

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF
CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD 1 JANUARY - 31 MARCH 2023**

(ORIGINALLY ISSUED IN TURKISH)

TURCAS PETROL A.Ş.

CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2023

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**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED STATEMENTS
OF FINANCIAL POSITION AT 31 MARCH 2023 AND 31 DECEMBER 2022**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		(Not Audited)	(Audited)
		Current Period	Prior Period
		31 March	31 December
	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	4	12,567,203	31,528,566
Trade receivables		560,657	436,838
- <i>Trade receivables from third parties</i>		560,657	436,838
Other receivables		947,222	1,402,439
- <i>Other receivables from related parties</i>	19	502,463	634,605
- <i>Other receivables from third parties</i>		444,759	767,834
Prepaid expenses		1,831,066	442,764
Financial assets	5	147,964,275	139,490,037
Assets related to current period tax	17	99,997	85,100
Other current assets		66,823	12,237
Total current assets		164,037,243	173,397,981
Non-current assets			
Other receivables		27,955	27,955
- <i>Other receivables from third parties</i>		27,955	27,955
Financial investments	5	17,081,916	17,081,916
Financial assets	5	151,588,969	138,957,381
Investments accounted by equity method	7	1,023,835,535	1,127,221,593
Property, plant and equipment		24,827,688	25,001,078
Intangible assets		13,107	18,168
Deferred tax assets	17	863,663	605,278
Other non-current assets		11,937,930	11,190,536
Total non-current assets		1,230,176,763	1,320,103,905
TOTAL ASSETS		1,394,214,006	1,493,501,886

These condensed interim financial statements as at and for the period ended 31 March 2023 have been approved for issue by the Board of Directors decision dated 2 May 2023.

The accompanying notes form an integral part of these condensed interim financial statements.

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED STATEMENTS
OF FINANCIAL POSITION AT 31 MARCH 2023 AND 31 DECEMBER 2022**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

		(Not Audited)	(Audited)
		Current Period	Prior Period
		31 March	31 December
	Notes	2023	2022
LIABILITIES			
Current liabilities			
Short term portions of long term financial liabilities	6	92,356,004	85,098,525
Trade payables		2,491,692	1,930,672
- <i>Trade payables to third parties</i>		2,491,692	1,930,672
Short term liabilities for employee benefits		3,006,628	385,709
Other payables		3,029,149	3,106,433
- <i>Other payables to related parties</i>	19	1,179,964	2,137,272
- <i>Other payables to third parties</i>		1,849,185	969,161
Short term provisions		5,259,822	4,627,838
- <i>Short term provisions for employee benefits</i>		1,222,262	681,438
- <i>Provisions for lawsuit</i>		4,037,560	3,946,400
Total current liabilities		106,143,295	95,149,177
Non-current liabilities			
Financial liabilities	6	349,635,381	335,278,424
Long term provisions		1,246,301	1,660,095
- <i>Long term provisions for employee benefits</i>		1,246,301	1,660,095
Other non-current liabilities		776,389	776,389
Total non-current liabilities		351,658,071	337,714,908
EQUITY			
Paid-in capital	10	255,600,000	255,600,000
Adjustment to share capital	10	41,247,788	41,247,788
Repurchased shares (-)	10	(8,450,916)	(8,450,916)
Other comprehensive income/(expense) not to be reclassified to profit or loss		(63,027,594)	(63,644,300)
- <i>Actuarial gains/ (losses) on defined benefit plans</i>		(63,027,594)	(63,644,300)
Restricted reserves	10	39,311,954	39,311,954
Other reserves		(7,256,169)	(7,256,169)
Retained earnings		803,829,444	10,634,711
Net profit / (loss) for year		(124,841,867)	793,194,733
Equity attributable to equity holders of the parent		936,412,640	1,060,637,801
Total equity		936,412,640	1,060,637,801
TOTAL LIABILITIES AND EQUITY		1,394,214,006	1,493,501,886

The accompanying notes form an integral part of these condensed interim financial statements.

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED STATEMENTS
OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE
MONTH PERIODS ENDED 31 MARCH 2023 AND 2022**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated)

		(Not Audited) Current Period	(Not Audited) Prior Period
PROFIT OR LOSS	Notes	1 January – 31 March 2023	1 January – 31 March 2022
CONTINUED OPERATIONS			
Sales	11	-	-
Cost of sales (-)	11	-	-
GROSS PROFIT		-	-
General and administrative expenses (-)	12	(24,808,684)	(11,767,805)
Other operating income	13	8,135,736	1,664,191
Other operating expenses (-)	13	(17,044)	-
OPERATING PROFIT		(16,689,992)	(10,103,614)
Income from investment activities	14	4,904,693	335,112,464
Expenses from investment activities (-)	14	(490,788)	-
Income/(Loss) from investments accounted by equity method	7	(103,110,119)	455,208,673
OPERATING PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)		(115,386,206)	780,217,523
Financial income	15	28,906,987	52,093,030
Financial expenses (-)	16	(38,892,064)	(85,403,011)
PROFIT / (LOSS) BEFORE TAX FROM CONTINUED OPERATIONS		(125,371,283)	746,907,542
Tax income / (expense) from continued operations			
Current period tax expense	17	-	-
Deferred tax income / (expense)	17	529,416	(4,193,687)
NET PROFIT / (LOSS) FROM CONTINUED OPERATIONS		(124,841,867)	742,713,855
NET PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS		-	56,675,241
NET PROFIT / (LOSS)		(124,841,867)	799,389,096
Attributable to:			
Equity holders of the parent		(124,841,867)	799,389,096
Non-controlling interest		-	-
Profit/(Loss) per share	18	(0.488)	3.128
Profit/(Loss) per share from continued operations		(0.488)	2.906
Profit/(Loss) per share from discontinued operations		-	0.222

The accompanying notes form an integral part of these condensed interim financial statements.

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED STATEMENTS
OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE
MONTH PERIODS ENDED 31 MARCH 2023 AND 2022**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated)

	(Not Audited)	(Not Audited)
	Current Period	Prior Period
Notes	1 January – 31 March 2023	1 January – 31 March 2022
PROFIT / (LOSS) FOR THE PERIOD	(124,841,867)	799,389,096
Other comprehensive income / (expense) not to be reclassified to profit or loss		
Actuarial gains / (losses) on defined benefit plans	1,355,155	(6,368)
Deferred tax income / (expense)	<i>17</i> (271,031)	1,465
Other comprehensive income of shares from investments accounted by the equity method not to be reclassified to profit or loss		
Revaluation gains / (losses) of defined benefit plans of investments accounted by equity method	(584,273)	12,594
<i>Deferred tax income / (expense)</i>	116,855	(2,519)
Total	616,706	5,172
Other comprehensive income / (expense) to be reclassified to profit or loss		
<i>Other comprehensive income / (loss) related to cash flow hedging</i>	-	(3,352,767)
<i>Deferred tax income / (expense)</i>	-	-
Total	-	(3,352,767)
TOTAL COMPREHENSIVE INCOME / (LOSS)	(124,225,161)	796,041,501
Attributable to:		
Equity holders of the parent	(124,225,161)	796,041,501
Non-controlling interests	-	-
Earnings / (Loss) per share	(0.486)	3.114
Number of Shares	255,600,000	255,600,000

The accompanying notes form an integral part of these condensed interim financial statements.

