

THE REPORT OF THE CONTINUOUS AND FREQUENT TRANSACTIONS

This report has been prepared as per Article 10 of Corporate Governance Communiqué no. II.17.1 (the “**Communiqué**”) issued by Capital Markets Board (“**CMB**”). In respect of the aforesaid article, if the ratio of the amounts of the total frequent and continuous transactions between a company quoted in Borsa Istanbul and its affiliates and/or the affiliated persons in an accounting period,

- a) For a purchasing transaction; to the costs of goods sold and,
- b) For a sale transaction; to the revenues produced,

are estimated to be more than 10%, based on the recent publicly disclosed annual financial statements of such company, the board of directors of such publicly traded company shall prepare a report which covers the conditions of the relevant transactions and a comparison of the same with the market conditions and such report or its results section shall be disclosed before Public Disclosure Platform (KAP).

The purpose of this report is to disclose the conditions of estimated transactions to be conducted between Türkiye Petrol Rafinerileri A.Ş. (the “**Company**” or “**Tüpraş**”) and Tupras Trading LTD, which is not publicly traded and 100% subsidiary of Tüpraş, the amounts of which is foreseen to be exceeding the thresholds set forth by the Communiqué in the year 2021 to the extent that these are not commercial secrets and demonstrate that it is not foreseen that any such transaction would have a negative effect on the Company when compared to the market conditions.

Information on Türkiye Petrol Rafinerileri A.Ş.

Türkiye Petrol Rafinerileri A.Ş. has been established on 16 November 1983. The Company is mainly engaged in the following fields:

- To procure and refine all kinds of crude oil, petroleum and chemical products, to conduct all kinds of commercial operations of produced and imported crude oil, petroleum and chemical products including export along with the storage and transportation activities during production and selling stages and to establish and operate domestic and foreign refineries for this purpose.
- To establish and operate factories and facilities in petrochemical and other related industries,
- To procure the necessary raw materials, semi products, equipment and chemicals and process or trade these materials in order to obtain petrochemical and other related products,
- To package the products produced during various phases of production and to establish a packaging industry for this purpose, to utilize and/or to sell waste, by semi products and substandard products, to establish and operate the necessary facilities for the destruction of the waste products,

- To establish and operate facilities and plants related with all kinds of energy and energy related industries within the framework of the laws and regulations. To obtain, use and trade all kinds of equipment, materials and chemical substances for this purpose,
- To purchase, sell, import, export, store, market, distribute or make distribute all kinds of petroleum products, LPG and natural gas. To construct, operate, make operate, take over, transfer, lease, franchise filling and maintenance stations, to transport through owned or leased vehicles for sales of these goods. To establish marketing and distribution companies (or similar partnerships) with legal entities /real persons or to operate on this purpose and topics. To acquire, sell stocks /documents representing stocks of current partnerships or to buy or transfer equity shares when necessary.

As of 31 December 2020, the issued capital of the company is TL 250,419,200.00 and information regarding the shareholding structure of the Company are as follows.

Name of Shareholder	Value (TL)	Number of Shares	Share (%)
Enerji Yatırımları A.Ş	127.713.792,22	12.771.379.222	51,00
Publicly Owned	122.705.407,77	12.270.540.777	49,00
Privatization Administration	0,01	1	0,00
Total	250.419.200,00	25.041.920.000	100,00

The summary of the financial tables of our Company for the years of 2018 and 2019 are as follows:

Thousand TL	31.12.2018	31.12.2019
Total Assets	40.035.727	55.511.558
Equity Capital of the Parent Company	9.824.629	12.962.835

Thousand TL	01.01.2018-31.12.2018	01.01.2019-31.12.2019
Net Sales	88.552.170	89.600.776
COGS	79.327.847	84.716.489
Net Profit	3.761.445	585.330

Information on the Affiliated Company subject to the Report

As disclosed in its special circumstances disclosure dated 25.07.2018 our Company has decided to open an office in London, United Kingdom in order to do business with the purpose of contribution its import and export operations by way of following international market opportunities closely and gaining additional value from the supply and sale chains. This office has been transformed into a company, having a separate legal entity, which is 100% subsidiary of our Company and titled as Tupras Trading LTD in 2020. Tupras Trading LTD. The issued capital of the company is 25.000.000 USD.

In respect of its purposes and main activities, our Company has been carrying out certain supply and sales transactions through its London Office before such office is transformed into a company and after such office gaining a separate legal entity as of its establishment as a company, these transactions are foreseen to be continued.

Information about the conditions of the transactions to be carried out with affiliated persons and conformity of these transactions with market conditions

Our Company aims increasing its profitability and sales in the international markets by way of selling certain petroleum products to Tupras Trading LTD under the Supply Agreement concluded by and between Tüpraş and Tupras Trading LTD. Our Company also aims increasing its profitability and variety of product origins by way of purchasing certain petroleum products and crude oil from Tupras Trading LTD under the Sales Agreement concluded by and between Tüpraş and Tupras Trading LTD. Principal conditions of such agreements are as follows:

1. Both contracts are for five years , Tüpraş has the right to terminate at any time during the contract period, as long as 1-month prior written notice provided that to Tupras Trading LTD.
2. The pricing structure will be determined based on a fixed profit margin per tonne of product in the transactions made with Tüpraş Trading Ltd.
3. Tüpraş shall guarantee a minimum monthly product supply to Tupras Trading LTD under the Supply Agreement.

The pricing mechanism to be applied under Supply Agreement and Sales Agreement has been decided by considering similar transactions conducted in the market and it has been decided that fixed margin profit structure will be applicable for both agreements.

It is foreseen that the ratio of the amounts of the total frequent and continuous transactions in respect of purchase of petroleum products and crude oil and sales of petroleum products to be conducted with Tupras Trading LTD in the year 2021 will exceed the 10% of the costs of goods sold and the revenues produced based on the data on Tüpraş's financial statements regarding 2019 the first 9 (nine) months of 2020, which are the recent publicly disclosed financial statements of Tüpraş.

Information on transactions with affiliated persons the amount of which is foreseen to be exceeding 10% threshold foreseen under the Communiqué

Affiliated Person	Transaction Nature	Pricing method
Tupras Trading LTD	Sales of Petroleum Products	Fixed margin profit
Tupras Trading LTD	Purchase of Petroleum Products and Crude Oil	Fixed margin profit

Conclusion

In accordance with Article 10 of the Corporate Governance Communiqué II.17.1 of the Capital Markets Board, with Tüpraş Trading LTD, a 100% subsidiary of our company, the amount of o product sales and petroleum product and crude oil purchase transactions within the 2021 accounting period are expected to exceed 10% of the revenue / cost of goods sold in the last annual financial statements disclosed to the public. The conditions of the planned transactions to be carried out in 2021 with Tüpraş Trading LTD, price determination method and the reasons for choosing this method were explained, and information concerning the conformity of the transactions to market conditions was provided in this report.