



 **Tüpraş**

 **Koc** | April 2025

Strategic Transition Plan – 2025 Update

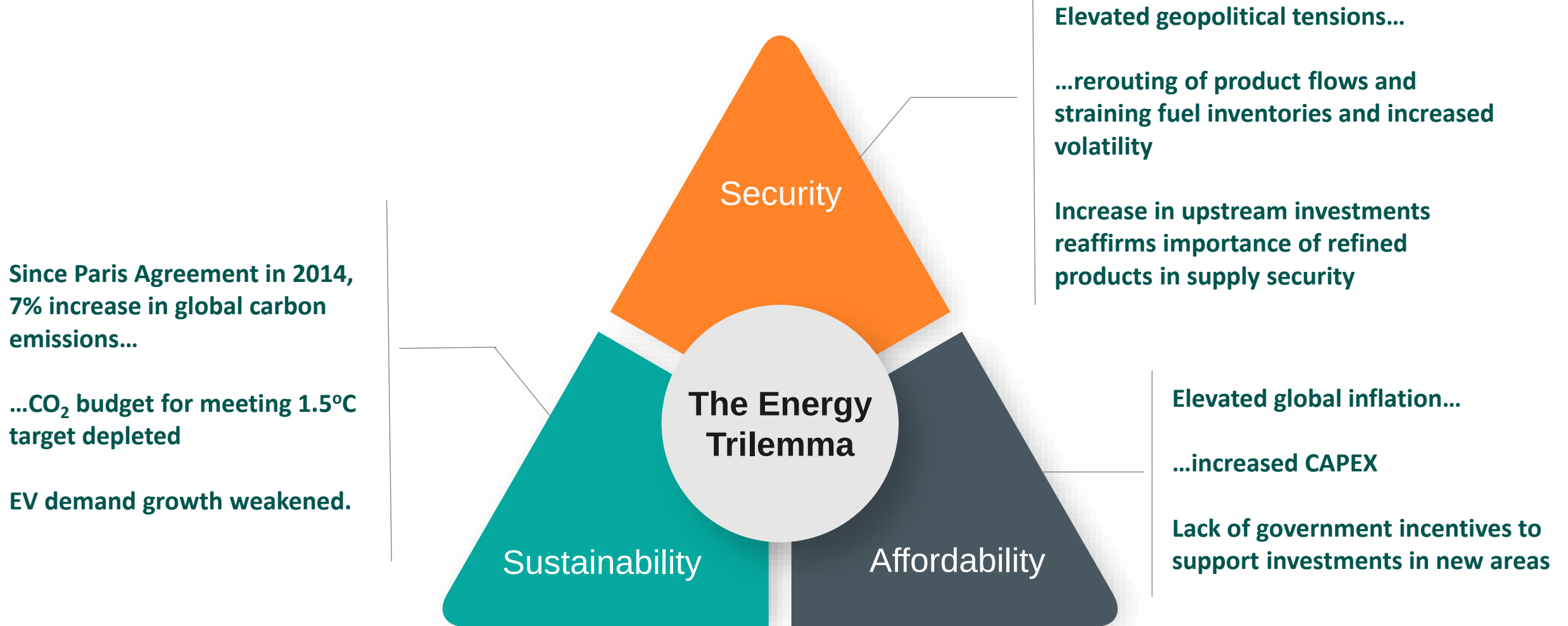
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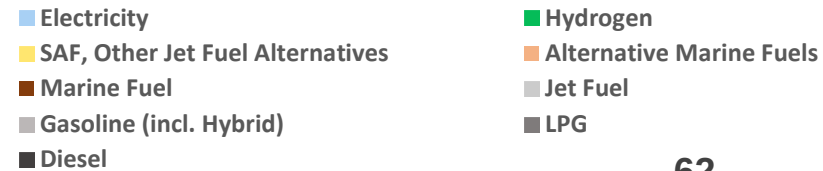
Global Energy Outlook: What Has Changed Since 2021?



Türkiye's Transportation Energy Demand – 2025 Update

Türkiye's Transportation Energy Demand

in million tones of oil equivalent (mtoe)



Our Projections



Türkiye's fossil fuel consumption **to peak in 2035**
(2021 STP: 2030)



We have added new forms of mobility compared to 2021 STP, such as two wheelers and agricultural vehicles and increased land transportation demand as per the growth so far achieved. **(2021 STP 2050 Demand: 52 mtoe)**



H₂ to grow from 2040 onwards (2021 STP: 2030)



Diesel to be partially **replaced by H₂**, existing domestic refining capacity will still have demand.



In passenger cars, EVs to become the **dominant powertrain in vehicle park before 2040**



Sustainable Aviation Fuel to cover **~10% of aviation fuel by 2035** (2021 STP: 2030)

A wide-angle photograph of a large industrial refinery at dusk. The sky is a deep blue with scattered white clouds. In the foreground, a tall, dark metal flare stack with a bright orange flame at the top stands on the left. To its right, several tall, cylindrical smokestacks with red and white horizontal bands are visible. The refinery itself is a complex of pipes, tanks, and structures, illuminated by numerous small lights. In the background, rolling hills and a distant town with lights are visible. A large, white, conical structure, likely a cooling tower, is prominent on the right side of the image. A red banner with white text is overlaid at the bottom left.

Sustainable Refining

Sustainable Refining - Tüpraş

2021 STP Targets (Cumulative)

- 2022-35 Capex: ~2.3 bn \$
- 2022-35 EBITDA: ~13 bn \$

2025 STP Targets* (Cumulative)

- 2025-35 Capex: ~3.9 bn \$
- 2025-35 EBITDA: ~13 bn \$

Refining to remain as a major EBITDA contributor.