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED STATEMENTS OF CHANGES IN EQUITY
AT 31 MARCH 2023 AND 31 MARCH 2022**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

					Other comprehensive income/expense not to be reclassified to profit or loss	Other comprehensive income/expense to be reclassified to profit or loss						
	Paid in Capital	Adjustment to share capital	Repurchased Shares(-)	Restricted reserves	Actuarial gains / (losses) on defined benefit plans	Other comprehensive income / (loss) related with cash flow hedges	Other reserves	Retained earnings	Net Income/(loss) for the period	Equity holders of the parent	Non- controlling interest	Total Equity
1 January 2022	255,600,000	41,247,788	(8,450,916)	39,311,954	(10,485,044)	(129,688,954)	(7,256,169)	90,734,077	(80,099,366)	190,913,370	-	190,913,370
Transfers	-	-	-	-	-	-	-	(80,099,366)	80,099,366	-	-	-
Acquisition or disposal of subsidiary	-	-	-	-	-	133,041,721	-	-	-	133,041,721	-	133,041,721
Net Income/(Loss) for period	-	-	-	-	-	-	-	-	799,389,096	799,389,096	-	799,389,096
Other comprehensive income / (expense)	-	-	-	-	5,172	(3,352,767)	-	-	-	(3,347,595)	-	(3,347,595)
Total comprehensive income / (expense)	-	-	-	-	5,172	(3,352,767)	-	-	799,389,096	796,041,501	-	796,041,501
31 March 2022 (*)	255,600,000	41,247,788	(8,450,916)	39,311,954	(10,479,872)	-	(7,256,169)	10,634,711	799,389,096	1,119,996,592	-	1,119,996,592
1 January 2023	255,600,000	41,247,788	(8,450,916)	39,311,954	(63,644,300)	-	(7,256,169)	10,634,711	793,194,733	1,060,637,801	-	1,060,637,801
Transfers	-	-	-	-	-	-	-	793,194,733	(793,194,733)	-	-	-
Net Income/(Loss) for period	-	-	-	-	-	-	-	-	(124,841,867)	(124,841,867)	-	(124,841,867)
Other comprehensive income / (expense)	-	-	-	-	616,706	-	-	-	-	616,706	-	616,706
Total comprehensive income / (expense)	-	-	-	-	616,706	-	-	-	(124,841,867)	(124,225,161)	-	(124,225,161)
31 March 2023 (*)	255,600,000	41,247,788	(8,450,916)	39,311,954	(63,027,594)	-	(7,256,169)	803,829,444	(124,841,867)	936,412,640	-	936,412,640

(*) Not Audited.

The accompanying notes form an integral part of these condensed interim financial statements.

TURCAS PETROL A.Ş

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED STATEMENTS
OF CASH FLOW FOR THE THREE MONTH PERIODS ENDED
31 MARCH 2023 AND 2022**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	1 January – 31 March 2023	1 January – 31 March 2022
A. Cash flows from operating activities		(28,056,791)	15,468,808
Net income / (loss) for the period		(124,841,867)	799,389,096
Net income / (loss) for the period from continued operations		(124,841,867)	742,713,855
Net income / (loss) for the period from discontinued operations		-	56,675,241
Adjustments to reconcile net income/(loss)		98,983,374	(752,504,793)
Adjustments related to tax (income) / expense	17	(529,416)	4,193,687
Adjustment related to unrealized foreign currency translation differences		15,361,158	47,588,546
Adjustments related to depreciation and amortization expenses		811,876	705,707
Adjustments related to provisions / (reversals) for employee termination benefits		3,699,488	401,344
Adjustments related to losses / (gains) resulting from the disposal of the tangible assets		16,980	-
Other adjustments related to (profit) and loss reconciliation		(19,893,956)	(33,354,463)
Adjustments related to undistributed profit/losses of investments accounted by the equity method	7	103,110,119	(455,208,673)
Adjustments related to undistributed profits of associates	7	(191,479)	(191,479)
Adjustments related to provisions / (reversals) for lawsuit and /or penalty		91,160	-
Adjustments related to losses / (gains) on disposal of subsidiaries or joint operations		-	(317,802,586)
Adjustments related to interest income	15	(9,745,834)	(3,241,695)
Adjustments related to interest expense	16	6,253,278	4,404,819
Changes in working capital		33,901	(31,482,650)
Adjustments related to decrease / (increase) in trade receivables		(123,819)	(56,347,062)
Decrease / (increase) in prepaid expenses		(2,190,282)	(395,466)
Adjustments related to increase / (decrease) in trade payables		561,020	330,147
Decrease / (increase) in other assets related to operations		(756,653)	(1,036,534)
Increase / (decrease) in other liabilities related to operations		2,543,635	892,624
Net cash flows from discontinued operations		-	25,073,641
Cash flow used in operations		(2,232,199)	67,155
Employment termination benefits paid		(2,217,302)	70,466
Tax refunds / (payments)		(14,897)	(3,311)
B. Net cash generated by investing activities		9,096,107	218,669,672
Cash outflow resulted from acquisition of tangible and intangible assets	8	(650,406)	(39,194)
Cash inflows related to sales that causing loss of control of subsidiaries		-	215,402,000
Interest received		9,746,513	3,241,618
Net cash flows from discontinued operations		-	65,248
C. Cash flow from financing activities		-	(260,113,085)
Repayment of bank borrowings	6	-	(260,113,085)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A + B + C)		(18,960,684)	(25,974,605)
CASH AND CASH EQUIVALENTS BALANCE AT THE BEGINNING OF THE PERIOD	4	31,527,847	57,342,888
CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE PERIOD	4	12,567,163	31,368,283

The accompanying notes form an integral part of these condensed interim financial statements.

TURCAS PETROL A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 1 - COMPANY’S ORGANIZATION AND NATURE OF OPERATIONS

Turcas Petrol A.Ş. (“Company” or “Turcas”) is an investment company that participates in companies operating in the oil and energy sector.

The Company is incorporated in Turkey and the address of the registered office is as follows:

Ahi Evran Cad. No: 6 Aksoy Plaza. Kat: 7 34398 Maslak/Sarıyer/İstanbul

The shares of the Company have been traded on Borsa İstanbul since 1992.

The Company’s main shareholder is Aksoy Girişimcilik Enerji ve Turizm A.Ş. The capital structure of the Company as of the related balance sheet dates have been provided at Note 10.

The number of employees of the Company at the end of the period is 38 (31 December 2022: 42).

Associates	Company	Nature of business
Shell & Turcas Petrol A.Ş. (“STAŞ”)	Turkey	Petroleum products
RWE&Turcas Güney Elektrik Üretim A.Ş. (“RWE&Turcas Güney” or “RTG”)	Turkey	Energy, electricity

30% shares of STAŞ were owned by Turcas Petrol A.Ş. and 70% of shares were owned by The Shell Company of Turkey Ltd (“Shell Türkiye”). STAŞ operates in every aspect of the purchase, sale, import, export, storage and distribution of all types of fuel and lubricants.

RTG which 30% of shares were owned by Turcas and %70 of shares were owned by RWE Generation SE. RTG is the owner and operator of the natural gas-fired combined cycle power plant in Denizli with an installed capacity of 800 MW.

The detailed information about the investments accounted by equity method is given in Note 7.

ATAŞ is established in Mersin Province. The entity continues its storage and service operations as of the balance sheet date and is recognized under non-current financial investments in the financial statements of Turcas Petrol A.Ş. The Company directly owns 5% of the ATAŞ. Other partners of ATAŞ include STAŞ with %27 of its shares. The Company’s total direct and indirect (through STAŞ) ownership at ATAŞ is %13.1.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD ENDED 31 MARCH 2023**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

Financial reporting standards

The accompanying financial statements are prepared in accordance with Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013. According to Article 5 of the Communiqué, financial statements are prepared in accordance with the Turkish Accounting Standards issued by Public Oversight Accounting and Auditing Standards Authority (“POAASA”). TAS contains Turkish Accounting Standards, Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations.

The accompanying financial statements are presented in accordance with the “Announcement regarding to TAS Taxonomy” which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB.

In accordance with the CMB resolution issued on 17 March 2005, listed companies operating in Turkey are not subject to inflation accounting effective from 1 January 2005. Therefore, the financial statements of the financial statements of the Company have been prepared accordingly.

The Company maintains its books of account and prepares its statutory financial statements in TL in accordance with the Turkish Commercial Code (“TCC”), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance and accounting principles issued by the CMB. The financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion, these financial statements are based on the statutory records, which are maintained under historical cost conversion, with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the TAS.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, Company preferred to present its interim financial statements in condensed form.

The Company’s interim condensed financial statements does not contain the entire explanations and notes of the year-end financial statements. Therefore, the interim condensed financial statements should be examined together with the year-end financial statements as of 31 December 2022.

The preparation of financial statements in conformity with Turkish Accounting Standards requires management to exercise its judgement in the process of applying the Company’s accounting policies. The significant assumptions and estimates applied in the preparation of the financial statements are disclosed in Note 2.4.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD ENDED 31 MARCH 2023**

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 Summary of the Significant Accounting Policies

The accounting policies applied during the preparation of these interim condensed financial statements are consistent with the accounting policies applied for the financial year between 1 January - 31 December 2022. These condensed interim financial statements should be read on a comparative basis with annual financial statements for the year between 1 January - 31 December 2022.

