

TÜRKİYE PETROL RAFİNERİLERİ A.Ş.
REPORT OF RELATED PARTY TRANSACTIONS
EXPECTED TO BE REALIZED IN 2022

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 terms of estimated transactions between Türkiye Petrol Rafinerileri A.Ş. (the Company) and its affiliates and the associated parties as defined by Turkish Accounting Standards (TMS 24) within the scope of CMB regulations and in 2022 exceeding the amount set forth by the Communiqué to the extent that they are not commercial secrets and show that any such transaction does not have a negative effect on the Company as compared to the market conditions.

The detailed information about related party transactions of our Company carried out in 2022 was announced to public in 27th footnote of financial statements concerning our activities in 2022. In this report, the transactions that are expected to exceed 10% range in 2023 were evaluated.

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 2022, the issued capital of the company is TL 275,256,514 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	46.40
Koç Holding A.Ş.	17,471,124.41	1,747,112,441	6.35
Other	130,071,597.36	13,007,159,736	47.25
Privatization Administration	0.01	1	0.00
Total	275,256,514.00	27,525,651,400	100.00

The summary of the financial tables of our Company for the years of 2020, 2021 and 2022 are as follows:

Thousand TL	31.12.2020	31.12.2021	31.12.2022
Total Assets	63,614,229	106,257,111	168,892,335
Equity Capital of the Parent Company	12,697,579	18,808,958	66,743,279

Thousand TL	01.01.2020-31.12.2020	01.01.2021-31.12.2021	01.01.2022-31.12.2022
Net Sales	63,243,815	152,492,019	481,764,656
COGS	-61,479,585	-136,631,978	-418,987,726
Net Profit	-2,422,925	3,613,224	41,260,567

Information on the Affiliated Company subject to the Report

OPET Petrolcülük A.Ş.

OPET Petrolcülük A.Ş. has been established by Öztürk family in 1992, OPET has been added to the Koç Group with 50% share since 2002. The Company operates in the fuel oil distribution sector via wholesale and retail sales, production and marketing of lube oil and sales of jet fuel, storage and international product trade. Türkiye Petrol Rafinerileri A.Ş. has 41,67% shares of OPET Petrolcülük A.Ş.

Tupras Trading LTD

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 50.000.000 USD.

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

A sales at the amount of 89,800,410,649 TL (this amount corresponds to 19% of total sales) has been performed in 2022 between our company and the related OPET Petrolcülük A.Ş. The pricing method determined in this process was the comparable price method.

As a result of the examination of the sales prices of our company in 2022; The prices are determined in accordance with the “closest accessible world free market conditions” within the framework of Article 10 of the Petroleum Market Law and within the framework of the Fuel Oil Price Methodology notified to EMRA as per the Petroleum Market Pricing Regulation. It is concluded that equal price is applied to all companies with equal status, including related companies.

A sales at the amount of 52,614,093,744 TL (this amount corresponds to 11% of total sales) has been performed in 2022 between our company and the related Tupras Trading LTD. The pricing method determined in this process was the fixed margin profit per ton. In 2022, there were no transactions with related parties exceeding the 10% limit according to the cost of the goods sold. However, it is expected that the operations in 2023 will be above the limit.

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:

- 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.
- Tüpraş shall guarantee a minimum monthly product supply to Tupras Trading LTD under the Supply Agreement.
- Supply and Sales Agreement between Tupras and Tupras Trading LTD is based on a fixed profit margin methodology on annual basis according to the global market implementations. Within consideration of free market fluctuations, fixed profit margin is reviewed and determined with the remark of independent consulting firm each and every year.

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.

In the accounting period of 01.01.2023-31.12.2023, our Company's related party transactions, which are expected to exceed the 10% limit, were carried out by OPET Petrolcülük A.Ş. and Tüpraş Trading LTD. Information on these transactions is summarized in the table below.

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

Information on transactions exceeding 10% of revenue				
Related party	Transaction nature	Transaction value(TL) (2022)	Ratio of Transaction Amount to Revenue/COGS (2022)	Transaction method
OPET Petrolcülük A.Ş.	Sales of Petroleum Products	89,800,410,649	19%	Comparable price method
Tupras Trading LTD.	Sales of Petroleum Products	52,614,093,744	11%	Fixed margin profit
Tupras Trading LTD.	Purchases of Petroleum Products and Crude Oil	below 10% limit	below 10% limit	Fixed margin profit

Conclusion

With respect to Article 10 of Capital Markets Board's (CMB) Declaration, numbered Serial II.17.1, (Declaration), since the ratio of the amount of the common and continuous product sales transactions of our Company with OPET Petrolcülük A.Ş. to the revenue amount, included in the annual financial statements to be publicly disclosed, reaches more than 10%, in 2022 and since the related party transaction is expected to be realized above the limit at the same conditions also in 2023 the conditions of the transactions made with OPET Petrolcülük A.Ş., the price determination method, and the rationale for the selection of this method are explained in this Report, and information is presented on the compliance of the transactions with market conditions.

Additionally, since it is expected that ratio of the amount of the common and continuous petroleum product sales and petroleum products and crude oil purchase transactions of our Company with Tupras Trading LTD, a 100% subsidiary of our company, to the revenue amount will reach more than 10% in 2023, the price determination method, and the rationale for the selection of this method are explained in this Report, and information is presented on the compliance of the transactions with market conditions.