ENERGY EFFICIENCY PROJECTS

- ENERGY INTENSITY TARGET OF 88.7 BY 2030 (2021 STP: 91.2)
- 2024 ENERGY INTENSITY ACHIEVED AT : 92.3 – 10 POINTS IMPROVEMENT SINCE BASE YEAR OF 2017.
- OUR CAPEX INCLUDES TRANSFORMATION IN FLEET MODERNIZATION ACROSS OUR LOGISTICS SUBSIDIARIES FOR ENERGY EFFICIENCY.

CO₂

DECARBONIZATION AND MODERNIZATION PROJECTS

- A REDUCTION OF 1.1 MILLION TONS OF CO₂ ANNUALLY COMPARED TO 2017 BY 2024.
- TECHNICAL AND FINANCIAL EVALUATION OF ELECTRIFICATION PROJECTS CONTINUE.



MAINTAINING THE EXISTING CAPACITY

- ENSURE EXISTING ASSETS OPERATE AT MAXIMUM POTENTIAL.
- BROADEN OUR PORTFOLIO WITH LIGHTER CHEMICAL PRODUCTS.
- NO NEW REFINING OR CONVERSION CAPACITY INVESTMENTS.

2022-2024

2024

2027

2030

2035



EBITDA generation stood at a total of **7.1 bn USD**

271 mn USD investment in İzmit and İzmir Refinery Propylene Splitter Projects have started.

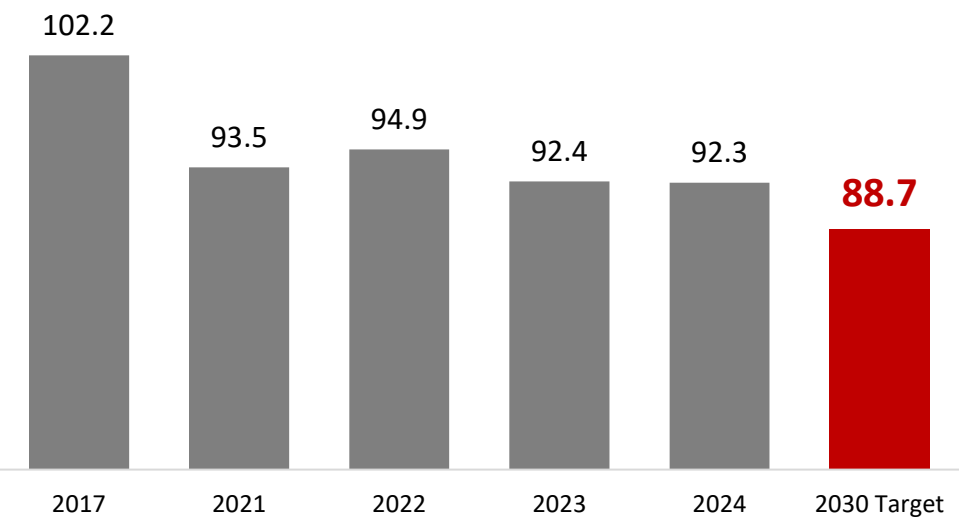
Commissioning of İzmir-İzmit Propylene Projects

Reach Energy Intensity target of 88.7

Focus on enhancing operational productivity and resource optimization.

Sustainable Refining – Improving Energy Efficiency and Sustainability Scores

Tüpraş Energy Intensity Index Evolution



- With higher emphasis on efficiency, we increase out 2030 EII target from 91.2 to 88.7.
- 1 point improvement in EII results in a current annual cost saving of ~10 m\$*

Progress in Our Sustainability Ratings

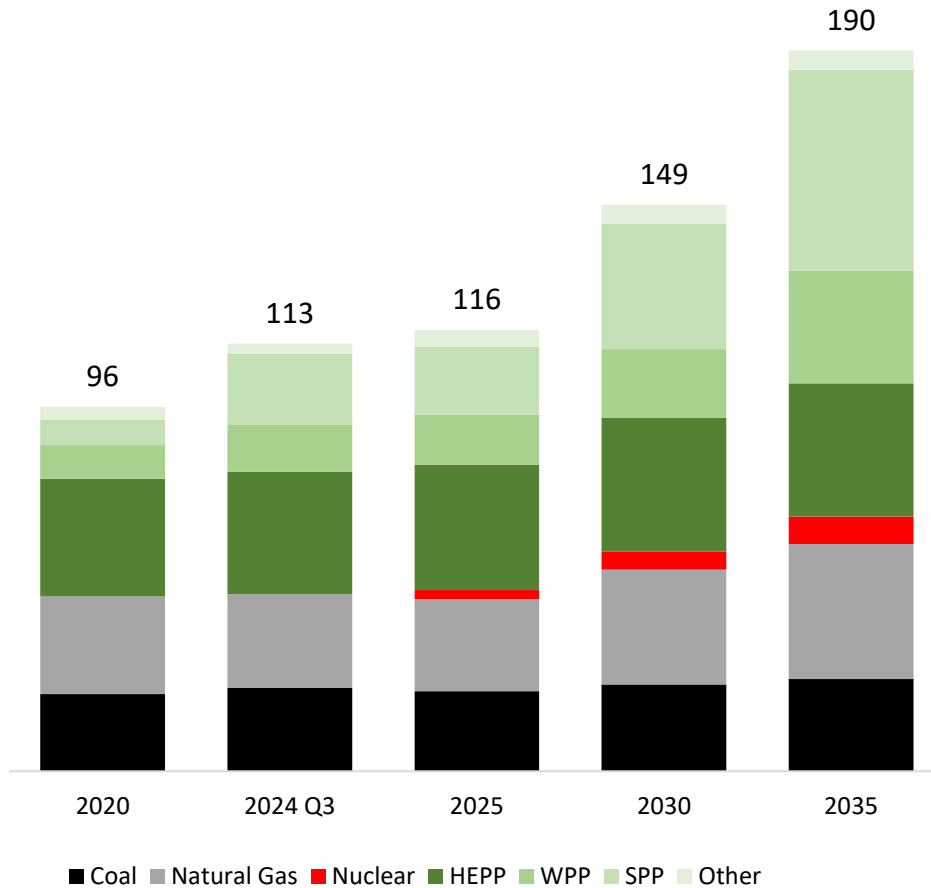
	2020	Current	Improvement compared to 2020 (%)	Sector Average
 DOW JONES	17	55	224	35
 FTSE RUSSELL An LSEG Business	2.2	3.9	77	2.9
 MOODY'S	40	55	38	42
 SUSTAINALYTICS	37.3	24.9	33	-
 MSCI	3.9	4.8	23	5.6
 REFINITIV	67.6	77	14	-
 CDP Climate Change	-	B		B
 CDP Water Security	-	B		C

