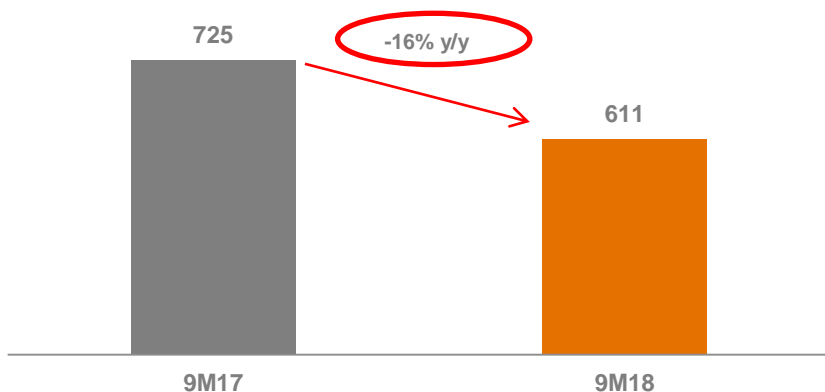
MM TL



RWE & Turcas JV – 9M18 Key Highlights

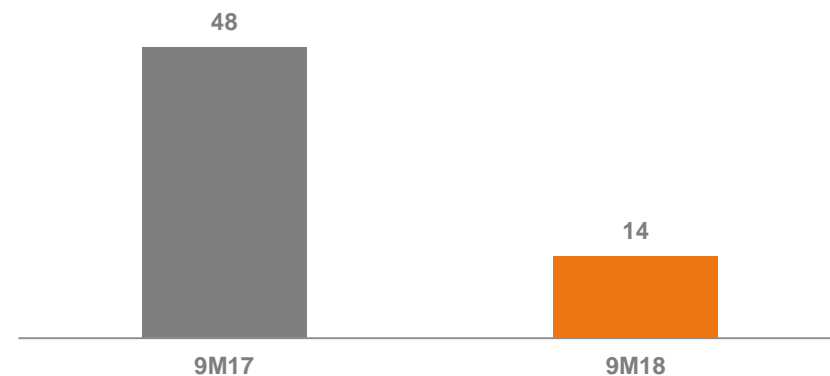
Net Sales

MM TL



EBITDA

MM TL



Net Loss

MM TL



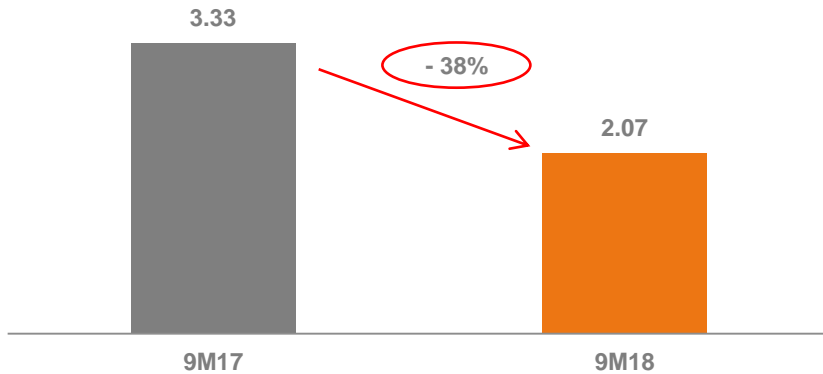
RWE & Turcas 9M18 Highlights

- **Highest quarterly net sales** (318 MM TL) since COD driven by recovery in capacity utilization rate
- **42 MM TL capacity payments** realized in 9M18 (1Q18: 10 MM TL, 2Q18: 18 MM TL, 3Q18: 14 MM TL)
- Net loss impacted by **natural gas price increase in Aug'18**