There is no difference in the accounting policy applied to the condensed interim financial statements from the annual financial statements which have been prepared within the framework of Communiqué II, No: 14.1 and related promulgations to this Communiqué as issued by the CMB in accordance with CMB Financial Reporting Standards which is based on TAS/IFRS.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 March 2023 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of March 31, 2023.

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the financial statements as at March 31, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended Turkish Accounting Standards (“TAS”) / IFRS and IFRIC interpretations effective as of January 1, 2023. The effects of these standards and interpretations on the Company’s financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as at 1 January 2023 are as follows:

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8

Effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

Amendment to IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction

Effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD ENDED 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

ii) Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the interim financial statements are as follows. The Company will make the necessary changes if not indicated otherwise, which will be affecting the financial statements and disclosures, when the new standards and interpretations become effective.

Amendment to IAS 1 – Non-current liabilities with covenants

Effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendment to IFRS 16 - Leases on sale and leaseback

Effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

2.3 Comparatives and restatement of prior year financial statements

The Company prepares comparative financial statements, to enable readers to determine financial position and performance trends. For the purposes of effective comparison, comparative financial statements can be reclassified when deemed necessary by the Company, where descriptions on significant differences are disclosed.

In the event of changes in accounting policies and accounting estimates, significant changes and significant accounting errors are applied retrospectively, and the prior period financial statements are restated. The effect of changes in accounting estimates affecting the current period is recognised in the current period; the effect of changes in accounting estimates affecting current and future periods is recognised in the current and future periods.

2.4 Critical accounting estimates and judgements policies

The preparation of financial statements requires estimates and assumptions to be made regarding the amounts for the assets and liabilities at the balance sheet date, and explanations for the contingent assets and liabilities as well as the amounts of income and expenses realised in the reporting period. Evaluation, estimates and assumptions of accounting are continuously reviewed through taking past experiences, other factors and reasonable expectations as of current date and future events into account. The Company makes estimates and assumptions concerning the future. The accounting estimates and assumptions, by definition, may not be equal the related actual results. The estimates and assumptions that may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

TURCAS PETROL A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2023

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 2 - BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

Deferred taxes:

Deferred tax is provided, using the liability method, for temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Tax bases of assets and liabilities comprise of the amounts that will impact taxable income in future periods based on the tax legislation. Currently enacted tax rates, which are expected to be effective during the periods when the deferred tax assets will be utilized or deferred tax liabilities will be settled, are used to determine deferred tax.

Deferred tax assets and liabilities are recognized to the extent that they will impact taxes to be paid in the periods that temporary differences will disappear. Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized. Carrying value of deferred tax assets are decreased to the extent necessary, if future taxable profits are not expected to be available to utilize deferred tax assets partially or fully.

In determining the fair value of financial assets disclosed in Note 5, the probability of collecting usufructs is considered as 50% and the discount rate is used as 15 % in USD terms.

NOTE 3 - SEGMENT REPORTING

The reportable segments of Turcas have been organized by management as oil and electricity. The products which are included in oil are fuel products, lubricants and engine oil. Electricity group consists of power generation.

Accounting policies applied by each operational segment of Turcas are the same as those are applied in Turcas's financial statements prepared in accordance with Public Oversight Financial Reporting Standards. Turcas's reportable segments are strategical business units which presents various products and services. Each of these segments are administrated seperately by the necessity of requiring different technologies and marketing strategies.

Information regarding to each segment has been presented below. Earnings before interest, tax, depreciation and amortisation (EBITDA) have been taken into consideration for evaluation of the performance of the operational segments. Management considers EBITDA as the most adequate indicator for making comparison with competitors in the sector.

- a) Operational segments which have been prepared in accordance with the reportable segments as of 31 March 2023 are as follows:

	Oil	Electricity	Other	Total
Revenue from external customers	-	-	-	-
EBITDA	-	-	(15,878,116)	(15,878,116)
Financial income	-	-	28,906,987	28,906,987
Financial expenses	-	-	(38,892,064)	(38,892,064)
Amortization and depreciation expenses	-	-	(811,876)	(811,876)
Income/ (loss) from Associates	(141,959,700)	38,849,581	-	(103,110,119)
Purchase of tangible and intangible assets	-	-	650,406	650,406

TURCAS PETROL A.Ş.

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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 3 - SEGMENT REPORTING (Continued)

b) Operational segments which have been prepared in accordance with the reportable segments as of 31 March 2022 are as follows:

	Oil	Electricity	Other	Total
Revenue from external customers	-	-	-	-
EBITDA	-	-	(9,397,907)	(9,397,907)
Financial income	-	-	52,093,030	52,093,030
Financial expenses	-	-	(85,403,011)	(85,403,011)
Amortization and depreciation expenses	-	-	(705,707)	(705,707)
Income/ (loss) from Associates	385,572,900	69,635,773	-	455,208,673
Purchase of tangible and intangible assets	-	-	39,194	39,194

c) Operating segment information as of 31 March 2023 is shown below:

	Oil	Electricity	Other	Eliminations	Total
Segment assets (*)	-	-	105,098,734	265,279,737	370,378,471
Investments accounted by equity method	426,191,400	597,644,135	-	-	1,023,835,535
Segment liabilities	-	-	456,361,385	1,439,981	457,801,366

d) Operating segment information as of 31 December 2022 is shown below:

	Oil	Electricity	Other	Eliminations	Total
Segment assets (*)	-	-	121,192,897	245,087,396	366,280,293
Investments accounted by equity method	568,151,100	559,070,493	-	-	1,127,221,593
Segment liabilities	-	-	431,596,041	1,268,044	432,864,085

(*) Through deducting investment amounts of associates which are accounted by equity method.

e) Reconciliation between reportable segment incomes is as follows:

	1 January – 31 March 2023	1 January – 31 March 2022
Revenue		
Segment revenue	-	-
Revenue	-	-
EBITDA		
EBITDA of Segment	-	-
Other EBITDA	(15,878,116)	(9,397,907)
EBITDA	(15,878,116)	(9,397,907)
Financial income	28,906,987	52,093,030
Financial expense	(38,892,064)	(85,403,011)
Income from investment activities	4,413,905	335,112,464
Income/(loss) from investments accounted by equity method	(103,110,119)	455,208,673
Depreciation and amortization expense	(811,876)	(705,707)
Profit / (loss) before tax	(125,371,283)	746,907,542

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NOTE 4 - CASH AND CASH EQUIVALENTS

	31 March 2023	31 December 2022
Cash	123,705	124,122
Banks		
- time deposits	12,252,757	31,334,576
- demand deposits	190,741	69,868
	12,567,203	31,528,566

The maturities of cash and cash equivalents are as follows:

	31 March 2023	31 December 2022
Up to 30 days	12,567,203	31,528,566
Up to 60 days	-	-
	12,567,203	31,528,566

The effective interest rates (%) of time deposits are as follows:

	31 March 2023	31 December 2022
TL	-	11.00
US Dollars	-	-
EUR	0.05	0.50

Cash and cash equivalents as of 31 March 2023, 31 December 2022 and 31 March 2022, as seen in condensed interim cash flow statements, are as follows:

	31 March 2023	31 December 2022	31 March 2022
Cash and cash equivalents	12,567,203	31,528,566	31,368,399
Less: interest accrual	(40)	(719)	(116)
	12,567,163	31,527,847	31,368,283

As of 31 March 2023, the Company has no blocked deposits (31 December 2022: None).

NOTE 5 - FINANCIAL INVESTMENTS

a) Financial Investments:

	31 March 2023		31 December 2022	
	Participation amount	Participation rate (%)	Participation amount	Participation rate (%)
ATAŞ (*)	17,081,916	5	17,081,916	5
	17,081,916		17,081,916	

(*) According to TFRS 9 Financial Instruments, ATAŞ is recognized at fair value.

TURCAS PETROL A.Ş.**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
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NOTE 5 - FINANCIAL INVESTMENTS (Continued)**b) Financial Assets:**

	31 March 2023	31 December 2022
Current Financial Assets (*)	147,964,275	139,490,037
Non-Current Financial Assets (*)	113,755,481	107,240,456
Non-Current Financial Assets (**)	37,833,488	31,716,925
Total	299,553,244	278,447,418

Financial assets are recognized at fair value.

(*) The financial asset originating from the agreements signed between Turcas and Shell Company of Turkey Ltd. (Shell) on 25.08.2017 is subject to valuation and disclosed in the financial statements as TL 261,719,756 (Information on agreements is included in Note 7).

(**) It consists of Turcas' investment at a venture capital investment fund.