An aerial view of a large concrete dam with a spillway. Water is cascading down the spillway, creating a large plume of white mist. The dam is situated in a valley with steep, rocky hills on either side. The water in the reservoir is a deep blue. A smaller concrete structure is visible downstream of the main dam. The sky is blue with some clouds.

Zero Carbon Electricity

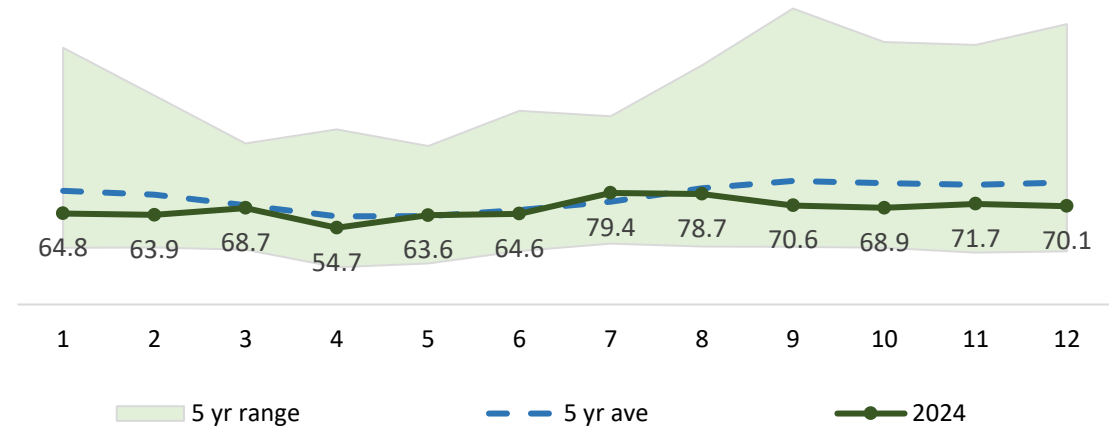
Zero Carbon Electricity – Market Outlook

Installed Capacity of Türkiye (GW)



- Renewable energy installed capacity in Türkiye has reached to 63 GW, accounting 57% of the total installed capacity.
- Türkiye ranks 11th in the world and 5th in Europe in terms of installed renewable power capacity.
- According to National Energy Plan, nuclear energy installed capacity will reach 2.4GW in 2025, 4.8GW in 2030, and 7.2GW in 2035.

Türkiye Spot Electricity Price (\$/MWh)



Zero Carbon Electricity – Tüpraş

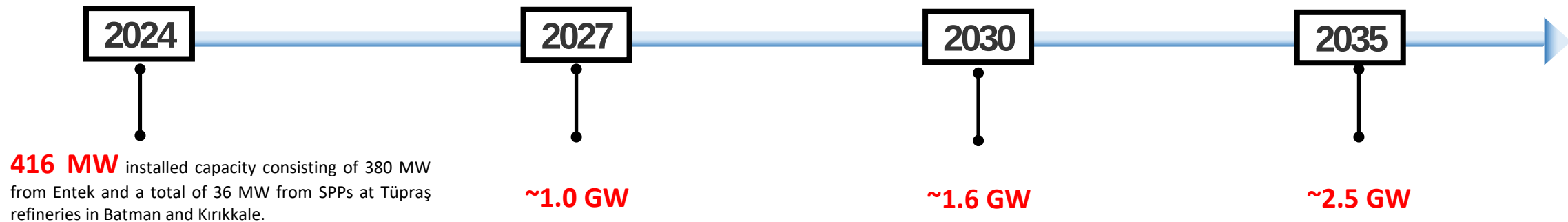
2021 STP Targets (Cumulative)

- 2022-35 Capex: ~1.3 bn \$
- 2022-35 EBITDA: ~400 mn \$

2025 STP Targets* (Cumulative)

- 2025-35 Capex: ~2.8 bn \$
- 2025-35 EBITDA: ~2.0 bn \$

- With regulator offering new licenses for solar and wind; along with international capacity expansion our previous 2030 target will be reached by 2027.
- Due to increase in equipment prices as well as brought forward plan, our capex for this business line has more than doubled.
- Compared to 2021 STP, due to the increased pace towards electrification, we anticipate that our commercial electricity business will experience significant growth.
- Zero Carbon Electricity continues to generate EBITDA via sales to grid and will power green hydrogen electrolyzers once they are installed.
- We maintain 50/50 production and PPA model to optimize COGS/Capex balance for H₂ production.
- Continue to evaluate various types of generation technologies such as hydro, solar and wind and nuclear MMR/SMRs.



