

10 May
2019



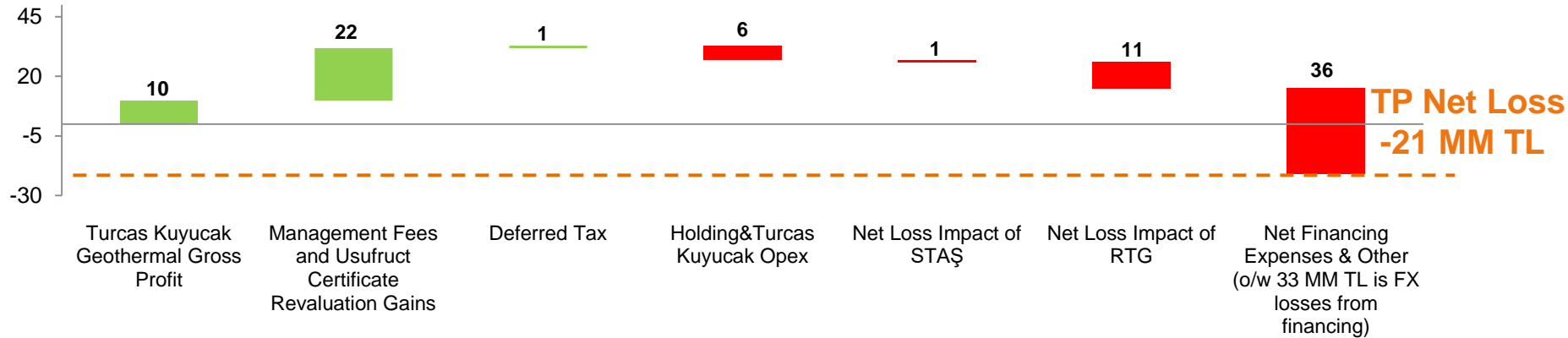
1Q19 Earnings Presentation



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1Q19 General Overview

Turcas Petrol IFRS Consolidated Net Income/Loss Bridging (1Q19)



Message from Turcas Petrol CEO



- First quarter results are supported by i) **sustained positive contribution from geothermal business**, ii) **USD denominated management fees (3.3 MM USD) obtained from Shell & Turcas** and iii) **revaluation gains** from usufruct certificates
- Weak demand conditions in the electricity market continue to negatively impact gas fired power plants like RWE & Turcas
- Adjusted for the impact of FX losses (33 MM TL), Turcas 1Q19 net income would have been 12 MM TL

At a glance- 1Q19



Shell & Turcas JV



>1 million
daily
visitors via
1.020
fuel stations



237
MM TL
EBITDA



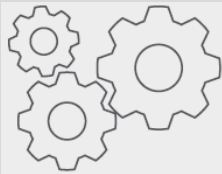
-3
MM TL
Net
Loss



RWE & Turcas JV



193 million
kWh
Generation



91
MM TL
Net Sales



-9
MM TL
EBITDA



Kuyucak
Geothermal



22 million
kWh
Generation



11.8
USc/kwh
Feed -In
Tariff



11
MM TL
EBITDA



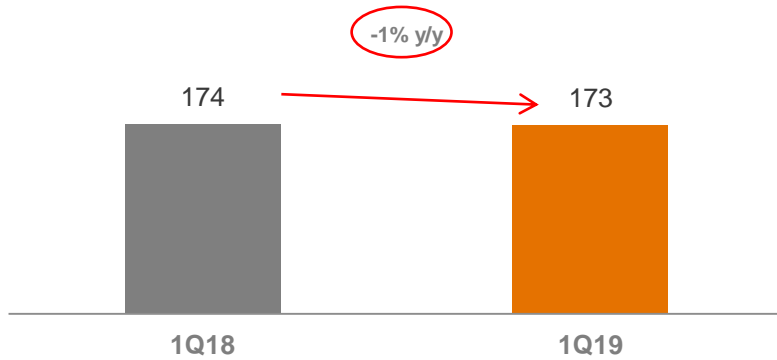
Segmental Analysis

MM TL	Oil Segment			Energy Segment					
	Shell & Turcas			RWE & Turcas			TKG		
	Revenues	EBITDA	Net Income	Revenues	EBITDA	Net Loss	Revenues	EBITDA	Net Income
1Q19	9,009	237	-3	91	-9	-38	15	11	1
1Q18	5,274	247	55	155	6	-20	9	4	-6