RWE & Turcas JV – 9M18 Key Highlights

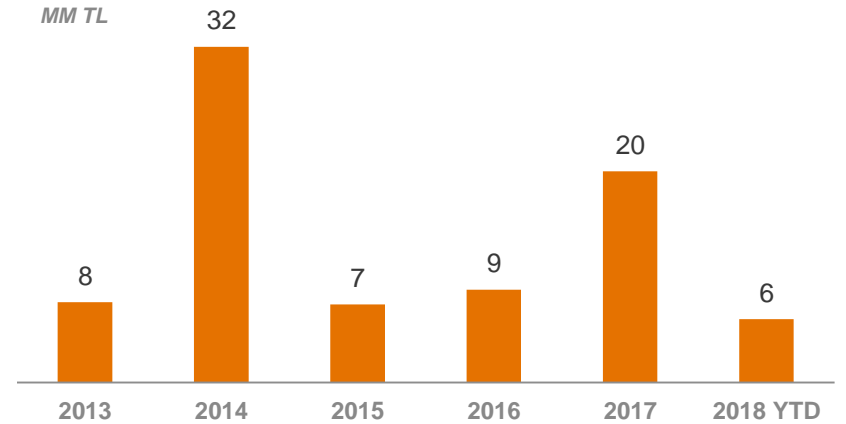
Electricity Generation

billion kWh



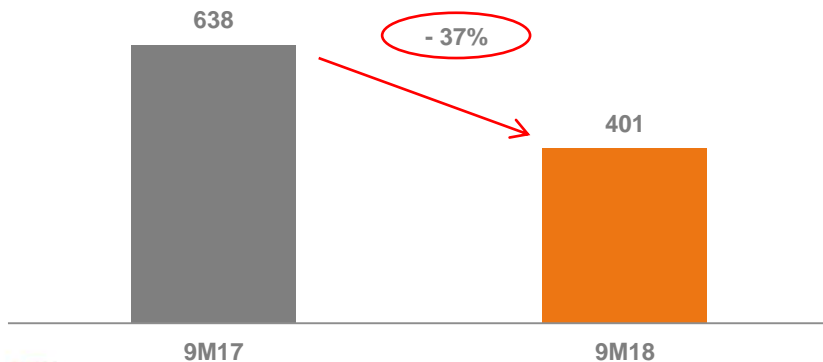
Cash inflows to Turcas from RWE & Turcas JV (under SHL repayment)

MM TL



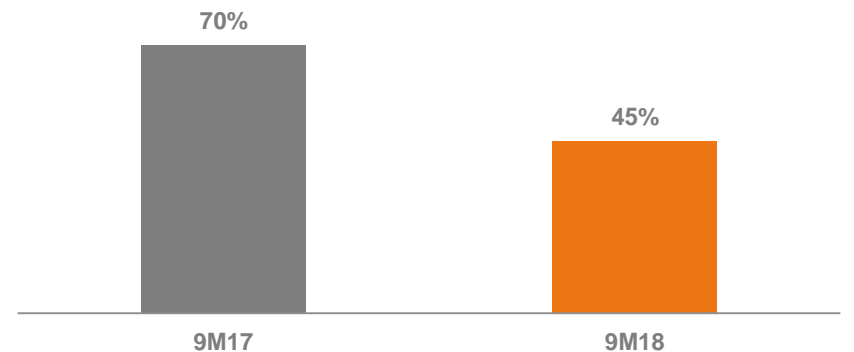
Gas Consumption

mcm



Capacity Utilization Rate

%



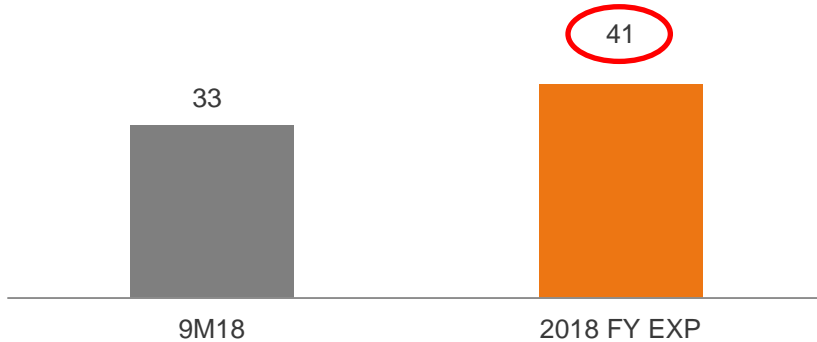
Source: RWE & Turcas IFRS consolidated financials. Cash inflows indicate shareholder loan repayments from RWE & Turcas to Turcas