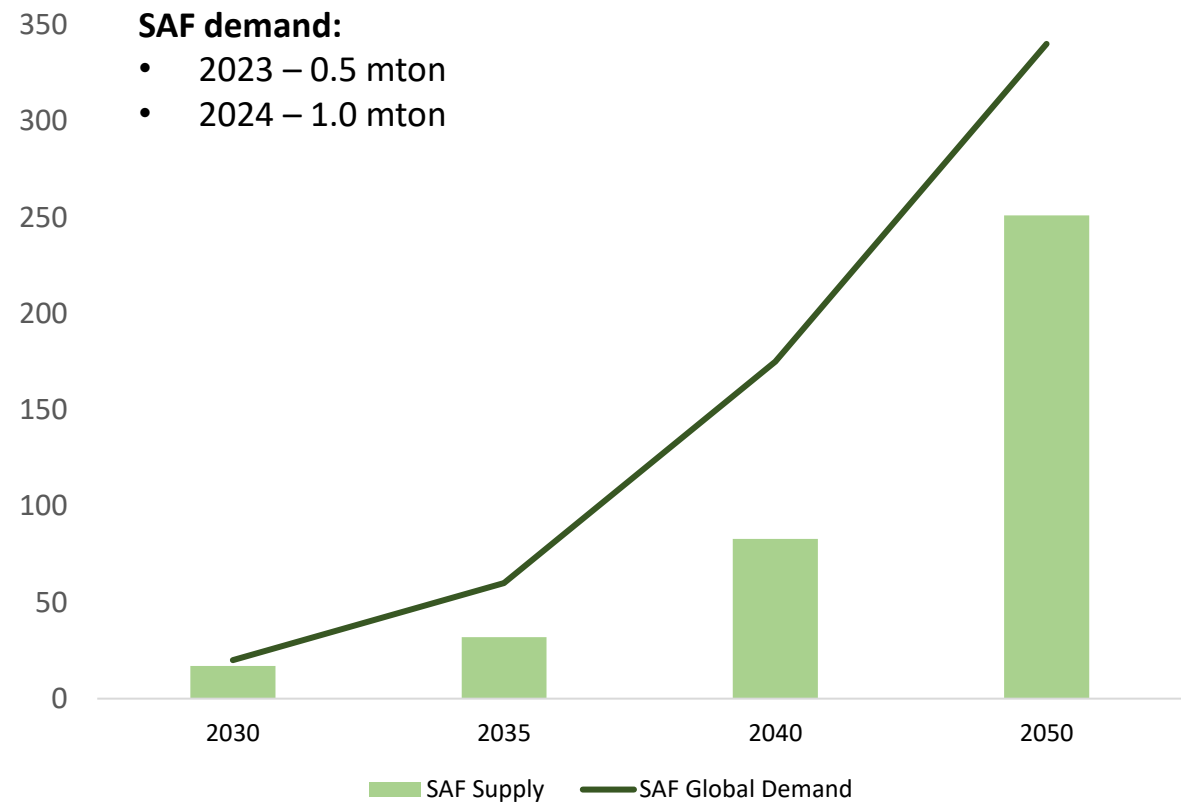
- Additional SPP Investment of Entek in Europe with 214 MW capacity.



SAF

SAF – Market Outlook

Global SAF Demand & Supply (mton)



Regulations

- **Global:** IATA 2050 net zero target and CORSIA 2021-35 carbon neutral international flights target.
- **Europe:** Blending obligation of 2% in 2025, 6% in 2030 and 70% in 2050 with REDD-II directive.
- **USA:** The Clean Fuel Production Credit is a newly established tax credit for clean fuel production available beginning January 1, 2025.
- **Türkiye:** [Draft] A draft regulation is being worked on to adopt CORSIA/ICAO targets to reduce aviation emissions by 5% by 2030.

	HEFA	Alcohol-to-Jet (AtJ)	Power-to-Liquid (e-kerosene)
Opportunities	Reliable, proven scalable technology	A potential in the mid run	A potential in the long-term based on feasible electricity access
Difficulties	Limited feedstock	Relatively high cost of feedstock	Cheap renewable electricity, water, CO2
Feasibility	Commercial, feasible	Commercial in pilot scale	Under development
Feedstock	Discarded oils, Oils of energy plants	Second generation alcohols	Renewable electricity, water and CO2
GHG emission decrease (relative to the fossil jet fuel)	70-85%	82-94%	85-100%

SAF - Tüpraş

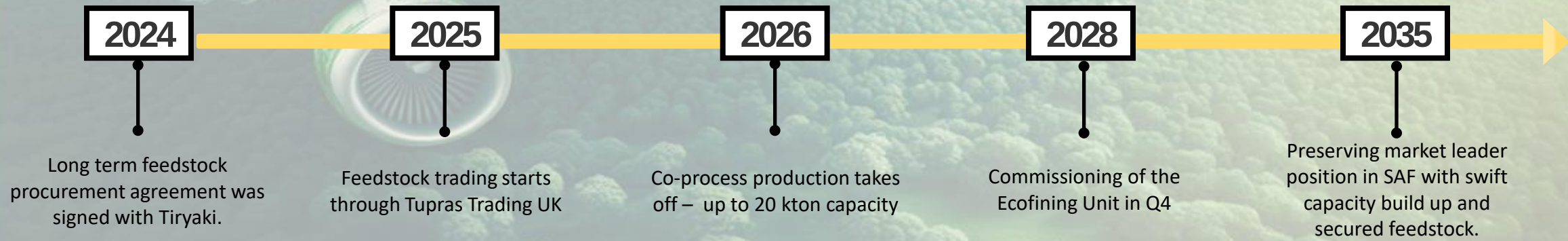
2021 STP Targets (Cumulative)

- 2022-35 Capex: ~600 mn \$
- 2022-35 EBITDA: ~1.1 bn \$

2025 STP Targets* (Cumulative)

- 2025-35 Capex: ~800 mn \$
- 2025-35 EBITDA: ~1.9 bn \$

- With the progression of our engineering studies, we are on track to build up a new unit in İzmir, instead of converting an existing one. Studies initiated to build an additional unit in another site.
- Improvement in EBITDA projections is a result of stronger SAF prices versus our 2021 price assumptions.
- We have a target of SAF production with 400 kton/year capacity with 75% SAF yield. We have also secured feedstock for this SAF capacity with a 10-year agreement.
- We will begin supplying blended SAF to the market by 2026, produced via co-processing.
- We continue to evaluate SAF production technologies including Alcohol-to-Jet for additional capacity.
- Participating in 3 EU projects (Sunfusion, Fuel-Up and ICO2NIC) focused on developing alternative SAF production technologies using various feedstocks.