Shell & Turcas JV – 1Q19 Key Highlights

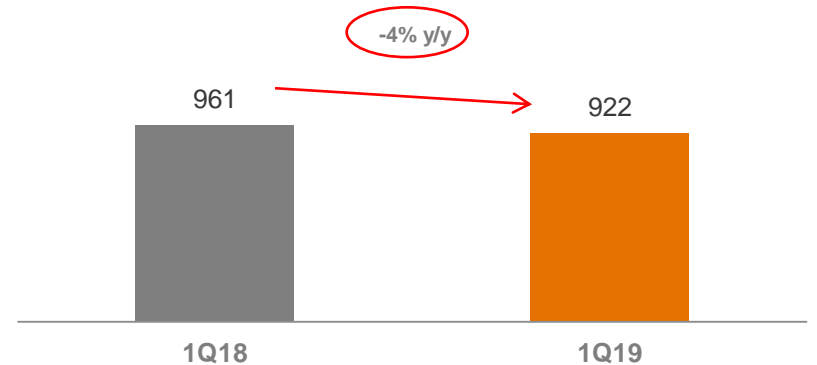
Gasoline Sales (STAŞ)

ths m³



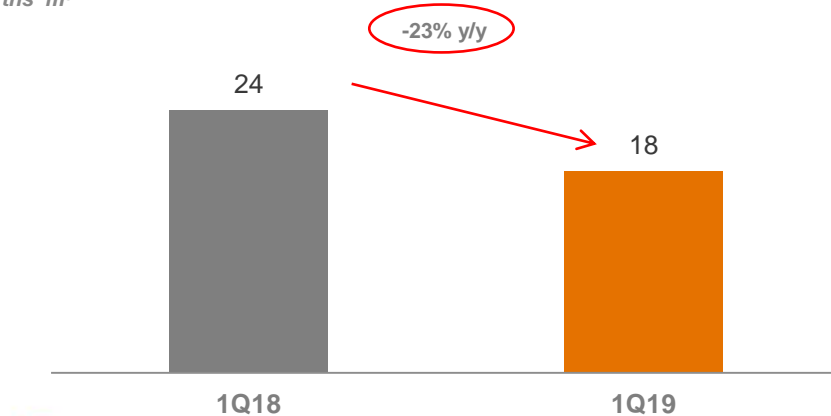
Diesel Sales (STAŞ)

ths m³

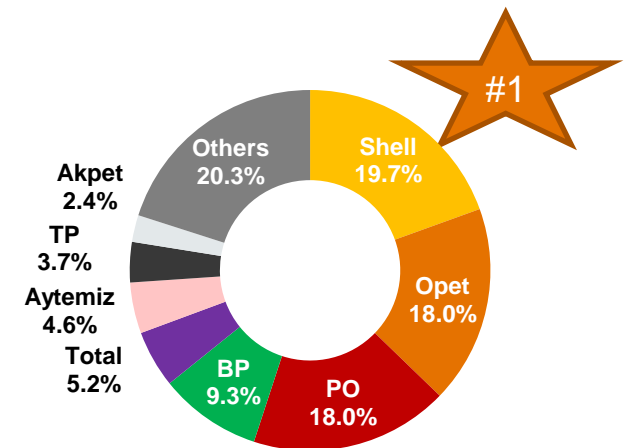


Lubricants Sales (STAŞ)

ths m³



Onsite Market Share (2M19)