Turcas Kuyucak Geothermal (TKG) PP-9M18 Key Highlights

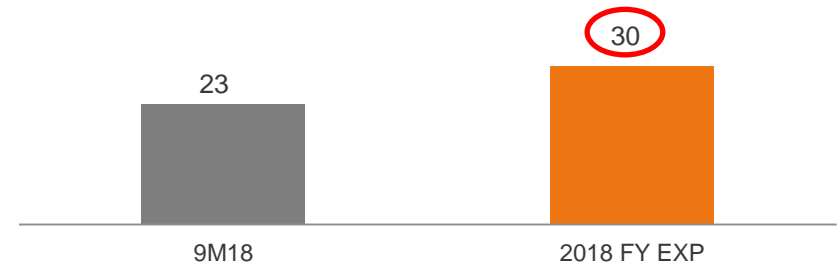
Net Sales

MM TL



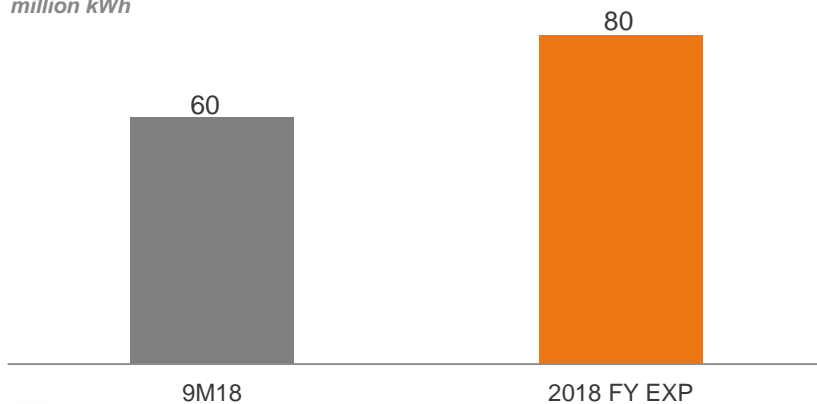
EBITDA

MM TL



Electricity Generation

million kWh



Turcas Kuyucak Geothermal PP 9M18 Highlights

- Turcas Kuyucak contributing positively to Turcas consolidated EBITDA driven by USD based Feed-In Tariff
- Long term project finance loan repayments serviced through free cash flow generation of TKG



Source: Turcas Kuyucak financials



Potential Project Pipeline

Geothermal Energy

Turcas plans to grow in geothermal energy with the following projects:

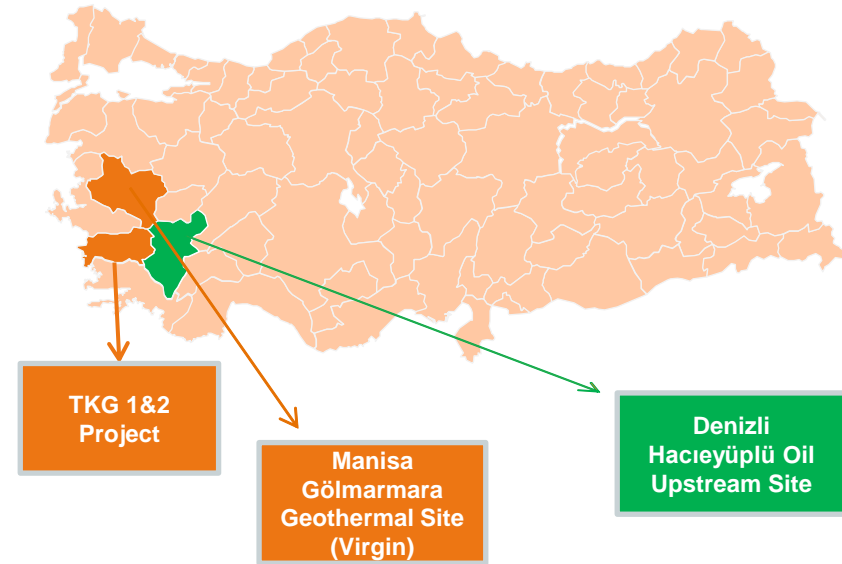
- 1. Existing TKG Plant (TKG-1):** We successfully drilled an additional re-injection well (3rd one) and a successful additional production well (7th one) with the goal of maximizing the generation capacity and thus the EBITDA at this existing plant.
- 2. Potential New Plant (TKG-2) at our Existing TKG Concession Zone:** Our ultimate goal is to increase our installed base or add new modular plants taking advantage of the attractive Feed-In Tariff and the sustainable production capacity of our concession area, however, before proceeding with new drillings and further investment, we will wait for the official announcement of the Ministry of Energy and Natural Resources related to the details of the Feed-In Tariff Mechanism to be applied to Geothermal investments for the period after 2020.
- 3. Manisa Concession Zone:** Turcas is developing another geothermal energy project on a 4,958.68 hectares concession zone in Manisa Gölarmara in Western Turkey. We drilled an exploratory well in Q2 2018 and obtained operation license for 30 years, however, before proceeding with new drillings and further investment, we will wait for the official announcement of the Ministry of Energy and Natural Resources related to the details of the Feed-In Tariff Mechanism to be applied to Geothermal investments for the period after 2020.