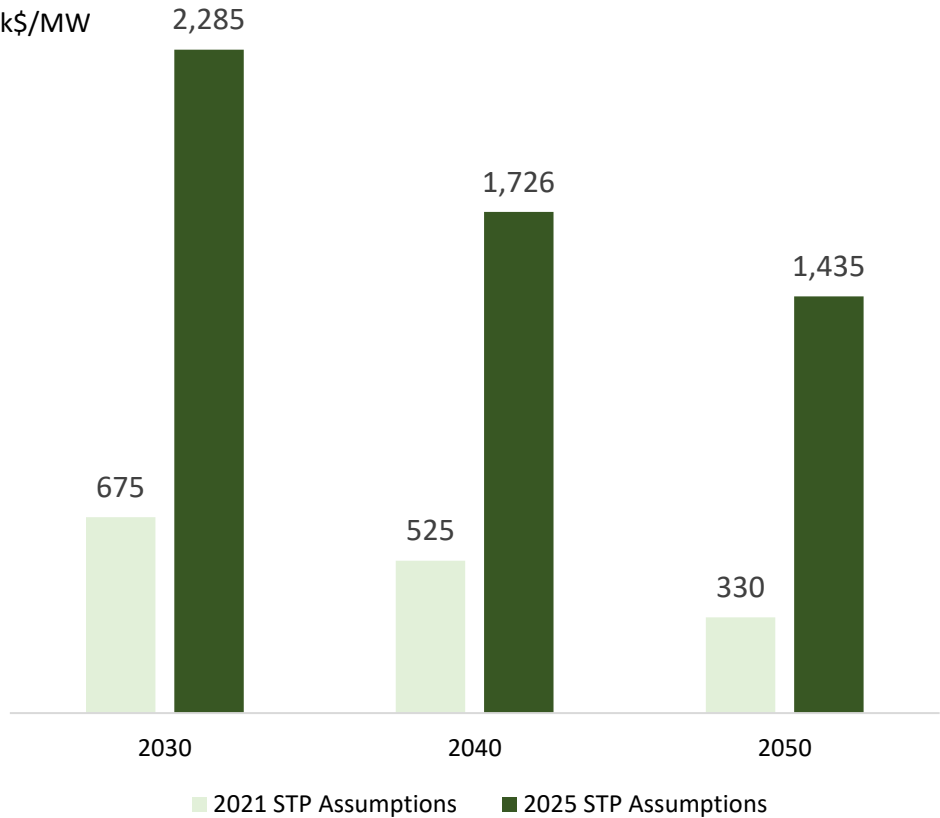




Green Hydrogen

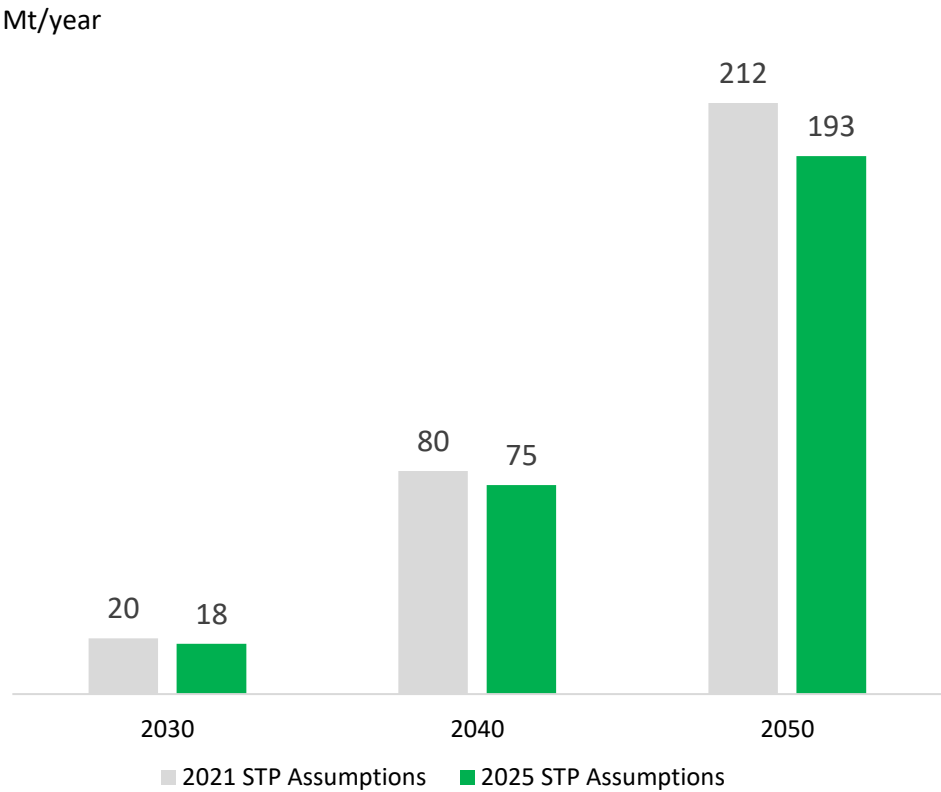
Green Hydrogen - Market Outlook

Unit Capex Expectations for H₂ Production



- On average, capex amounts increased by 4 times versus our 2021 STP assumptions.

Global Low-Carbon H₂ Demand, Base Scenario



- Demand for Green H₂ shows only a limited downfall in the new projections.