	2023	2022
1 January	278,447,418	180,284,867
Interest income	9,477,490	-
Foreign exchange gains	6,002,561	16,004,762
Additions	1,211,870	1,233,987
Fair value difference	4,413,905	17,309,878
31 March	299,553,244	214,833,494

NOTE 6 - FINANCIAL LIABILITIES

	31 March 2023	31 December 2022
Short-term portions of long term bank borrowings	92,356,004	85,098,525
Long-term bank borrowings	349,635,381	335,278,424
	441,991,385	420,376,949

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NOTE 6 - FINANCIAL LIABILITIES (Continued)

			31 March 2023
	Yearly average effective interest rate (%)	Original amount	TL
EUR borrowings			
- Floating interest rate (*)	6M Euribor + %1.65- 6M Euribor + %5.40	4,422,651	92,356,004
Total short term financial liabilities			92,356,004
EUR borrowings			
- Floating interest rate (*)	6M Euribor + %1.65- 6M Euribor + %5.40	16,428,641	343,071,101
- Interest accrual of EUR floating rate loan (*)		314,344	6,564,280
Total long term financial liabilities			349,635,381
Total financial liabilities			441,991,385

(*) The outstanding loan balance used for the long-term financing of Denizli natural gas power plant from Bayern LB is TL 266,427,636 (EUR 12,758,417) including its accrued interest, which is recognized through the deduction of ECA premium fee amounting to TL 1,142,080 (EUR 54,691) and arrangement fee amounting to TL 1,431,265 (EUR 68,539) respectively from the total amount of the loan. The aforementioned commission amounts are amortized throughout the maturity of the loan. The outstanding loan balance used for the financing of Denizli natural gas power plant from TSKB, is TL 178,505,946 (EUR 8,548,112) including its accrued interest, which is recognized through deducting the arrangement fee amounting to TL 368,852 (EUR 17,663) from total credit amount. The aforementioned commission amount is amortized throughout the maturity of the loan.

			31 December 2022
	Yearly average effective interest rate (%)	Original amount	TL
EUR borrowings			
- Floating interest rate (*)	6M Euribor + %1.65- 6M Euribor + %5.40	4,261,148	85,098,525
Total short term financial liabilities			85,098,525
EUR borrowings			
- Floating interest rate (*)	6M Euribor + %1.65- 6M Euribor + %5.40	16,772,859	334,967,422
- Interest accrual of EUR floating rate loan (*)		15,573	311,002
Total long term financial liabilities			335,278,424
Total financial liabilities			420,376,949

(*) The outstanding loan balance used for the long-term financing of Denizli natural gas power plant from Bayern LB is TL 256,435,916 (EUR 12,840,543) including its accrued interest, which is recognized through the deduction of ECA premium fee amounting to TL 1,185,819 (EUR 59,378) and arrangement fee amounting to TL 1,431,265 (EUR 71,668) respectively from the total amount of the loan. The aforementioned commission amounts are amortized throughout the maturity of the loan. The outstanding loan balance used for the financing of Denizli natural gas power plant from TSKB, is TL 166,923,586 (EUR 8,358,383) including its accrued interest, which is recognized through deducting the arrangement fee amounting to TL 365,469 (EUR 18,300) from total credit amount. The aforementioned commission amount is amortized throughout the maturity of the loan.

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NOTE 6 - FINANCIAL LIABILITIES (Continued)

Floating interest rated financial debts denominated in foreign currencies are translated to TL using effective exchange rates at period end, Interest rates of floating interest rated financial debts are redetermined in 6 month periods, therefore carrying values are considered to approximate their fair values.

The redemption schedule of financial liabilities is as follows:

	31 March 2023	31 December 2022
Within 1 year	92,356,004	85,098,525
1 - 2 years	241,308,741	227,799,639
2 - 3 years	108,326,640	107,478,785
	441,991,385	420,376,949

Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities:

	31 December 2022	Cash Changes			Non-cash changes		31 March 2023
		Principal Payments	Interest Payments	Cash Flow from Borrowings	Interest Accruals & Translation Adjustments	Balance Reduction Due to ECA Premium Reimbursement (*)	
Bank loans	420,376,949	-	-	-	26,609,206	(4,994,770)	441,991,385
Financial liabilities	420,376,949	-	-	-	26,609,206	(4,994,770)	441,991,385

(*) As a result of the decrease in the loan balance thanks to the voluntary early repayments made by the Company in 2022, ECA evaluated that the risk decreased and the ECA premium was reduced by 240,108.95 Euros and the related amount was deducted from the loan balance.

NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD

	%	31 March 2023	%	31 December 2022
STAŞ	30	426,191,400	30	568,151,100
RWE & Turcas Güney Elektrik Üretim A.Ş.	30	597,644,135	30	559,070,493
		1,023,835,535		1,127,221,593

TURCAS PETROL A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2023

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NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD (Continued)

	31 March 2023	31 December 2022
Balance at the beginning of the year	1,127,221,593	860,707,429
Income and losses from associates (net) (*)	(103,110,119)	430,702,937
Transactions with associates (**)	191,479	765,917
Actuarial gain / losses	(467,418)	(52,454,690)
Capital decrease of associates (***)	-	(82,500,000)
Dividends received (****)	-	(30,000,000)
Balance at the end of the year	1,023,835,535	1,127,221,593

(*) As of 31 March 2023, the Company's loss balances from associates amounting to TL 103,110,119 consist of loss balance from Shell & Turcas Petrol A.Ş. amounting to TL 141,959,700, income balance from RWE&Turcas Güney Elektrik Üretim A.Ş. amounting to TL 38,849,581.

(**) The balance consists of the consolidation adjustment for capitalized finance expenses by RWE&Turcas Güney Elektrik Üretim A.Ş. related to the borrowing from the Company in order to finance Denizli Plant investment of RWE&Turcas Güney Elektrik Üretim A.Ş.

(***) It consists of capital decrease of RWE&Turcas Güney Elektrik Üretim A.Ş. and collected on 9 May 2022.

(****) It consists of dividend distribution of RWE&Turcas Güney Elektrik Üretim A.Ş. and collected on 23 December 2022.

STAS

As explained in Note 1, STAS operates for the sales, purchase, export and import, storage and distribution of each kind of fuel products and lubricants.

Shell & Turcas Petrol A.Ş. (STAS), in which Turcas has a 30% share (share of Shell Company of Turkey Ltd. is 70%), has become operational on 1 July 2006. As of 31 March 2023, STAS is one of the leading companies in Turkish fuel distribution sector with 1,145 fuel stations, lubricant production facilities, retail and commercial sale.

In accordance with the agreements signed on 25 August 2017 between Turcas and Shell Company of Turkey;

- (i) Shell has been granted the right, but not the obligation, exercisable at any time and only by Shell, after a 2 year lock-up period, to trigger a calculation of the Fair Market Value (FMV) of STAS for the purpose of purchasing Turcas' 30% shares. If upon calculation of FMV Shell makes an offer to purchase Turcas' shares in STAS, Turcas has the right to counter offer to purchase Shell's 70% shares in STAS, which could then effectively trigger an auction between the parties where each party has the right either to agree to sell its shares at the last offer or make an increased counter-offer to purchase the other party's shares. Shell has the ability to cancel the auction process at any time before acceptance of any offer. If Shell stops the process, all the offers made up to that time will be null and void and each party's shareholding in STAS will not change. But if it elects to do so, a 2 year lock up period will again be imposed.
- (ii) In return for Turcas providing Shell with the option to trigger an exit, Shell shall cause STAS to issue 125 Usufruct Certificates to Turcas, which shall each entitle Turcas to USD 64,000 of preferred dividends per annum to be valid from financial year 2016 and with first payment to be realized in 2017.

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NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD (Continued)

The Company has valued the financial asset resulting from this agreement as TL 261,719,756 in the financial statements (Note 5).

STAŞ	31 March 2023	31 December 2022
Total assets	19,648,029,000	22,474,579,000
Total liabilities	(18,227,391,000)	(20,580,742,000)
Net assets	1,420,638,000	1,893,837,000
Company's share of associate's net assets	426,191,400	568,151,100
	1 January - 31 March 2023	1 January - 31 March 2022
Net sales	32,647,452,000	26,155,207,000
Comprehensive income / (expense)	(473,199,000)	1,285,243,000
Company's share in total comprehensive income / (expense)	(141,959,700)	385,572,900

RWE&Turcas Güney Elektrik Üretim A.Ş.