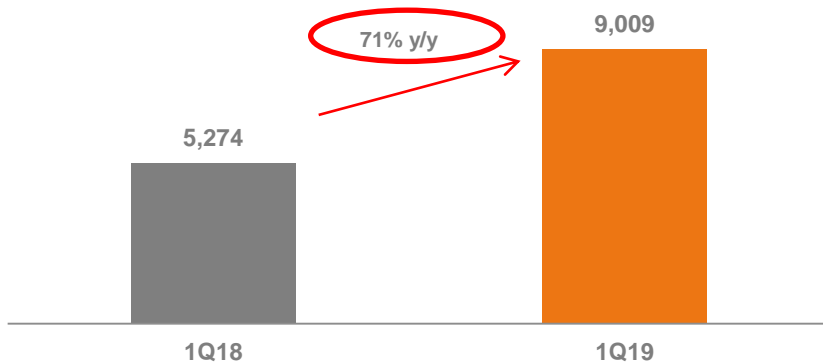
Source: PETDER. Market share info EMRA



Shell & Turcas JV – 1Q19 Key Highlights

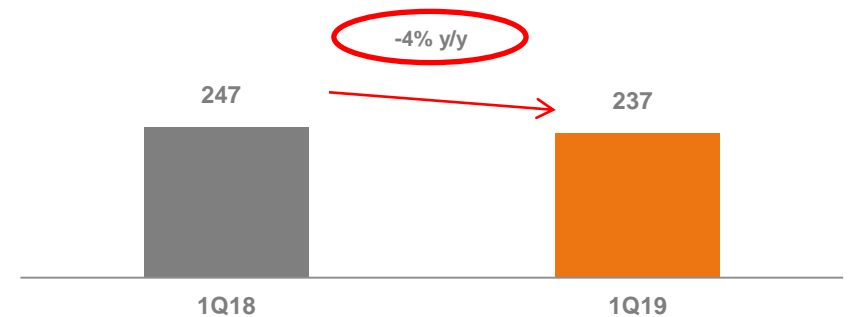
Net Sales

MM TL



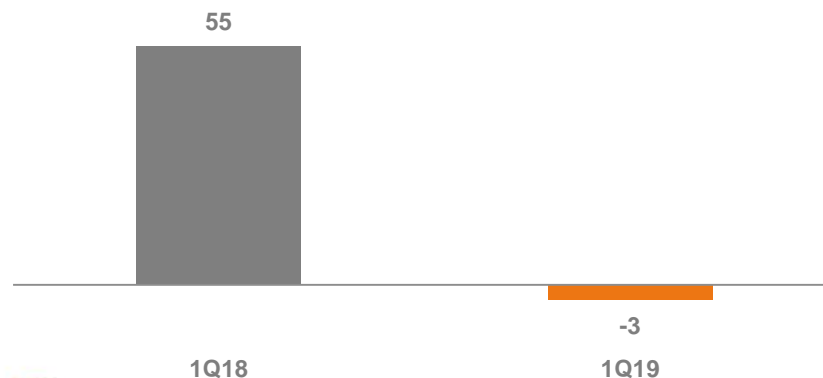
EBITDA

MM TL



Net Income/Loss

MM TL



Shell & Turcas 1Q19 Highlights

- **Significant increase in net sales** driven by higher prices in the absence of volume growth
- Net loss due to i) **increase in operating expenses impacted by inflation**, ii) **FX losses from product sourcing**, iii) **higher interest expenses on TL denominated loans** due to increase in TL borrowing rates
- Net Debt / EBITDA at a healthy level of 1.2x (100% of debt in local currency)