Green Hydrogen - Tüpraş

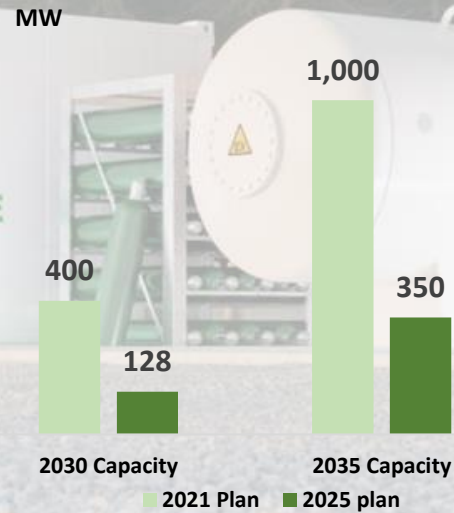
2021 STP Targets (Cumulative)

- 2022-35 Capex: ~690 mn \$
- 2022-35 EBITDA: ~640 mn \$

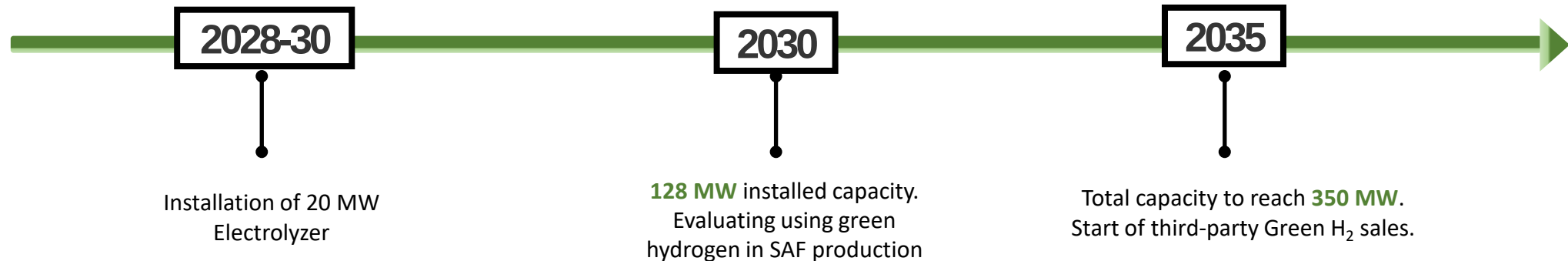
2025 STP Targets* (Cumulative)

- 2025-35 Capex: ~750 mn \$
- 2025-35 EBITDA: ~300 mn \$

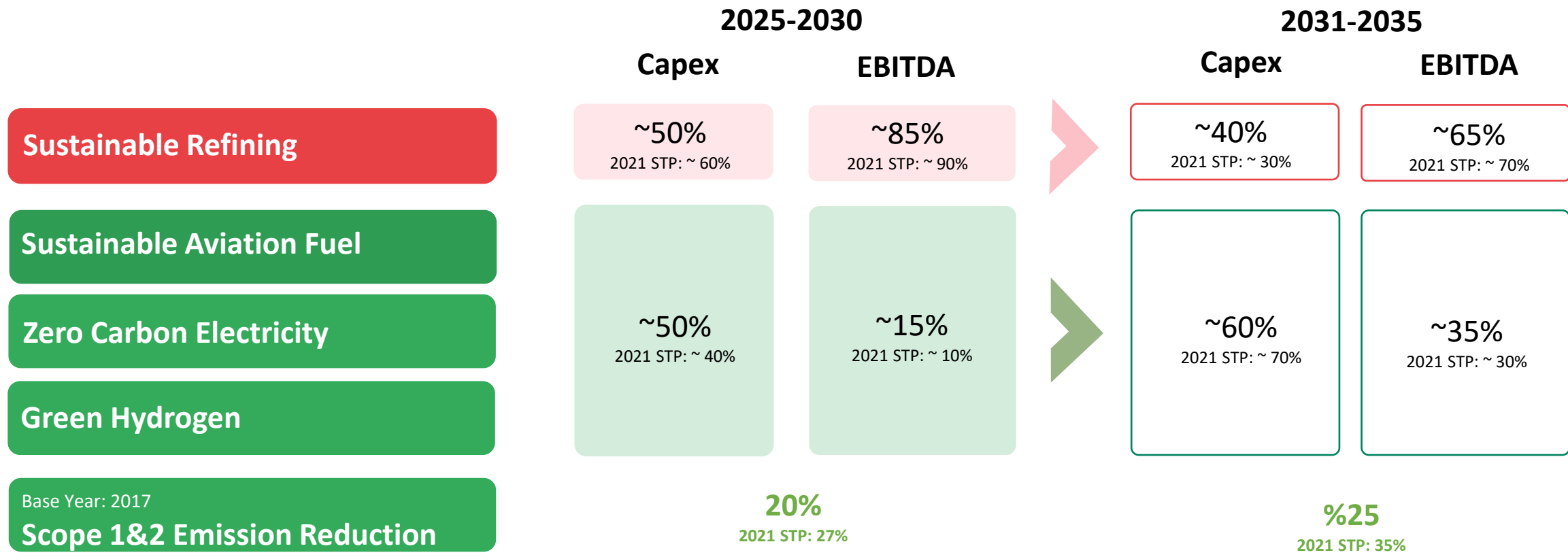
ELECTROLYZER CAPACITY



- In commercial H₂, we continue to advance our investments successfully aligning with our growth targets.
- As a result, with Green H₂ electrolyzer capex increasing by 4 times, our green hydrogen projects at our refineries have been spread over the long term.
- Starting from 2030, we will use Green H₂ in SAF production in order to capture a potential price premium.
- Continue to evaluate electrolyzer types through our venture arm to companies such as Vergady, iongenics, IONOMR.
- A new R&D center is formed within Koç University (KUHytech) for H₂ technologies.