RWE & Turcas Güney Elektrik Üretim A.Ş., in which Turcas has a 30% share (share of RWE Generation SE is 70%), is the owner and operator of a natural gas combined cycle power plant with an installed capacity of 800 MW in Denizli. The power plant has become operational with completion of temporary admission process conducted by the Ministry as of 24 June 2013.

RWE&Turcas	31 March 2023	31 December 2022
Total assets	2,447,483,303	3,716,479,922
Total liabilities	(438,177,933)	(1,835,115,097)
Net assets	2,009,305,370	1,881,364,825
Company's share of associate's net assets	602,791,611	564,409,448
Inter-group finance expense elimination	(5,147,476)	(5,338,955)
Company's share, net	597,644,135	559,070,493
	1 January - 31 March 2023	1 January - 31 March 2022
Net sales	2,018,976,942	1,249,234,657
Comprehensive income / (expense)	127,940,544	232,152,826
Company's share in total comprehensive income / (expense)	38,382,163	69,645,848

TURCAS PETROL A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2023

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NOTE 8 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The amount of tangible and intangible assets purchased for the period ending as of 31 March 2023 is TL 650,406 (31 March 2022: TL 39,194).

The amount of tangible and intangible assets sold for the period ending as of 31 March 2023 is TL 89,093 (31 March 2022: None).

For the three month interim periods ending as of 31 March 2023 and 31 March 2022, all depreciation and amortisation expenses have been added to general administrative expenses.

NOTE 9 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Contingent Liabilities

Contingent assets and liabilities related with Turcas

Collaterals, pledges, mortgages (CPM) given by the Company, as of 31 March 2023 and 31 December 2022 are as follows:

	Currency	31 March 2023		31 December 2022	
		Original Amount	TL Amount	Original Amount	TL Amount
GPM's given by the Company (Guarantee-Pledge-Mortgage)					
A. GPM's given for companies					
Own legal personality (*)	TL	22,997,786	22,997,786	22,999,786	22,999,786
	USD	33,800	648,548	33,800	633,142
B. GPM's given on behalf of fully Consolidated companies	TL	-	-	-	-
	USD	-	-	-	-
	EUR	-	-	-	-
C. GPM's given for continuation of its Economic activities on behalf of third parties (**)	USD	-	-	-	-
	EUR	277,218	5,789,012	5,524,986	110,338,386
D. Total amount of other GPM's					
i) Total amount GPM's given on behalf of the majority shareholders		-	-	-	-
ii) Total amount of GPM's given to on behalf of other group companies which are not in scope of B and C		-	-	-	-
iii) Total amount of GPM's given on behalf of third parties which are not in scope of C		-	-	-	-
			29,435,346		133,971,314

(*) It consists of the guarantees given by Turcas Petrol to Official Institutions.

(**) In relation to Company's share of financing the investment of 800 MW Natural Gas Fired Combined-Cycle Power Plant; a DSRA Standby Letter of Credit was arranged by Akbank T.A.Ş. on behalf of Turcas Petrol A.Ş with Bayern LB as the drawee bank in the amount of EUR 277,218, with a maturity of 31 July 2023.

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NOTE 9 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

	31 March 2023	31 December 2022
Letter of guarantees received	149,996	132,235
Letter of other guarantees received	27,000	27,000
	176,996	159,235

Contingent assets and liabilities of Turcas Petrol A.Ş. regarding STAŞ

The contingent assets and liabilities of the Company related to STAŞ are follows:

	31 March 2023	31 December 2022
Letters of guarantee given to the customs office	958,508,096	958,508,096
Letters of guarantee given to the tax office	287,130,283	317,653,127
Letters of guarantee given to the EMRA	15,000,000	15,000,000
Other	19,100,136	15,363,109
	1,279,738,515	1,306,524,332

	31 March 2023	31 December 2022
Mortgages taken	1,356,536,400	1,295,855,400
Letters of guarantees received	1,165,196,400	1,096,623,300
Other guarantees received	107,352,000	122,663,700
	2,629,084,800	2,515,142,400

STAŞ has committed to pay TL 3,599,747,000 to the station owners for the station improvement in the periods mentioned below (31 December 2022: TL 2,967,551,000). The payment terms of Company's share of warranty are as follows:

	31 March 2023	31 December 2022
Within 1 year	271,438,800	214,563,900
1-5 years	713,463,600	586,669,200
5-22 years	95,021,700	89,032,200
	1,079,924,100	890,265,300

According to the environmental laws in effect, Shell & Turcas Petrol A.Ş. (“STAŞ”) is responsible for any environmental pollution that may arise as a result of its operations. In the case that STAŞ causes an environmental pollution, STAŞ may be required to recover the damages. There are no environmental lawsuits claimed against STAŞ as of the balance sheet date, however in the case of abandoning the currently operating terminals in the future, STAŞ may be charged for the soil clean-up costs for these terminals. On the other hand, according to the BCA, any environmental liabilities that have arisen prior to the acquisition date are the responsibility of shareholders. STAŞ is accountable only for the environmental liabilities that occur subsequent to the Acquisition Date. However, STAŞ management does not foresee any liabilities that should be reflected in these financial statements.

TURCAS PETROL A.Ş.

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NOTE 9 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES (Continued)

In its decision dated 12.03.2020 and numbered 20- 14/192-9, the Competition Board decided that STAŞ violated Article 4 of the Law No. 4054 on the Protection of Competition by determining the resale prices of its dealers ("Decision"). With this decision, an administrative fine of 348,154,458.54 TL was imposed on STAŞ by the Competition Board. The reasoned decision was notified by STAŞ on 21.09.2020. In order to benefit from the 25% early payment discount, STAŞ made a payment of TL 261,116,000 to the tax office on 21.10.2020 with a reservation record before filing a lawsuit for annulment against the Decision. On 14.01.2021, STAŞ filed an annulment lawsuit against the Decision at the Ankara Administrative Court for stay of execution and the objection was rejected. Therefore, an appeal was filed with the Regional Administrative Court on 08.02.2022 and a further appeal was filed with the Council of State on 23.12.2022, following the negative outcome of the appeal court decision. The appeal case at the Council of State is expected to be finalized. The fine amount paid was accounted as an expense in 2022.

Commitment and contingent assets and liabilities of Turcas regarding of RWE & Turcas Güney Elektrik Üretim A.Ş.

Commitment and contingent assets and liabilities of Turcas regarding of RWE & Turcas Güney Elektrik Üretim A.Ş. are as follows:

	31 March 2023	31 December 2022
Letters of guarantees given for EPIAŞ	15,407,844	15,407,844
Letters of guarantees given for TEİAŞ	7,152,699	3,155,199
Letters of guarantees given for BOTAŞ	1,860,300	1,845,000
Other	70,531	970,531
	24,491,374	21,378,574

	31 March 2023	31 December 2022
Letters of guarantees received	62,490,000	900,000
	62,490,000	900,000

NOTE 10 – EQUITY

a) Paid in capital / treasury shares

Shareholders	Group	Allocation (%)	31 March 2023	Allocation (%)	31 December 2022
Aksoy Girişimcilik Enerji ve Turizm A.Ş.	A/C Group	54.45	139,175,892	54.45	139,175,892
Free Float	A Group	28.32	72,375,925	28.31	72,372,326
Turcas Petrol A.Ş., publicly traded on Borsa İstanbul	A Group	0.03	71,336	0.03	71,336
Other	A/B Group	17.21	43,976,847	17.21	43,980,446
Total		100	255,600,000	100	255,600,000
Repurchased shares			(8,450,916)		(8,450,916)
Inflation adjustment			41,247,788		41,247,788
Adjusted capital			288,396,872		288,396,872

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NOTE 10 – EQUITY (Continued)

The issued capital of the Company in 31 March 2023 is composed of 255,600,000 shares (31 December 2022: 255,600,000 shares). The nominal value of shares is TL 1 per share.

At least three members of the Board of Directors are elected among the candidates nominated by Group “B” shareholders. At least two members of the Board of Directors are elected among the candidates nominated by Group C shareholders, Group C shareholders have at least forty percent (40%) right, Group A shareholders have the right of nominating and electing three (3) members of the Board of Directors at the General Assembly Meeting where the members of the Board of Directors are elected. However, the remaining members of the Board of Directors are nominated and elected by the Group B shareholders.

At least one of the Group C shareholders is required to vote in the affirmative for some critical decisions determined in the establishment agreement of the Company.

