

December
2019



Analyst Day

December 18, 2019
Conrad Istanbul Bosphorus



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Agenda

- ❖ **General Overview & Key Strategic Highlights (Batu AKSOY - CEO)**
- ❖ **Financial Overview & Future Prospects (Erkan ILHANTEKIN - CFO)**

Turcas: 88 years of History: Full of Strong Partnerships

Turcas

- Oil & Energy focused **Investment Company**
- Extensive **industrial know-how** in Turkish Energy Business
- Active in **Fuel Distribution-Lubricants, Conventional & Renewable Power Generation**
- Carved-in **Business Partnership culture**
- Targeting to **Further Diversify** its portfolio

Corporate Profile

- 54% owned by Aksoy Holding and traded on Borsa Istanbul since 1992
- A history full of strong partnerships with global major players
- Corporate Governance Rating: 9.58 out of 10
- **Ranked #1 among energy companies listed in BIST Corporate Governance Index**

Business Portfolio

Joint Venture with



Holding 30% shares of
Shell & Turcas JV
since 2006

Joint Venture with



Holding 30% shares of
RWE & Turcas JV
since 2009



Turcas Kuyucak
Geothermal
COD: Jan'18

Joint Venture with



Holding 13.1%⁽¹⁾ shares of
ATAŞ Oil Terminal
since 1970

Market Position

- **Shell & Turcas:** Market leader in Gasoline & Lubricant sales, #1 in Throughput Ratio;
- **RWE & Turcas:** Owner and operator of 800 MW Denizli CCPP;
- **Turcas Kuyucak Geothermal:** 18 MW Geothermal Power Plant;
- **ATAŞ:** 3rd largest Oil Terminal in Turkey with a total capacity of 570K m3;



(1) Includes Turcas' indirect ownership through Shell&Turcas



Energy Investment Holding with a Diversified Portfolio



TRCAS.TI / IS
Free Float: 28%



Note: Turcas has both a direct (5%) and indirect (8.1%) stake (via STAŞ) in ATAŞ (total: 13.1%)

Equity Pick Up Consolidation under IFRS Full Consolidation under IFRS



Business Lines by Numbers (as of 9M19)