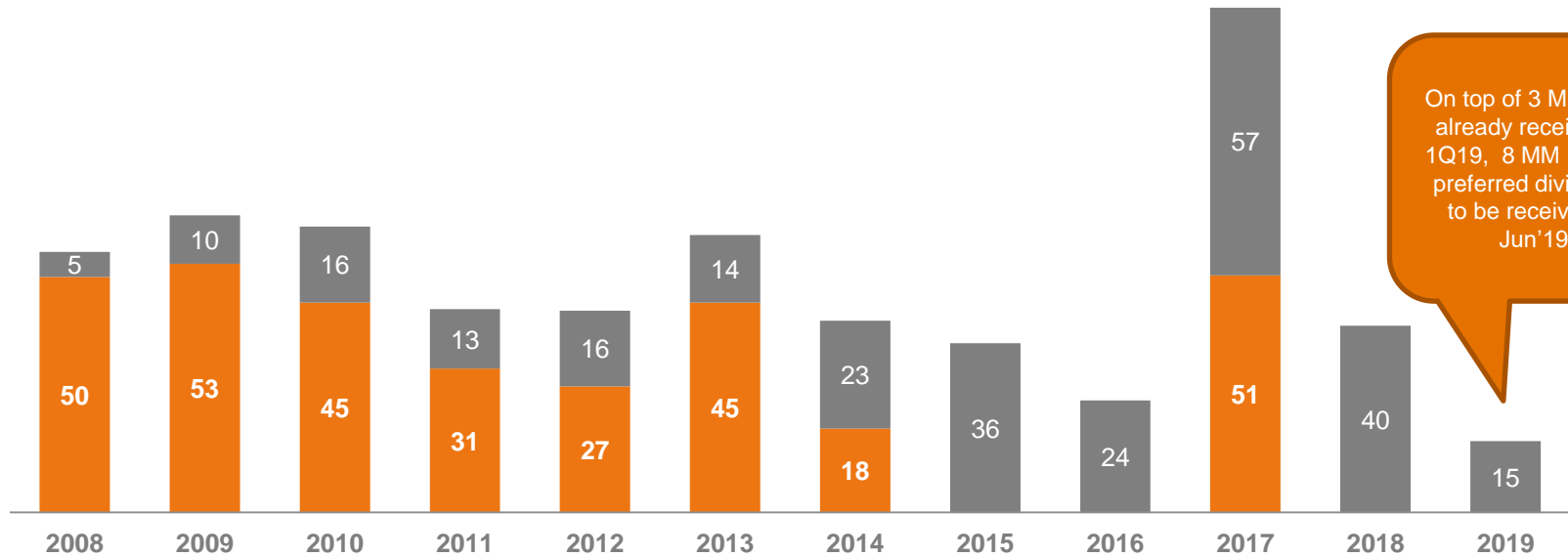
Source: STAŞ IFRS consolidated financials. EBITDA includes EBIT, depreciation, amortisation and amortisation of prepaid rent expenses



Continuous Cash inflows from Shell & Turcas

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

MM TL



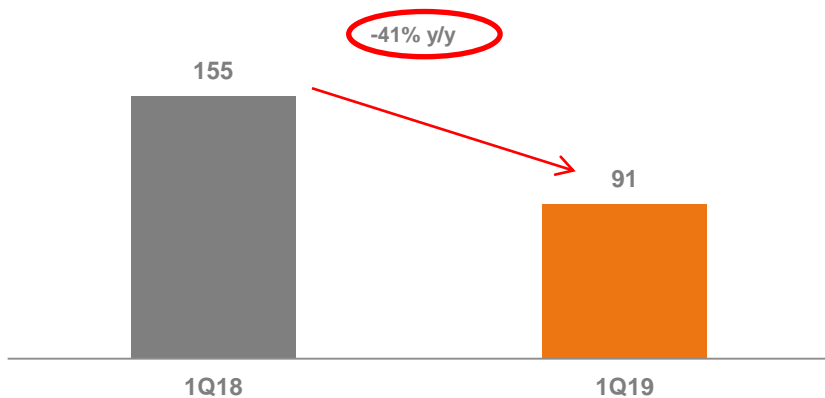
On top of 3 MM USD already received in 1Q19, 8 MM USD of preferred dividends to be received in Jun'19