Strategic Transition Plan

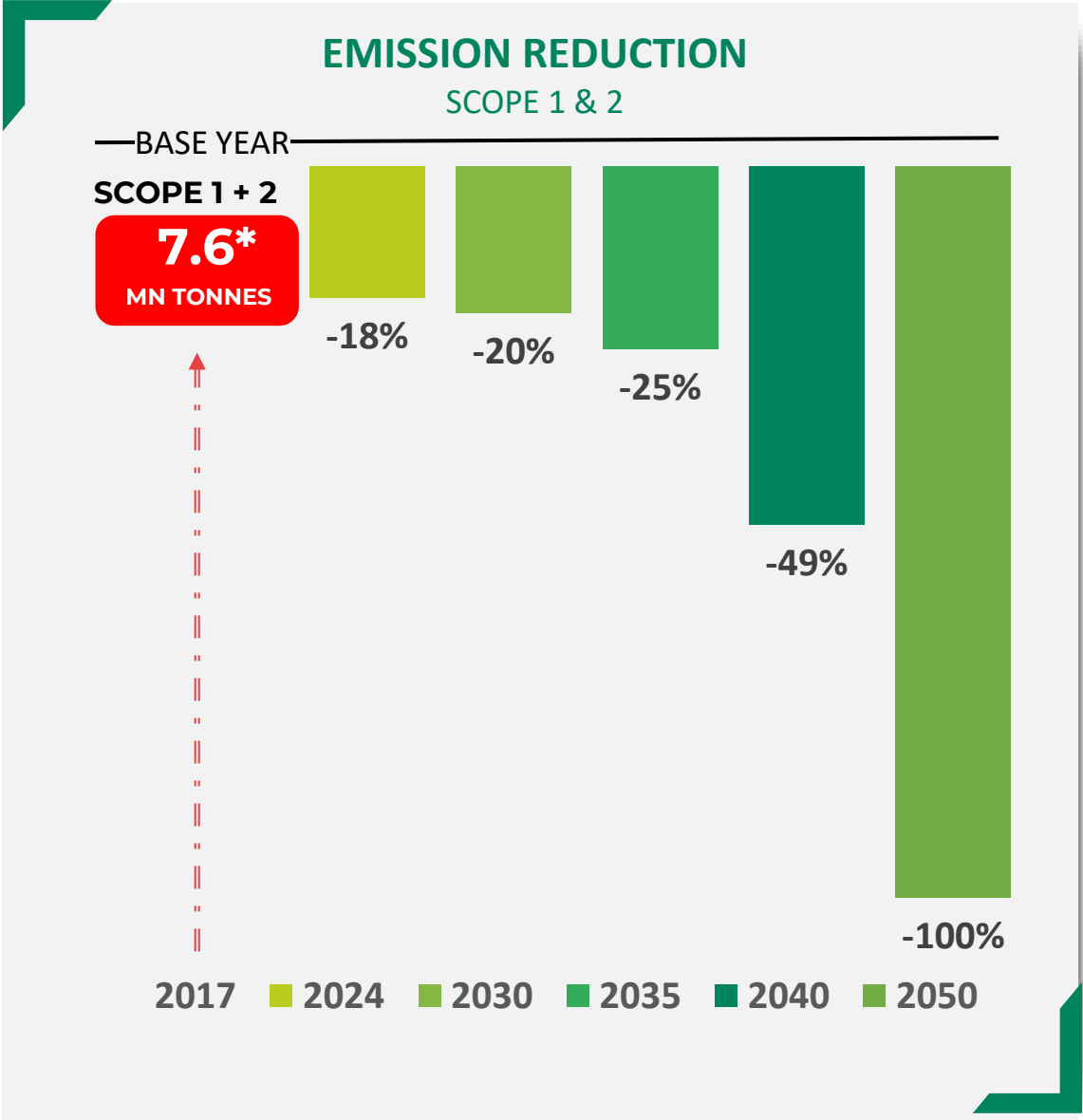


Sustainable & Profitable Tüpraş				2025-2035
Average EBITDA ^(*)	Average Annual Capex/EBITDA	ROACE	Net Debt/ EBITDA	Pay-Out Ratio
>\$1.5 bn/Year	<0.5x	>25%	<2.0x	~ 80%
2021 STP: >\$1 bn/Year				

Strategic Transition Plan – Emission Reduction



We continue to invest in energy efficiency & decarbonization projects, green hydrogen & zero carbon electricity usage in refining to reduce scope 1 & 2 emissions