Fuel Distribution & Lubricants



Shell & Turcas JV



>1 million
daily
visitors via
1,027
fuel stations



29.7
BB TL
Net Sales



1,019
MM TL
EBITDA

Power Generation



RWE & Turcas JV



1,728
million
kWh
Generation



684
MM TL
Net Sales



6
MM TL
EBITDA



Kuyucak
Geothermal



49 million
kWh
Generation



33
MM TL
Net Sales



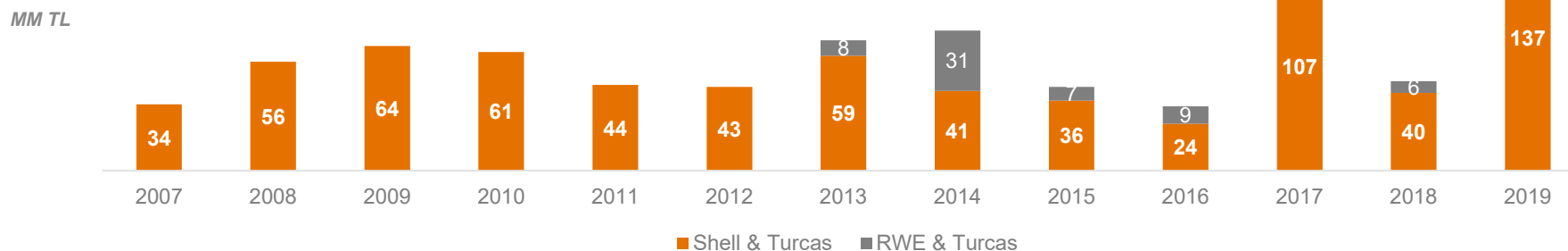
23
MM TL
EBITDA



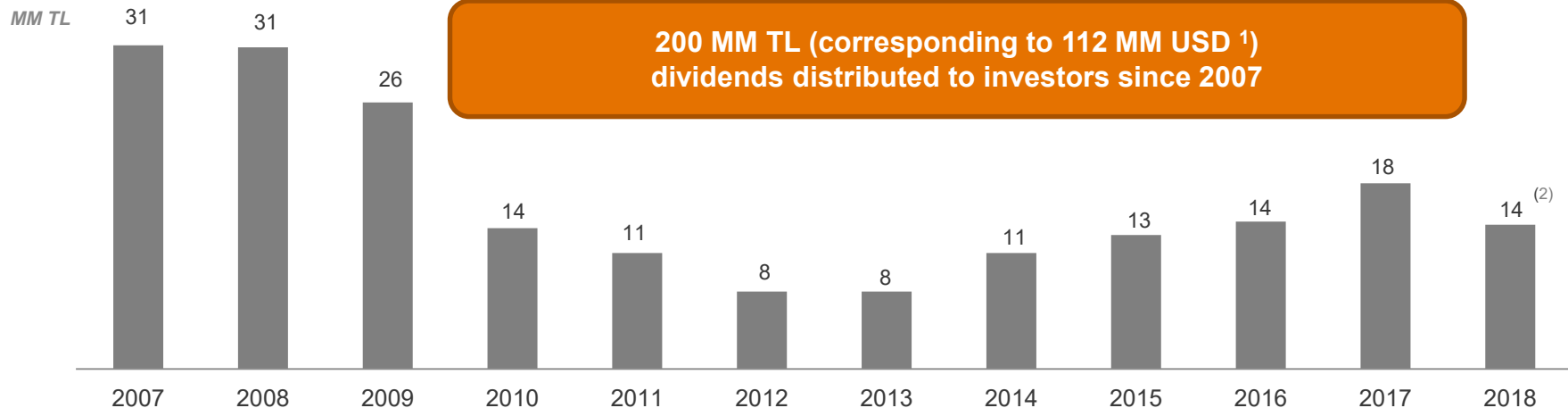
Cash inflows from Subsidiaries & Dividend Payments

Cash Inflows from Subsidiaries

827 MM TL (corresponding to 361 MM USD ¹) received from subsidiaries since 2007



Dividends Paid by Turcas



(1) Calculated via utilization of historical USD/TL rate for each cash inflow / outflow

(2) Cancellation of buy back shares resulting in increased ownership ratio (capital gain) for investors

Sustained Focus on Geothermal Energy

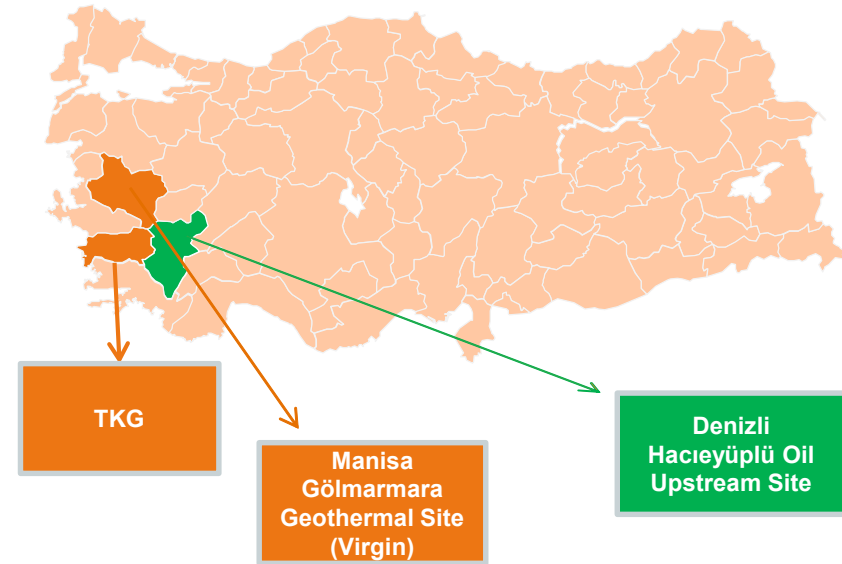
Geothermal Energy

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

- 1. Existing TKG Plant** : TKG started to drill an additional production well (8th production well) with the goal of maximizing the generation capacity and thus the EBITDA at the existing plant.
- 2. Manisa Concession Zone**: Turcas is developing another geothermal energy project on a ca. 5K hectares concession zone in Manisa Gölarmara in Western Turkey. Turcas 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 details of the new Feed-In Tariff Mechanism to be applied to Geothermal investments for the period after 2020.