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

RWE & Turcas JV – 1Q19 Key Highlights

Net Sales

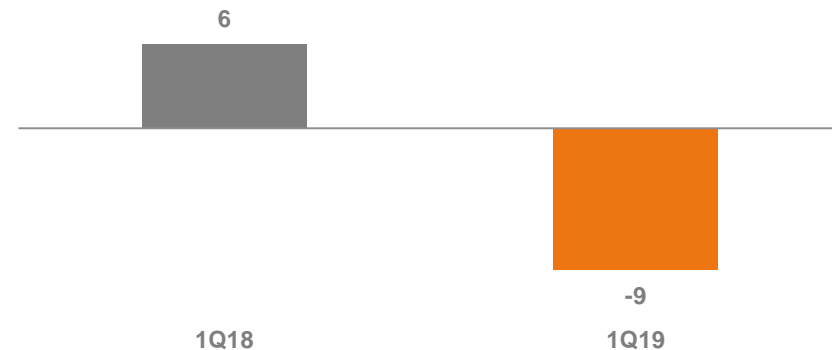
MM TL



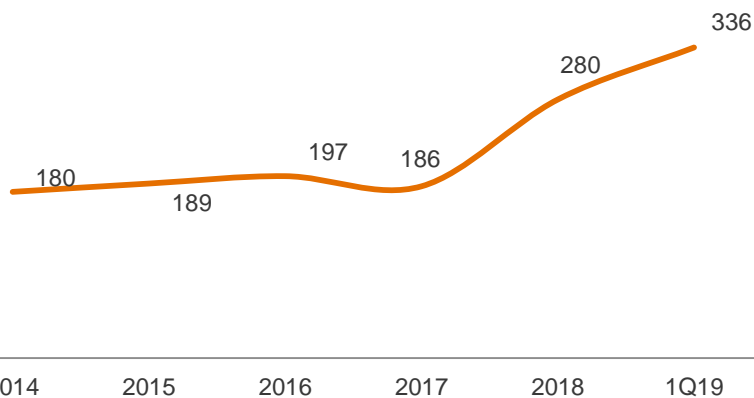
RTG Average Electricity Sales Price (TL/MWh)

EBITDA

MM TL



RWE & Turcas 1Q19 Highlights



- **Decline in net sales** (- 41% y/y) due to lower capacity utilization impacted by weak demand conditions and higher capacity utilization at hydro power plants
- **13 MM TL capacity payments** realized in 1Q19 (1Q18: 10 MM TL)
- Lower capacity utilization is not compensated by higher average electricity sales price at RTG

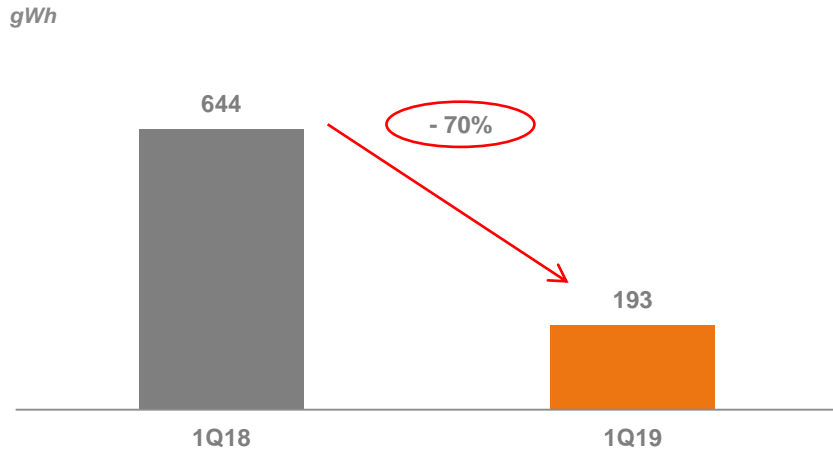


Source: RWE & Turcas IFRS consolidated financials.