There is no privilege assigned to any group of shares in terms of dividend distribution.

b) Restricted reserves

	31 March 2023	31 December 2022
Legal reserves	39,311,954	39,311,954
	39,311,954	39,311,954

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (TCC). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the company’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can be used only to offset losses and are not available for any other usage unless they exceed 50% of paid-in share capital. These amounts should be classified under “Restricted Reserves” as per CMB Financial Reporting standards.

Dividend distribution

Dividends are distributed according to Communiqué Serial: IV, No: 27 on “Principles Regarding Distribution of Interim Dividends for quoted entities subject to Capital Market Board Law”, principles on corporate articles and dividend distribution policy which is declared by Companies.

In addition to the CMB, it is stipulated that companies which have the obligation to prepare financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the financial statements that will be prepared and announced to the public in accordance with the Communiqué II-14.1 that sufficient reserves exists in the unconsolidated statutory books.

It is allowed to pay dividends to shareholders as bonus share which shall be issued through the addition of dividends to equity or in cash or distributing to shareholders at a certain ratio in cash and at a certain rate as bonus share depending upon the resolutions taken in the general assemblies of companies provided that it is decided to realize dividend payment and also to remain the amount in question in partnership body without distribution if the amount of determined first dividend is less than 5% of paid/issued capital but it has become obligatory for the joint stock companies, which shall pay dividends from net income for the period as a result of their activities and having their shares separated as “old” and “new” since they have made a capital increase without realizing dividend payment related to previous period, to pay the first dividend, which shall be calculated, in cash.

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CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2023

(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 11 - SALES AND COST OF SALES

As of 31 March 2022, electricity sales for the period from 1 January 2022 to 14 February 2022 amounting to TL 22,323,433 that belongs to Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş., which is evaluated within the scope of TFRS 5, are classified under the “Net profit / (loss) from discontinued operations”.

As of 31 March 2022, cost of sales for the period from 1 January 2022 to 14 February 2022 amounting to TL 2,709,869 that belongs to Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş., which is evaluated within the scope of TFRS 5, are classified under the “Net profit / (loss) from discontinued operations”.

NOTE 12 – GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative Expenses	1 January – 31 March 2023	1 January – 31 March 2022
Personnel expenses	15,635,976	6,104,616
Outsourced services	3,281,038	2,517,708
Repair and maintenance expenses	1,495,698	880,660
Depreciation and amortization expenses	811,876	705,707
Donation and aid expenses	616,030	-
Office expense	352,108	193,712
Insurance expenses	229,465	155,457
Travel expenses	190,911	112,000
Vehicles expenses	148,351	124,799
Taxes and other liabilities	85,977	368,573
Rent expenses	13,280	31,914
Other	1,947,974	572,659
	24,808,684	11,767,805

NOTE 13 - OTHER OPERATING INCOME / EXPENSE

For the three-month period ending as of March 31, 2023, other operating income amounting to TL 8,135,736 consists of rent and service income amounting to TL 2,332,143, decrease in the ECA premium amounting to TL 4,994,770 (equivalent to EUR 240,108.95) (Note 6) and other income amounting to TL 808,823.

For the three-month period ending as of March 31, 2022, other operating income amounting to TL 1,664,191 consists of rent and service income amounting to TL 1,298,072 and other income amounting to TL 366,119. As of 31 March 2022, other operating income for the period from 1 January 2022 to 14 February 2022 amounting to TL 45,442,940 that belongs to Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş., which is evaluated within the scope of TFRS 5, are classified under the “Net profit / (loss) from discontinued operations”.

For the three-month period ending as of March 31, 2023, there are other operating expenses amounting to TL 17,044.

For the three-month period ending as of March 31, 2022, there is no other operating expenses. As of 31 March 2022, other operating expenses for the period from 1 January 2022 to 14 February 2022 amounting to TL 3,112,987 that belongs to Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş., which is evaluated within the scope of TFRS 5, are classified under the “Net profit / (loss) from discontinued operations”.

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NOTE 14 - INCOME / EXPENSE FROM INVESTMENT ACTIVITIES

For the three-month period ending as of March 31, 2023, income from investment activities amounting to TL 4,904,693 consists of fair value difference of venture capital investment fund valuation.

For the three-month period ending as of March 31, 2022, income from investment activities amounting to TL 335,112,464 consists of profit on sale of subsidiary (Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş.) amounting to TL 317,802,586, fair value difference of venture capital investment fund valuation amounting to TL 8,066,387 and fair value difference of usufruct certificates amounting to TL 9,243,491.

For the three-month period ending as of March 31, 2023, expense from investment activities amounting to TL 490,788 consists of fair value difference of usufruct certificates.

For the three-month period ending as of March 31, 2022, there is no expense from investment activities.

NOTE 15 - FINANCIAL INCOME

Financial Income	1 January - 31 March 2023	1 January - 31 March 2022
Foreign exchange gains	19,161,153	48,851,335
Interest income	9,745,834	3,241,695
	28,906,987	52,093,030

NOTE 16 - FINANCIAL EXPENSE

Financial Expense	1 January - 31 March 2023	1 January - 31 March 2022
Foreign exchange losses	31,511,404	74,427,740
Interest expenses	6,253,278	4,404,819
Other	1,127,382	6,570,452
	38,892,064	85,403,011

NOTE 17 - TAX ASSETS AND LIABILITIES

Current tax liability	31 March 2023	31 December 2022
Prepaid tax and funds	99,997	85,100
Corporate tax provision	-	-
Prepaid tax and funds / (Current tax liability), net	99,997	85,100

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Tax expense is comprised of the following:

	1 January - 31 March 2023	1 January - 31 March 2022
Deferred tax income / (expense)	529,416	(4,193,687)
Corporate tax expense	-	-
	529,416	(4,193,687)

Corporate Tax

The Company is subject to Turkish corporate taxes. A provision is made in the accompanying financial statements for the estimated charge based on the Company’s results for the period.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting the tax-exempt earnings, other exempt income and other deductions (losses of previous periods, investment incentives utilized).

Valid rate of corporate tax in 2023 is 20% (31 December 2022: 23%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate is 20%. In accordance with Provisional Article 13 added to the Corporate Tax Law No. 5520, 25% corporate tax rate has applied to the profits related to their 2021 tax periods and as 23% corporate tax rate to the profits related to their 2022 tax periods. The companies apply 20% tax rate over their quarterly profits (23% for the year 2022 and 25% for the year 2021) when calculating their temporary tax payables; which they are obliged to declare via Advance Corporate Tax Declaration by the end of the 14th, and pay by the end of the 17th of the 2 month following the related period. Quarterly Advance Corporate Tax payments made within a year are deducted from the Corporate Income Tax calculated for the same fiscal year. Following the netting-off, if there is still remaining Advance Corporate Tax balance, it can be deducted from any other financial debt owed to the State or can be received in the form of a cash refund.

With the “Law Amending the Tax Procedure Law and the Corporate Tax Law”, which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022, the application of inflation accounting was postponed starting from the balance sheet dated on December 31, 2023.

Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. The corporate tax return is submitted until the evening of the 25th day of the fourth month following the month in which the accounting period is closed and is paid until the end of the month.

Income withholding tax

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are Turkish residents and Turkish branches of foreign companies. Income withholding tax applied is 10%. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

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NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Deferred tax assets and liabilities

The Company, recognizes deferred tax assets and liabilities based upon temporary differences arising between their financial statements prepared in accordance with Turkish Financial Reporting Standards and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for Turkish Financial Reporting Standards and tax purposes.

The rate applied in the calculation of deferred tax assets and liabilities is 20% and 23% depending on the periods that temporary differences disappear (2022: 23%).