Oil Upstream (Denizli)

- Our 2,600 m 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, Turcas completed the geological and geophysical studies in 2018 and plans to move forward with seismic studies and to drill a new (shallow) well here for oil exploration in 2020. Turcas obtained the required Oil Exploration License s in May 2018.



Agenda

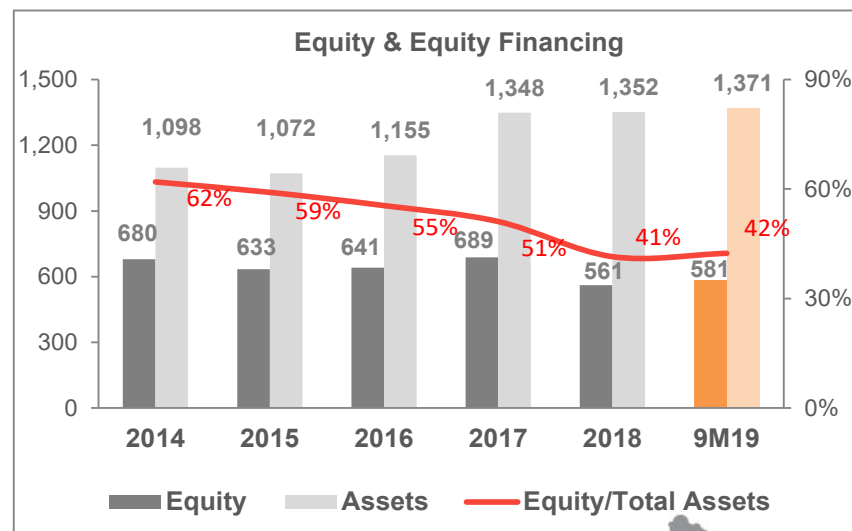
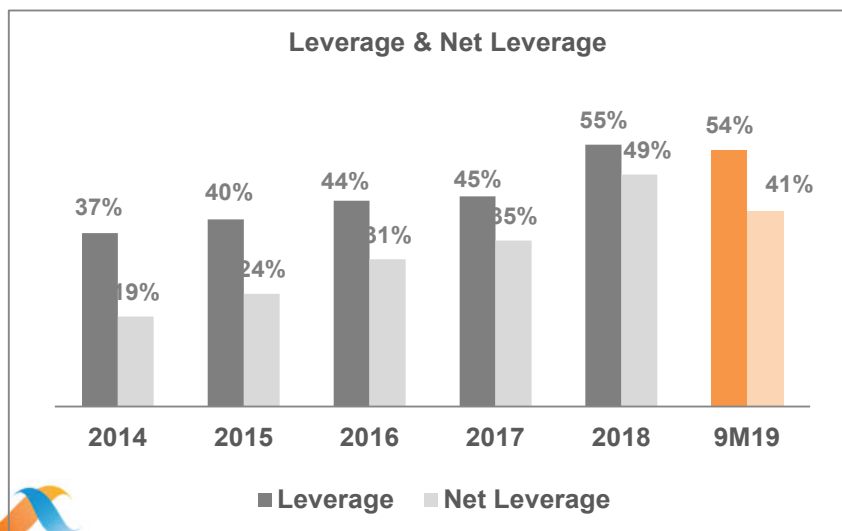
- ❖ General Overview & Key Strategic Highlights (Batu AKSOY - CEO)
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Turcas Consolidated IFRS Summary BS & PL