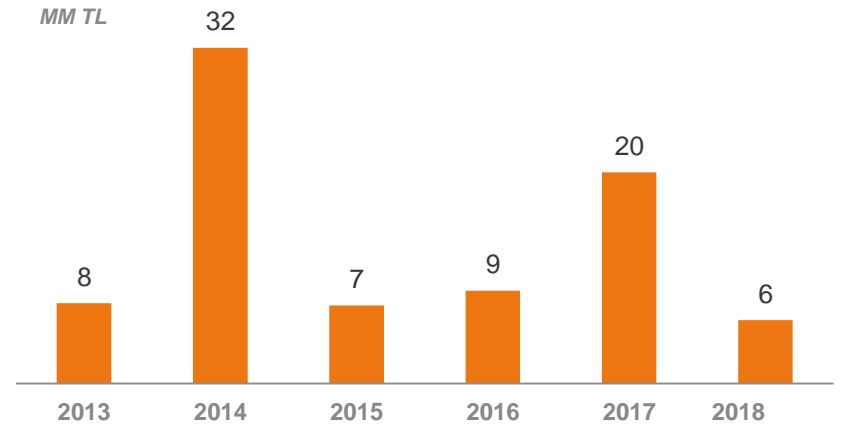


RWE & Turcas JV – 1Q19 Key Highlights

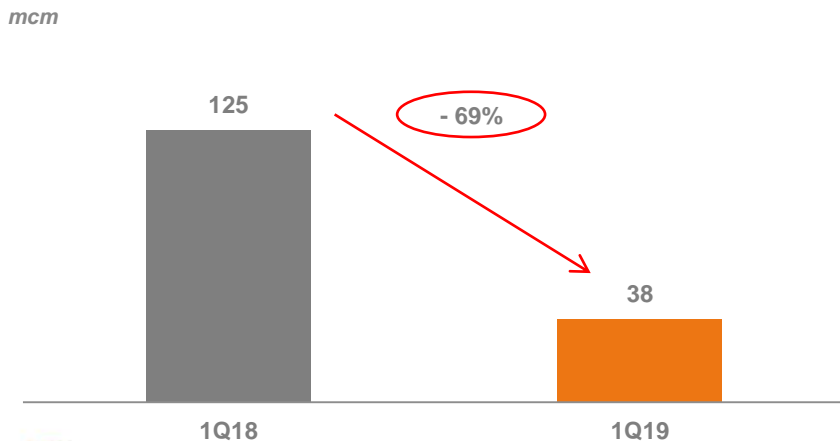
Electricity Generation



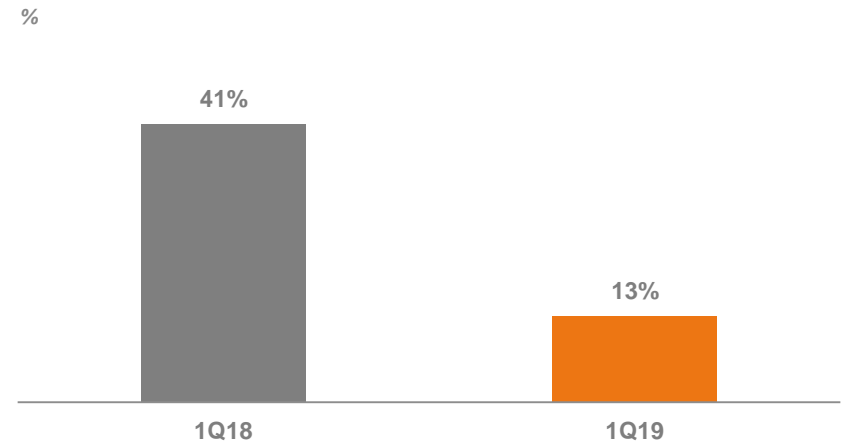
Cash inflows to Turcas from RWE & Turcas JV (under SHL repayment)



Gas Consumption



Capacity Utilization Rate



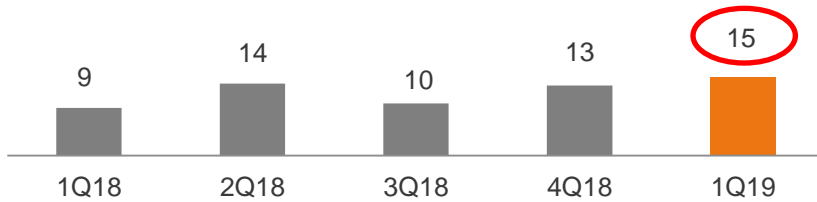
Source: RWE & Turcas IFRS consolidated financials. Cash inflows indicate shareholder loan repayments from RWE & Turcas to Turcas