The breakdowns of cumulative temporary differences and the resulting deferred tax assets/liabilities using principal tax rates are as follows:

	Total temporary differences		Deferred tax asset/(liability)	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Interest accrual	(2,046,544)	(630,666)	409,309	145,053
Tangible and intangible assets	1,352,763	1,405,363	(270,553)	(323,233)
Provision for employment termination benefits	(1,246,301)	(1,660,095)	249,260	381,822
Unused vacation pay liability	(1,222,262)	(681,438)	244,452	156,731
Provision for lawsuit	(4,037,560)	(3,946,400)	807,512	907,672
Fair value differences	11,526,360	11,526,360	(576,317)	(662,767)
Deferred tax asset, net			863,663	605,278

The movement of deferred tax assets and liabilities as of 31 March 2023 and 2022 are as follows:

	1 January - 31 March 2023	1 January - 31 March 2022
Opening balance	605,278	5,098,488
Amount in statement of profit or loss	529,416	(4,193,687)
Amount in other comprehensive income	(271,031)	1,465
Closing balance	863,663	906,266

NOTE 18 – EARNINGS / (LOSS) PER SHARE

For the years 31 March 2023 and 2022, the number of shares and earnings / loss per share is as follows:

	1 January - 31 March 2022	1 January - 31 March 2022
Number of outstanding shares	255,600,000	255,600,000
Net profit / (loss) of shareholders	(124,841,867)	799,389,096
Earnings / (loss) per share	(0.488)	3.128

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	31 March 2023									
	Financial Assets		Receivables				Payables			
	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
Balances with related parties			Trading	Non- Trading	Trading	Non- Trading	Trading	Non- Trading	Trading	Non- Trading
Associates										
RWE & Turcas Güney Elektrik Üretim A.Ş.	-	-	-	7,188	-	-	-	-	-	-
Shell Turcas Petrol A.Ş. (*)	147,964,275	113,755,481	-	-	-	-	-	22,587	-	-
Other related entities										
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	-	-	-	679,935	-	-
Dividend payable to shareholders	-	-	-	-	-	-	-	187,987	-	-
YTC Turizm ve Enerji A.Ş.	-	-	-	19,124	-	-	-	-	-	-
Aksoy Holding A.Ş.	-	-	-	1,130	-	-	-	-	-	-
Aksoy Enternasyonal Tic. A.Ş.	-	-	-	12,396	-	-	-	-	-	-
Aksoy Girişimcilik Enerji Ve Turizm A.Ş.	-	-	-	383,164	-	-	-	-	-	-
Horizonist Dis Tic. Ltd. Sti.	-	-	-	3,980	-	-	-	-	-	-
Daytona Turizm Ve Danışmanlık Ltd.Şti.	-	-	-	33,520	-	-	-	-	-	-
Tas.Hal.Transbalkan Denizyollari Deniz Taş.A.Ş.	-	-	-	33,520	-	-	-	-	-	-
Aksoy Taşınmaz Yatırımları A.Ş.	-	-	-	-	-	-	-	270,967	-	-
Gode Tekstil ve Tasarım Hizmetleri LTD. ŞTİ.	-	-	-	8,441	-	-	-	-	-	-
Conrad Yeditepe Beyn.Otelcilik Tur.Ve Tic.A.Ş.	-	-	-	-	-	-	-	18,488	-	-
	147,964,275	113,755,481	-	502,463	-	-	-	1,179,964	-	-

(*) The financial asset originating from the agreements signed between Turcas and Shell Company of Turkey Ltd. (Shell) on 25.08.2017 is subject to valuation and disclosed in the financial statements as Financial Asset as TL 261,719,756 in total, amounting to TL 147,964,275 as short term and TL 113,755,481 as long term (Note 5).

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	31 December 2022									
	Financial Assets		Receivables				Payables			
	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term		
Balances with related parties			Trading	Non- Trading	Trading	Non- Trading	Trading	Non- Trading	Trading	Non- Trading
Associates										
RWE & Turcas Güney Elektrik Üretim A.Ş.	-	-	-	19,546	-	-	-	-	-	-
Shell Turcas Petrol A.Ş. (*)	139,490,037	107,240,456	-	-	-	-	-	12,899	-	-
Other related entities										
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	-	-	-	1,657,555	-	-
Dividend payable to shareholders	-	-	-	-	-	-	-	187,987	-	-
YTC Turizm ve Enerji A.Ş.	-	-	-	-	-	-	-	2,894	-	-
Aksoy Holding A.Ş.	-	-	-	1,130	-	-	-	-	-	-
Aksoy Enternasyonal Tic. A.Ş.	-	-	-	103,426	-	-	-	-	-	-
Aksoy Girişimcilik Enerji Ve Turizm A.Ş.	-	-	-	436,529	-	-	-	-	-	-
Horizonist Dis Tic. Ltd. Sti.	-	-	-	3,980	-	-	-	-	-	-
Daytona Turizm Ve Danışmanlık Ltd.Şti.	-	-	-	31,750	-	-	-	-	-	-
Tas.Hal.Transbalkan Denizyollari Deniz Taş.A.Ş.	-	-	-	31,750	-	-	-	-	-	-
Conrad Yeditepe Beyn.Otelcilik Turz. Tic.A.Ş.	-	-	-	-	-	-	-	2,673	-	-
Aksoy Taşınmaz Yatırımları A.Ş.	-	-	-	-	-	-	-	273,264	-	-
Gode Tekstil ve Tasarım Hizmetleri LTD. ŞTİ.	-	-	-	6,494	-	-	-	-	-	-
	139,490,037	107,240,456	-	634,605	-	-	-	2,137,272	-	-

(*) The financial asset originating from the agreements signed between Turcas and Shell Company of Turkey Ltd. (Shell) on 25.08.2017 is subject to valuation and disclosed in the financial statements as Financial Asset as TL 246,730,493 in total, amounting to TL 139,490,037 as short term and TL 107,240,456 as long term (Note 5).

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Transactions with related parties	1 January - 31 March 2023							
	Purchases	Sales	Interest received	Interest paid	Rent income	Dividend income	Other income	Other expenses
Associates								
Shell & Turcas Petrol A.Ş.	-	-	-	-	-	-	124.526	97.769
RWE & Turcas Güney Elektrik Üretim A.Ş.	-	-	-	-	-	-	10.473	6.005
Other related entities								
Aksoy Holding A.Ş.	-	-	-	-	1.500	-	-	-
Aksoy Enternasyonal Ticaret.A.Ş.	-	-	-	-	1.500	-	170.858	-
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	241.719	-	32.533	476.789
Daytona Turizm ve Danışmanlık Ltd.Şti.	-	-	-	-	1.500	-	-	-
Tas.Hal.Transbalkan Denizyollari Deniz Taş.A.Ş.	-	-	-	-	1.500	-	-	-
Aksoy Taşınmaz Yatırımları A.Ş.	-	-	-	-	1.500	-	240.720	632.026
YTC Turizm ve Enerji A.Ş.	-	-	-	-	-	-	26.697	142.408
Gode Tekstil ve Tasarım Hizmetleri LTD. ŞTİ.	-	-	-	-	1.650	-	-	-
Horizonist Dis Tic.Ltd.Sti.	-	-	-	-	1.500	-	-	-
Aksoy Girişimcilik Enerji Ve Turizm A.Ş.	-	-	-	-	151.253	-	1.333.711	358.494
Aksoy International Holding A.Ş.	-	-	-	-	2.200	-	-	-
	-	-	-	-	405.822	-	1.939.518	1.713.491

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

	1 January - 31 March 2022							
Transactions with related parties	Purchases	Sales	Interest received	Interest paid	Rent income	Dividend income	Other income	Other expenses
Associates								
Shell & Turcas Petrol A.Ş. (*)	-	-	3,028,395	-	-	-	334	84,039
RWE & Turcas Güney Elektrik Üretim A.Ş.	-	-	-	-	-	-	31,418	31,914
Other related entities								
Aksoy Holding A.Ş.	-	-	-	-	1,500	-	-	-
Aksoy Enternasyonal Ticaret.A.Ş.	-	-	-	-	1,500	-	226,505	16,225
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	154,590	-	11,534	198,076
Daytona Turizm ve Danışmanlık Ltd.Şti.	-	-	-	-	1,500	-	-	-
Tas.Hal.Transbalkan Denizyollari Deniz Taş.A.Ş.	-	-	-	-	1,500	-	-	-
Aksoy Taşınmaz Yatırımları A.Ş.	-	-	-	-	1,500	-	63,431	316,926
YTC Turizm ve Enerji A.Ş.	-	-	-	-	-	-	-	70,380
Conrad Yeditepe Beyn.Otelcilik Turz.Ve Tic A.Ş.	-	-	-	-	-	-	-	15,391
Horizonist Dis Tic.Ltd.Sti.	-	-	-	-	1,500	-	-	-
Aksoy Girişimcilik Enerji Ve Turizm A.Ş.	-	-	-	-	83,153	-	447,866	116,797
	-	-	3,028,395	-	246,743	-	781,088	849,748

(*) It consists of interest income related to shareholder loan receivable with maximum 3 years maturity and TL Libor+2,1% interest rate (floating interest) given to Shell & Turcas Petrol A.Ş. on 17.09.2019.