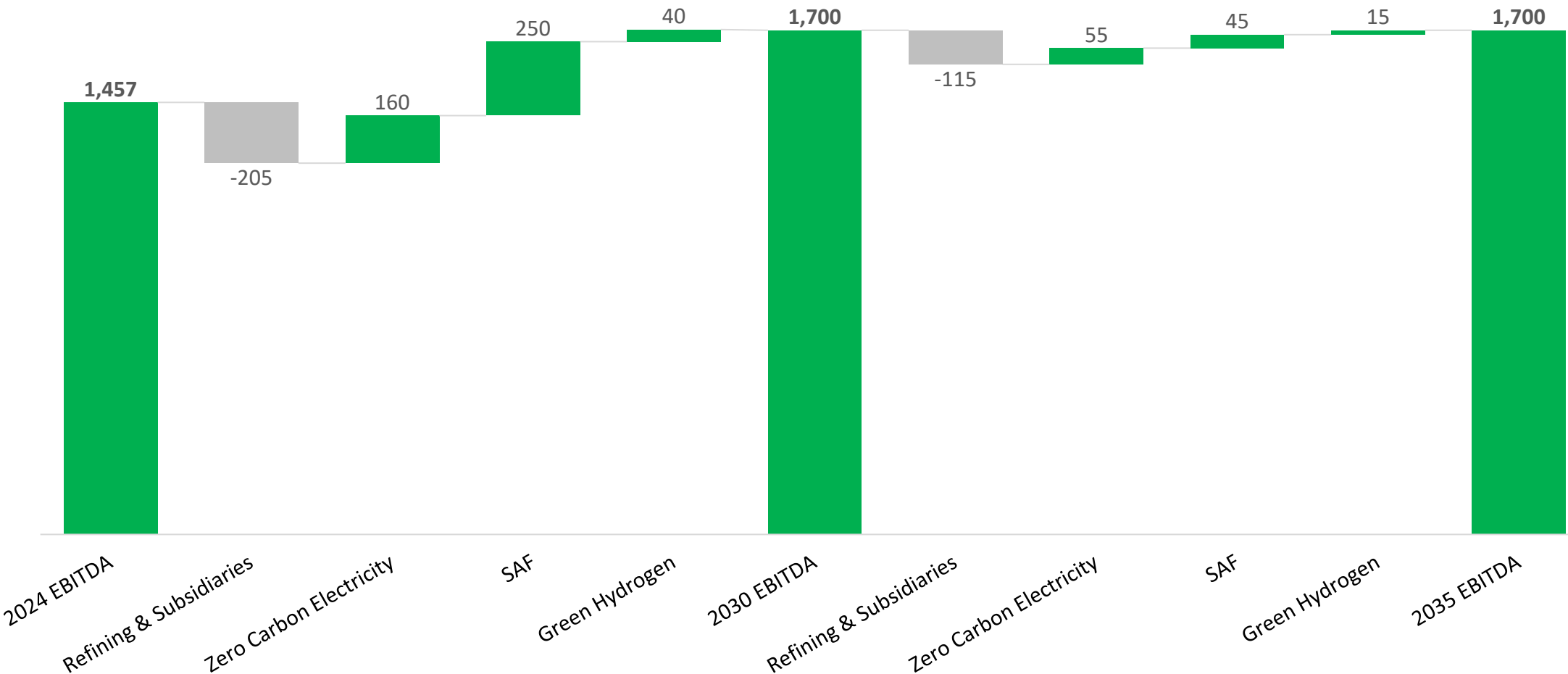


Financial Projections

Strategic Transition Plan - Financials

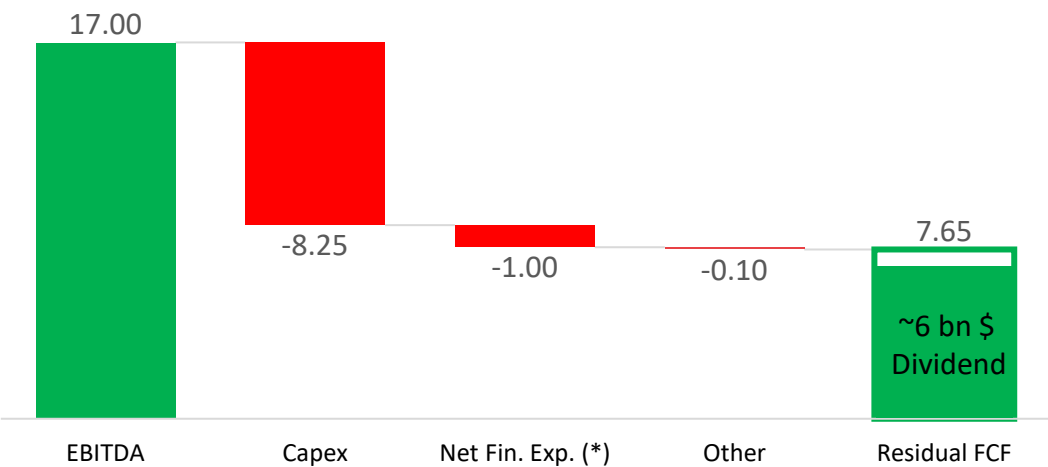
Mn \$

Annual EBITDA*



Strategic Transition Plan - Financials

Cumulative Cash Flow Bridge** (2025-35, bn \$)

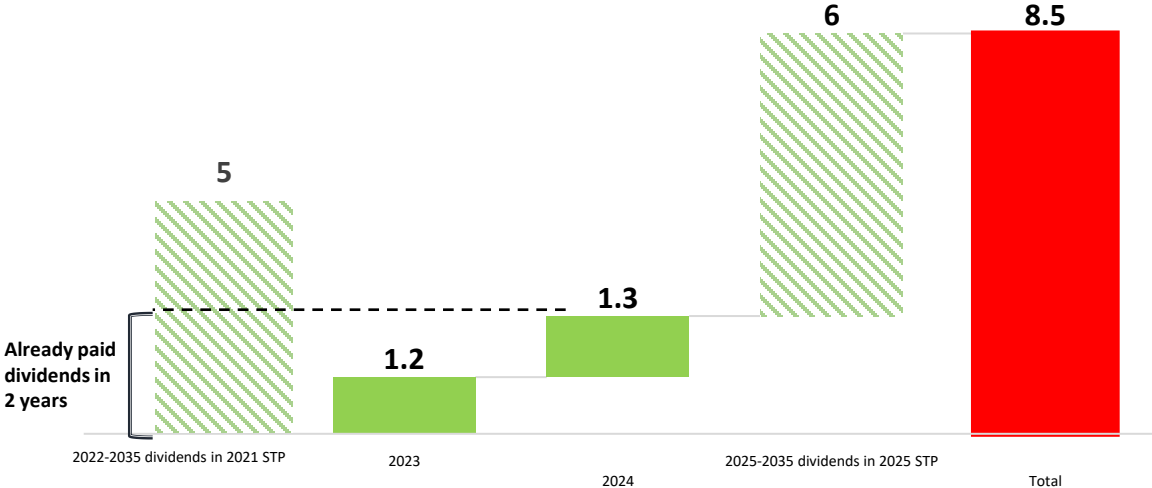


- 80% dividend payout continues with our updated plan
- Net Debt/EBITDA will remain below 2.0x
- Capex/EBITDA will remain below 0.5x

(*) Consists of net additional funding and related financial expenses

(**) IAS 29 adjustments are not applied.

Dividend (bn \$,**)



- According to our 2021 STP, the anticipated dividend between 2022-2035 was around \$5 billion, half of which was distributed in the first two years (2023: 1.2 billion USD / 2024: 1.3 billion USD)
- The revised plan projects a dividend payment of around 6 billion USD for 2025-2035, aligning with our 80% payout ratio as per our dividend policy.



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