IFRS Consolidated Financial Statements & Ratios

Balance Sheet , million TL	2018	9M19	Ytd
Cash & Cash Equivalents	86	178	108%
S -T Rec. From Rel.Parties <small>(from RTG and STAS)</small>	19	31	61%
L -T Rec. From Rel.Parties <small>(from RTG & STAS)</small>	70	148	111%
Investments <small>(STAS & RTG)</small>	806	681	-16%
Fixed Assets <small>(TKJ Capex Investments)</small>	264	261	-1%
Financial Assets <small>(FMV of Usufruct Certificates)</small>	74	39	-48%
Total Assets	1,352	1,371	1%
S - T Financial Liabilities <small>(PF Loans for RTG & TKG)</small>	135	109	-19%
L - T Financial Liabilities <small>(PF Loans for RTG & TKG)</small>	615	636	3%
Equity	561	581	4%
Total Liabilities & Equity	1,352	1,371	1%
Net Debt	664	567	-15%

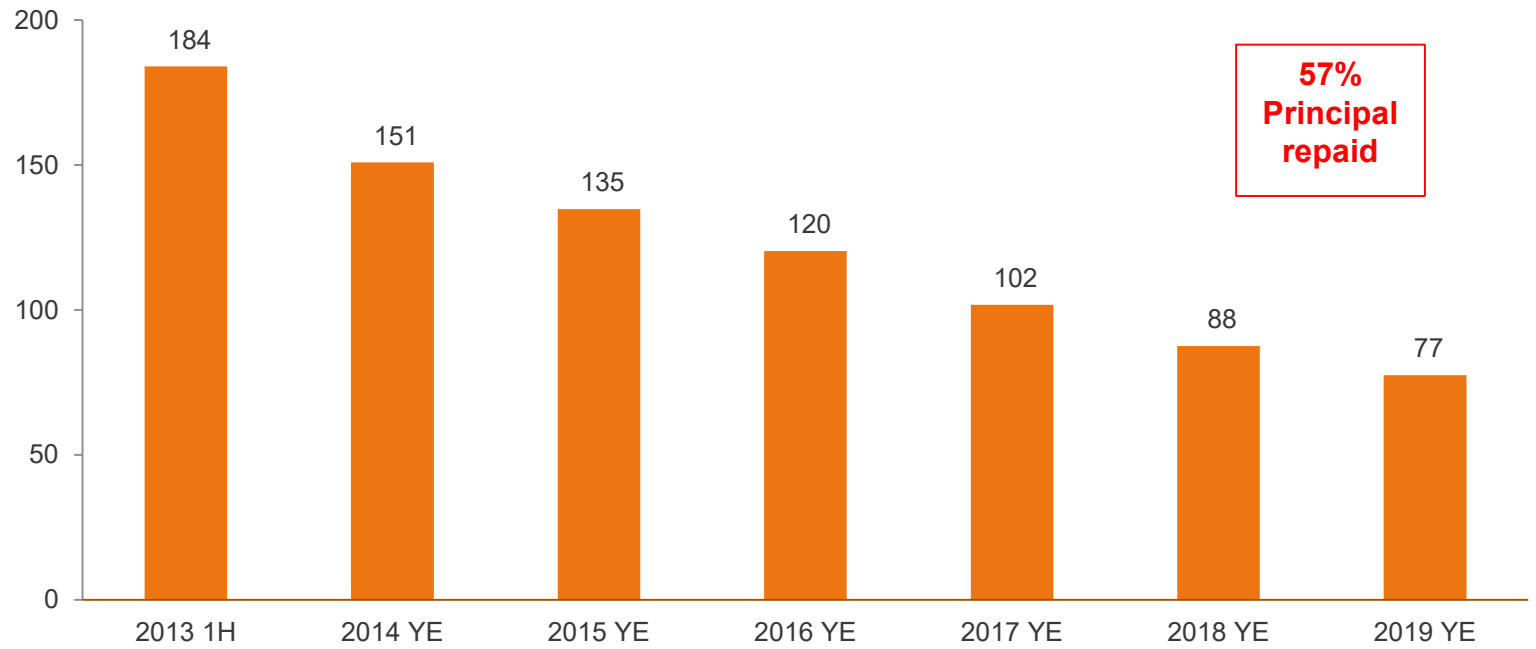
Income Statement, million TL	9M18	9M19	Y/Y
Revenues (Electricity Sales)	33	33	1%
Gross Profit	23	18	-23%
Other Operational Income (Net)	-1	16	n.m.
Operating Expenses	-18	-18	2%
Operating Profit	5	16	241%
Income from Investments	42	15	-65%
Income from Subsidiaries	38	22	-43%
<i>Shell & Turcas</i>	56	48	-14%
<i>RWE & Turcas</i>	-18	-26	n.m.
Earnings Before Financing & Tax	85	52	-38%
Net Financial Losses	-287	-24	n.m.
<i>FX Losses</i>	-279	-19	n.m.
Net Income Before Tax	-202	29	n.m.
Tax	18	0	n.m.
Net Income/Loss	-184	29	n.m.