Turcas Kuyucak Geothermal (TKG) PP-1Q19 Key Highlights

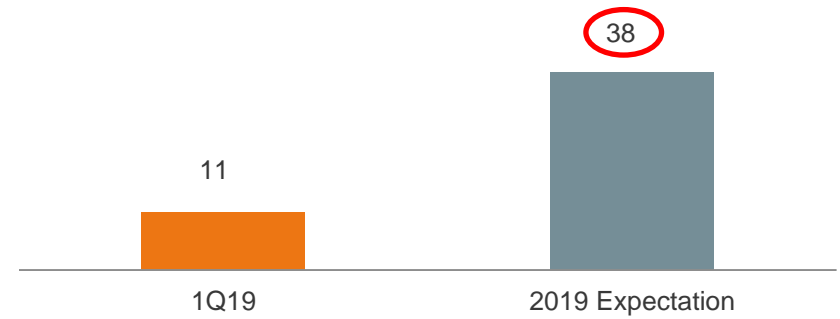
Net Sales

MM TL



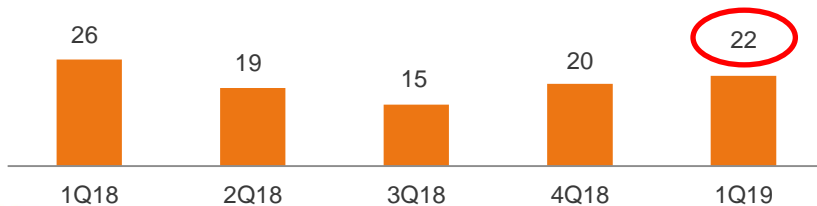
EBITDA

MM TL



Electricity Generation

million kWh



Turcas Kuyucak Geothermal PP 1Q19 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
- Additional production well to be drilled with the goal of maximizing EBITDA



Source: Turcas Kuyucak financials



Potential Project Pipeline

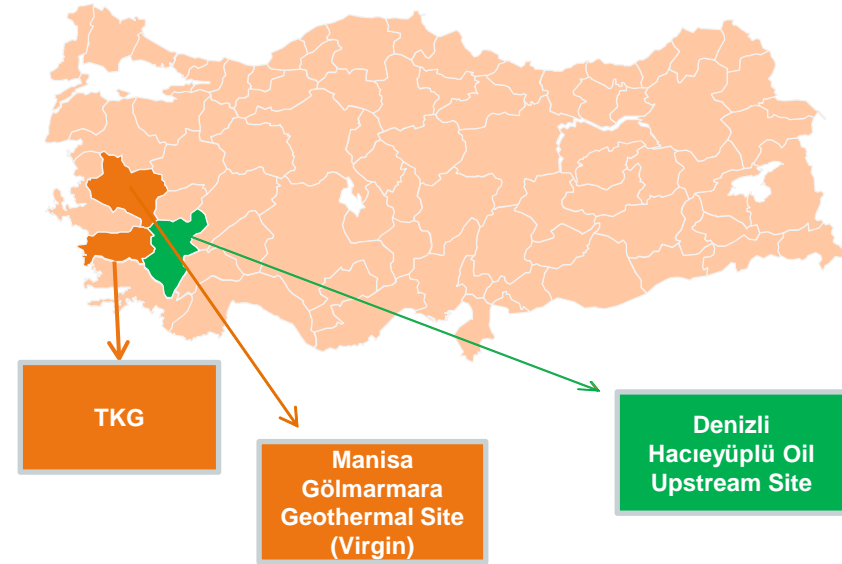
Geothermal Energy

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

- 1. Existing TKG Plant** : TKG plans 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 4,958.68 hectares concession zone in Manisa Gölü in Western Turkey. TP drilled an exploratory well in Q2 2018 and obtained operation license for 30 years, however, before proceeding with new drillings and further investment, TP 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 2,600 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, TP completed the geological and geophysical studies in 2018 and plans to move on with seismic studies in 2019 and to drill a new (shallow) well here for oil exploration in 2020. We obtained the required Oil Exploration License from the Government Authorities on 02.05.2018.