Oil Upstream (Denizli)

- Our 2,600m deep geothermal well (drilled 1Q-2017) in Denizli Hacıyüplü did not yield enough thermal heat for power generation but encountered oil findings around 700 to 900 meters depth, we plan to drill a new (shallow) well here for oil exploration in 2019 following Seismic and other detailed studies. We obtained the required Oil Exploration License from the Government Authorities on 02.05.2018.

Others

- Turcas may evaluate opportunistic wind, solar and hydro based energy generation projects outside Turkey in regions where the hard currency FX-based Feed-In-Tariffs are attractive.



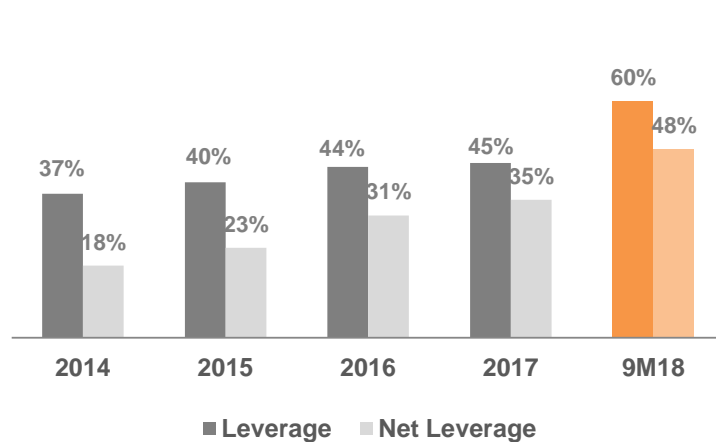
Turcas Financial Overview

IFRS Consolidated Financial Statements & Financing Ratios

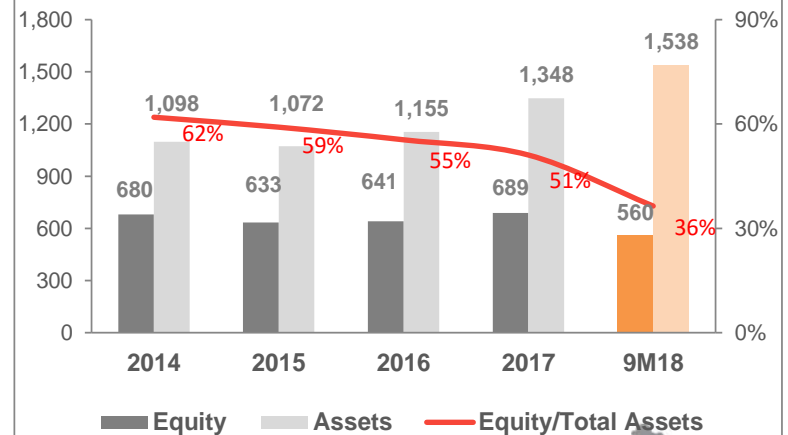
Balance Sheet , million TL	2017	9M18	Ytd
Cash & Cash Equivalents	126	183	45%
S -T Rec. From Rel.Parties <small>(mostly from RTG)</small>	19	22	13%
L -T Rec. From Rel.Parties <small>(mostly from RTG)</small>	61	61	0%
Associates <small>(STAS & RTG)</small>	793	881	11%
Fixed Assets <small>(TKJ Capex Investments)</small>	251	269	8%
Financial Assets <small>(FMV of Usufruct Certificates)</small>	78	81	4%
Total Assets	1,348	1,538	14%
S - T Financial Liabilities <small>(PF Loans for RTG & TKG)</small>	91	157	74%
L - T Financial Liabilities <small>(PF Loans for RTG & TKG)</small>	510	772	51%
Equity	689	560	-19%
Total Liabilities & Equity	1,348	1,538	14%
Net Debt	474	740	56%

Income Statement, million TL	9M17	9M18	YY
Revenues (Electricity Sales)	0	33	n.a
Other Operational Income (Net)	2	-1	n.a
Operating Expenses	19	18	-7%
Operating Profit	-17	5	n.a
Income from Investments	0	42	n.a.
Income from Subsidiaries	85	38	-55%
<i>Shell & Turcas</i>	85	56	-34%
<i>RWE & Turcas</i>	0	-18	n.a.
Earnings Before Financing & Tax	68	85	24%
Net Financial Losses	-46	-287	526%
<i>FX Losses</i>	-46	-279	507%
Net Income Before Tax	22	-202	n.a.
Tax	2	18	964%
Net Income/Loss	24	-184	n.a.

Leverage & Net Leverage



Equity & Equity Financing





Thank you!

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