Financial Deleveraging Continuing at full pace

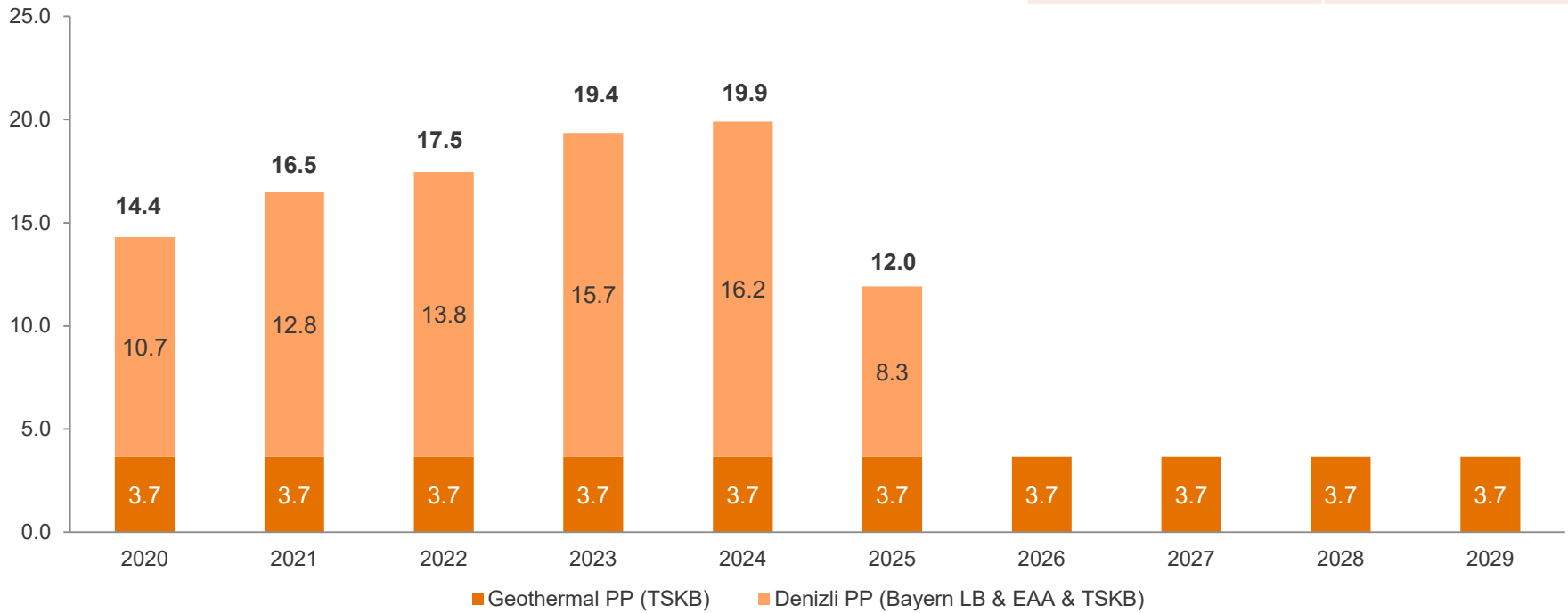
MM EUR

Denizli CCGT Project Finance Loan Principal Outstanding Balance