Continuous Dividend Distribution

Dividends Paid by Turcas

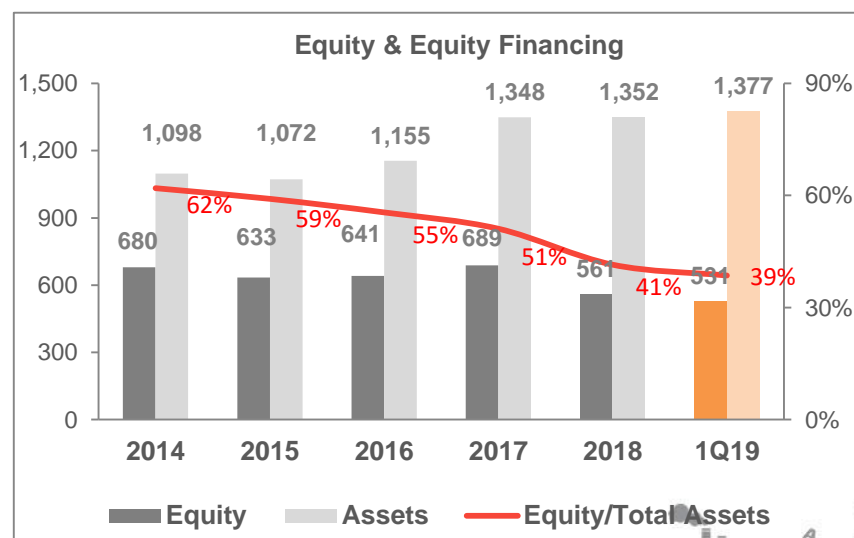
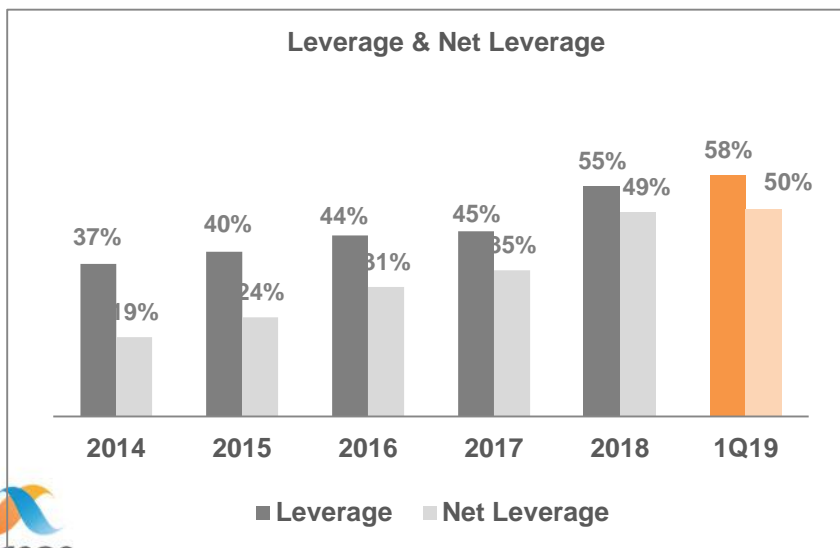
MM TL



Turcas Consolidated IFRS Summary BS & PL

IFRS Consolidated Financial Statements & Financing Ratios

Balance Sheet , million TL	2018	1Q19	Ytd	Income Statement, million TL	1Q18	1Q19	Y/Y
Cash & Cash Equivalents	86	114	34%	Revenues (Electricity Sales)	9	15	59%
S -T Rec. From Rel.Parties <small>(mostly from RTG)</small>	19	28	50%	Gross Profit	6	10	65%
L -T Rec. From Rel.Parties <small>(mostly from RTG)</small>	70	64	-9%	Other Operational Income (Net)	1	14	1369%
Investments <small>(STAS & RTG)</small>	806	794	-2%	Operating Expenses	7	6	-10%
Fixed Assets <small>(TKJ Capex Investments)</small>	264	262	-1%	Operating Profit	0	18	n.m.
Financial Assets <small>(FMV of Usufruct Certificates)</small>	74	81	9%	Income from Investments	0	7	n.m.
Total Assets	1,352	1,377	2%	Income from Subsidiaries	11	-12	n.m.
S - T Financial Liabilities <small>(PF Loans for RTG & TKG)</small>	135	140	4%	<i>Shell & Turcas</i>	16	-1	n.m.
L - T Financial Liabilities <small>(PF Loans for RTG & TKG)</small>	615	661	7%	<i>RWE & Turcas</i>	-5	-11	n.m.
Equity	561	531	-5%	Earnings Before Financing & Tax	11	13	13%
Total Liabilities & Equity	1,352	1,377	2%	Net Financial Losses	-35	-35	n.m.
Net Debt	664	687	3%	<i>FX Losses</i>	-35	-33	n.m.
				Net Income Before Tax	-24	-22	n.m.
				Tax	1	1	-32%
				Net Income/Loss	-23	-21	n.m.





Thank you!

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