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NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)

Total compensation provided to key management personnel during the years ended 31 March 2023 and 2022 is as follows:

	1 January - 31 March 2023	1 January - 31 March 2022
Salaries and other short term benefits	5,959,703	2,952,865

NOTE 20 - FOREIGN CURRENCY POSITION

(i) Foreign currency risk management

Foreign currency transactions cause foreign currency risk.

The Company has foreign currency risk, due to the fluctuations in exchange rates used in foreign currency transactions. The foreign currency risk arises from future trade transactions and the difference between recorded assets and liabilities. Under such circumstances, the company controls this risk by netting off the foreign currency assets and liabilities. The management analyzes the Company’s foreign currency position and takes necessary precautions when needed.

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NOTE 20 - FOREIGN CURRENCY POSITION (Continued)

The Company is primarily exposed to risks from USD and EUR, other currencies’ effects are immaterial.

	TL Equivalent (Functional currency)	31 March 2023		
		USD	EUR	Other
1- Trade receivables	-	-	-	-
2a- Monetary financial assets	12,347,443	4,230	588,449	10
2b- Non-monetary financial assets	-	-	-	-
3- Other	-	-	-	-
4- Current assets (1+2+3)	12,347,443	4,230	588,449	10
5- Trade receivables	-	-	-	-
6a- Monetary financial assets	-	-	-	-
6b- Non-monetary financial assets	-	-	-	-
7- Other	-	-	-	-
8- Non-current assets (5+6+7)	-	-	-	-
9- Total Assets (4+8)	12,347,443	4,230	588,449	10
10- Trade payables	-	-	-	-
11- Financial liabilities	92,356,004	-	4,422,651	-
12a-Other monetary liabilities	-	-	-	-
12b-Other non-monetary liabilities	-	-	-	-
13- Current Liabilities (10+11+12)	92,356,004	-	4,422,651	-
14- Trade payables	-	-	-	-
15- Financial liabilities	349,635,381	-	16,742,985	-
16a-Other monetary liabilities	-	-	-	-
16b-Other non-monetary liabilities	-	-	-	-
17- Non-current liabilities (14+15+16)	349,635,381	-	16,742,985	-
18- Total liabilities (13+17)	441,991,385	-	21,165,636	-
19- Net asset / liability position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19a-Off-balance sheet foreign currency derivative assets	-	-	-	-
19b-Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20- Net foreign currency asset liability position (9-18+19)	(429,643,942)	4,230	(20,577,187)	10
21- Net foreign currency asset / liability position of (1+2a+5+6a+10+11-12a-14-15-16a)	(429,643,942)	4,230	(20,577,187)	10
22- Fair value of foreign currency hedged financial assets	-	-	-	-
23- Hedged foreign currency assets	-	-	-	-
24- Hedged foreign currency liabilities	-	-	-	-
25- Exports	-	-	-	-
26- Imports	-	-	-	-

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NOTE 20 - FOREIGN CURRENCY POSITION (Continued)

	31 December 2022			
	TL Equivalent (Functional currency)	USD	EUR	Other
1- Trade receivables	-	-	-	-
2a- Monetary financial assets	31,298,149	520	1,569,520	10
2b- Non-monetary financial assets	-	-	-	-
3- Other	-	-	-	-
4- Current assets (1+2+3)	31,298,149	520	1,569,520	10
5- Trade receivables	-	-	-	-
6a- Monetary financial assets	-	-	-	-
6b- Non-monetary financial assets	-	-	-	-
7- Other	-	-	-	-
8- Non-current assets (5+6+7)	-	-	-	-
9- Total Assets (4+8)	31,298,149	520	1,569,520	10
10- Trade payables	-	-	-	-
11- Financial liabilities	85,098,525	-	4,261,148	-
12a-Other monetary liabilities	-	-	-	-
12b-Other non-monetary liabilities	-	-	-	-
13- Current Liabilities (10+11+12)	85,098,525	-	4,261,148	-
14- Trade payables	-	-	-	-
15- Financial liabilities	335,278,424	-	16,788,432	-
16a-Other monetary liabilities	-	-	-	-
16b-Other non-monetary liabilities	-	-	-	-
17- Non-current liabilities (14+15+16)	335,278,424	-	16,788,432	-
18- Total liabilities (13+17)	420,376,949	-	21,049,580	-
19- Net asset / liability position of off-balance sheet derivatives (19a-19b)	-	-	-	-
19a-Off-balance sheet foreign currency derivative assets	-	-	-	-
19b-Off-balance sheet foreign currency derivative liabilities	-	-	-	-
20- Net foreign currency asset liability position (9-18+19)	(389,078,800)	520	(19,480,060)	10
21- Net foreign currency asset / liability position of (1+2a+5+6a-10-11-12a-14-15-16a)	(389,078,800)	520	(19,480,060)	10
22- Fair value of foreign currency hedged financial assets	-	-	-	-
23- Hedged foreign currency assets	-	-	-	-
24- Hedged foreign currency liabilities	-	-	-	-
25- Exports	-	-	-	-
26- Imports	-	-	-	-

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD ENDED 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 20 - FOREIGN CURRENCY POSITION (Continued)

Foreign currency sensitivity

	31 March 2023			
	Gain/Loss		Equity	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
+/-10% fluctuation of USD rate				
1- USD net asset / liability	8,102	(8,102)	-	-
2- Hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	8,102	(8,102)	-	-
+/-10% fluctuation of EUR rate				
4- EUR net asset / liability	(42,972,517)	42,972,517	-	-
5- Hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(42,972,517)	42,972,517	-	-
TOTAL (3+6)	(42,964,415)	42,964,415	-	-
	31 December 2022			
	Gain/Loss		Equity	
	Appreciation of foreign currency	Devaluation of foreign currency	Appreciation of foreign currency	Devaluation of foreign currency
+/-10% fluctuation of USD rate				
1- USD net asset / liability	972	(972)	-	-
2- Hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	972	(972)	-	-
+/-10% fluctuation of EUR rate				
4- EUR net asset / liability	(38,908,873)	38,908,873	-	-
5- Hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(38,908,873)	38,908,873	-	-
TOTAL (3+6)	(38,907,901)	38,907,901	-	-

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD ENDED 31 MARCH 2023**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 21 – POST-BALANCE SHEET EVENTS

Appointment of Independent Audit Company

As previously announced in the Company's Public Disclosure dated 04.04.2023, pursuant to Resolution of Board of Directors dated 04.04.2023; it has been resolved that in accordance with Turkish Commercial Code, Capital Markets Law and related legislation as well as the positive view of the Company's Audit Committee, BDO Denet Bağımsız Denetim ve Danışmanlık A.Ş.'s election for the independent audit of financial statements of the fiscal year 2023 shall be submitted to the approval of shareholders during 2022 Annual General Meeting.

Amendment of Articles of Association

As previously announced in the Company's Public Disclosure dated 04.04.2023, pursuant to Resolution of Board of Directors dated 04.04.2023; it was decided to amend the Article 15 of the Articles of Association titled "Meetings Of The Board Of Directors" and Article 22 titled "Election Of The Auditor", to apply to the Capital Markets Board and Republic of Türkiye Ministry of Trade in order to obtain necessary permits, to submit the amendments to the approval of the shareholders at the first General Assembly Meeting of our Company following obtaining the necessary permits. The amendments are included in the related Public Disclosure.

Major Maintenance at Denizli Combined Cycle Natural Gas Power Plant

Information about the progress of ordinary and planned major maintenance carried out at the Denizli Combined Cycle Natural Gas Power Plant, owned and operated by our 30% subsidiary RWE & Turcas Güney Elektrik Üretim A.Ş. was shared in our Company's Public Disclosures dated 23.02.2023 and 10.04.2023.

As previously announced in the Company's Public Disclosure dated 17.04.2023, related maintenance works has been completed and the Plant is operational and running and started electricity generation on a routine basis.

CMB Approval Regarding Issuance of Debt Instrument at Shell & Turcas Petrol A.Ş.

As previously announced in the Company's Public Disclosure dated 28.04.2023, the application made by our 30% subsidiary Shell & Turcas Petrol A.Ş. to Capital Markets Board (CMB) for issuance of bond/financing bill by selling to qualified investors up to a nominal amount of 1,000,000,000 TL (OnebillionTurkishLira), has been approved.