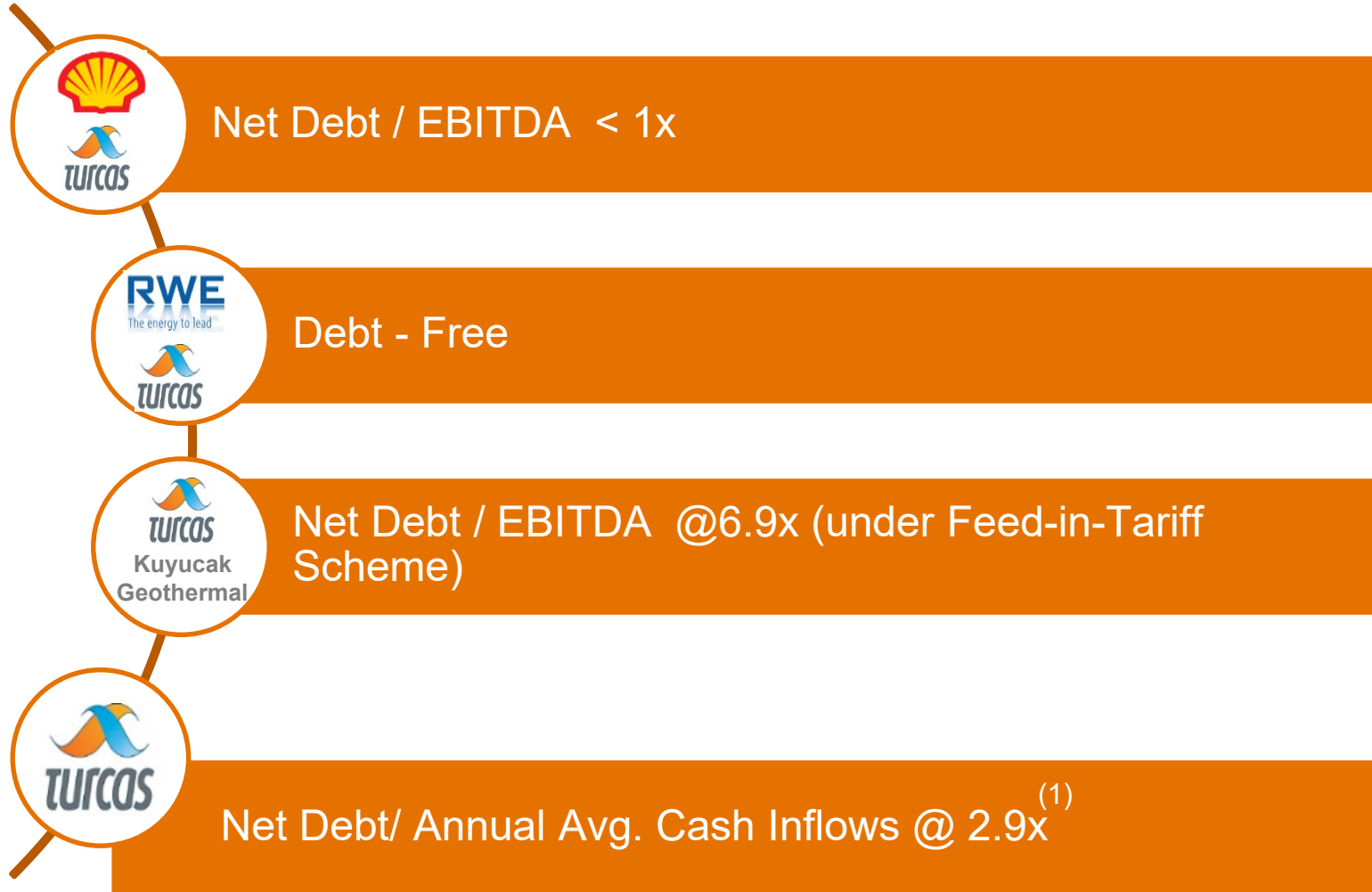
Principal Repayment Plan until 2029

MM EUR



Project	YE19 Outstanding Principal Balance (MM EUR)
Aydın Geothermal PP	36
Denizli Gas PP	77

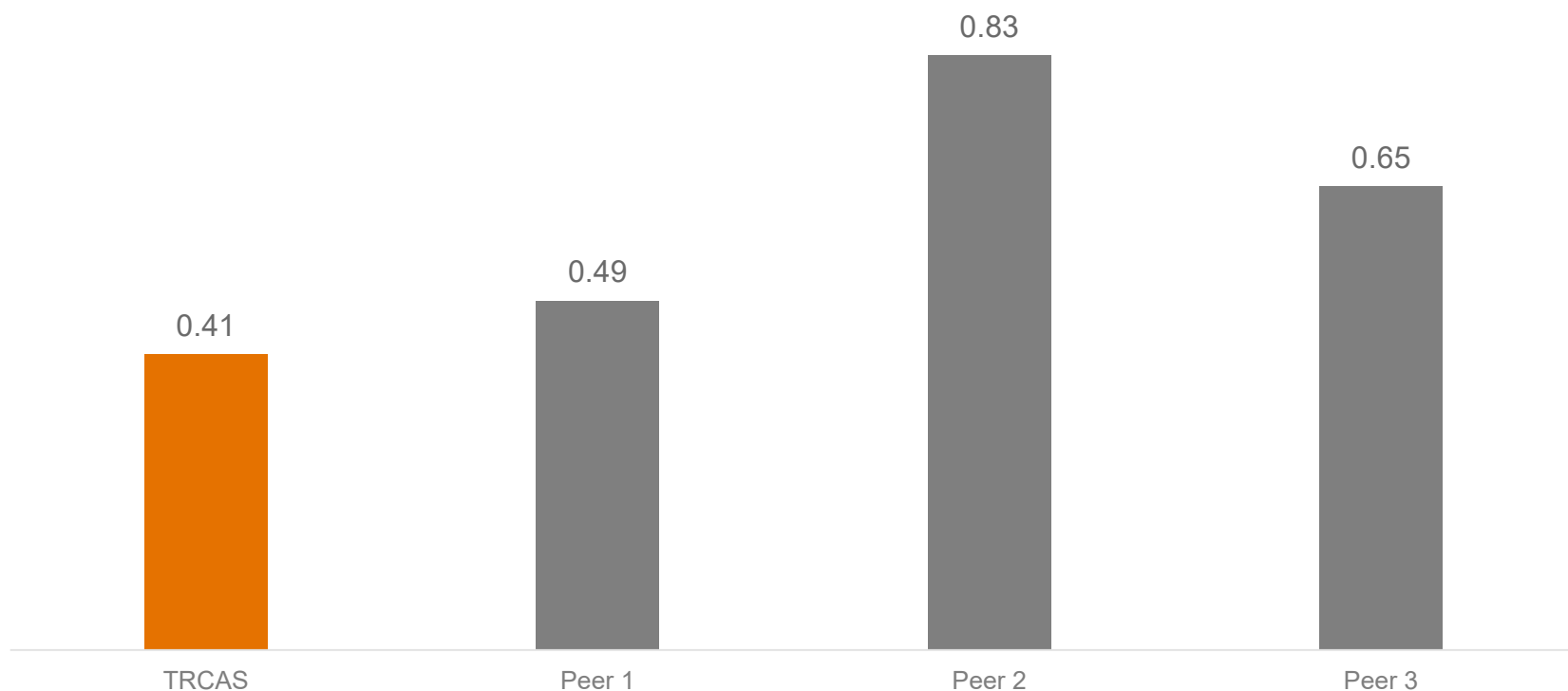
Low Leverage at Subsidiary & Holding Level



(1): Holding net debt includes project finance loan for RTG and cash at holding level (TKJ PF loan and TKJ cash excluded). Annual average cash inflows from subsidiaries include last 3 years average

Relatively Lower Financial Leverage compared to Listed Peers *

Net Debt / Assets (as of 9M19)



(1): Peers are major utility companies listed in Borsa İstanbul





Thank you!

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