

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO
ENGLISH OF CONDENSED FINANCIAL
STATEMENTS FOR THE INTERIM PERIOD
1 JANUARY - 30 SEPTEMBER 2023**

(ORIGINALLY ISSUED IN TURKISH)

TURCAS PETROL A.Ş.

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TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED STATEMENTS
OF FINANCIAL POSITION AT 30 SEPTEMBER 2023 AND 31 DECEMBER 2022**

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

		(Not Audited)	(Audited)
		Current Period	Prior Period
		30 September	31 December
	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	4	38,299,405	31,528,566
Trade receivables		438,132	436,838
- <i>Trade receivables from third parties</i>		438,132	436,838
Other receivables		922,770	1,402,439
- <i>Other receivables from related parties</i>	19	722,149	634,605
- <i>Other receivables from third parties</i>		200,621	767,834
Prepaid expenses		1,157,450	442,764
Financial investments	5	92,142,437	-
Financial assets	5	197,218,524	139,490,037
Assets related to current period tax	17	114,737	85,100
Other current assets		55,331	12,237
Total currents assets		330,348,786	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	125,091,686	17,081,916
Financial assets	5	200,402,162	138,957,381
Investments accounted by equity method	7	1,668,029,283	1,127,221,593
Property, plant and equipment		26,871,390	25,001,078
Intangible assets		3,055	18,168
Deferred tax assets	17	-	605,278
Other non-current assets		18,998,293	11,190,536
Total non-current assets		2,039,423,824	1,320,103,905
TOTAL ASSETS		2,369,772,610	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 FINANCIAL POSITION AT 30 SEPTEMBER 2023 AND 31 DECEMBER 2022**

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

		(Not Audited)	(Audited)
		Current Period	Prior Period
		30 September	31 December
	Notes	2023	2022
LIABILITIES			
Current liabilities			
Short term portions of long term financial liabilities	6	198,589,666	85,098,525
Trade payables		2,453,151	1,930,672
- <i>Trade payables to third parties</i>		2,453,151	1,930,672
Short term liabilities for employee benefits		825,248	385,709
Other payables		4,004,833	3,106,433
- <i>Other payables to related parties</i>	19	2,444,577	2,137,272
- <i>Other payables to third parties</i>		1,560,256	969,161
Short term provisions		6,960,694	4,627,838
- <i>Short term provisions for employee benefits</i>		1,275,494	681,438
- <i>Provisions for lawsuit</i>		5,685,200	3,946,400
Total current liabilities		212,833,592	95,149,177
Non-current liabilities			
Long term financial liabilities	6	325,438,864	335,278,424
Long term provisions		2,134,854	1,660,095
- <i>Long term provisions for employee benefits</i>		2,134,854	1,660,095
Deferred tax liabilities	17	5,500,551	-
Other non-current liabilities		776,389	776,389
Total non-current liabilities		333,850,658	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		(65,828,382)	(63,644,300)
- <i>Actuarial gains/ (losses) on defined benefit plans</i>		(65,828,382)	(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		764,634,641	793,194,733
Equity attributable to equity holders of the parent		1,823,088,360	1,060,637,801
Total equity		1,823,088,360	1,060,637,801
TOTAL LIABILITIES AND EQUITY		2,369,772,610	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 STATEMENT
OF PROFIT OR LOSS FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2023
AND 2022**

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

PROFIT OR LOSS	Notes	(Not Reviewed)		(Not Reviewed)	
		1 January – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2023	1 July – 30 September 2022
CONTINUED OPERATIONS					
Sales	11	-	-	-	-
Cost of sales (-)	11	-	-	-	-
GROSS PROFIT					
		-	-	-	-
General and administrative expenses (-)	12	(78,512,020)	(34,930,221)	(25,522,348)	(11,874,320)
Other operating income	13	14,744,844	5,120,985	3,663,988	1,892,958
Other operating expenses (-)	13	(26,183,046)	(52,375,275)	(287,283)	(43,491)
OPERATING PROFIT					
		(89,950,222)	(82,184,511)	(22,145,643)	(10,024,853)
Income from investment activities	14	300,106,631	479,092,465	11,013,896	18,198,709
Share of profit/(losses) of investments accounted by equity method	7	607,923,778	636,936,595	828,152,653	(207,304,747)
OPERATING PROFIT / (LOSS) BEFORE FINANCIAL INCOME / (EXPENSE)					
		818,080,187	1,033,844,549	817,020,906	(199,130,891)
Financial income	15	201,106,197	181,091,854	49,574,139	28,292,096
Financial expenses (-)	16	(247,781,395)	(207,554,123)	(42,340,151)	(31,658,919)
PROFIT / (LOSS) BEFORE TAX FROM CONTINUED OPERATIONS					
		771,404,989	1,007,382,280	824,254,894	(202,497,714)
Tax income / (expense) from continued operations					
Current period tax expense	17	-	-	-	-
Deferred tax income / (expense)	17	(6,770,348)	(2,301,973)	(577,272)	2,562,968
NET PROFIT / (LOSS) FROM CONTINUED OPERATIONS					
		764,634,641	1,005,080,307	823,677,622	(199,934,746)
NET PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS					
		-	56,675,241	-	-
NET PROFIT / (LOSS)					
		764,634,641	1,061,755,548	823,677,622	(199,934,746)
Attributable to:					
Equity holders of the parent		764,634,641	1,061,755,548	823,677,622	(199,934,746)
Non-controlling interest		-	-	-	-
Profit/(Loss) per share	18	2.992	4.154	3.223	(0.782)
Profit/(Loss) per share from continued operations		2.992	3.932	3.223	(0.782)
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 OTHER COMPREHENSIVE INCOME FOR THE NINE MONTH PERIODS ENDED
30 SEPTEMBER 2023 AND 2022**

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

	Notes	(Not Reviewed)		(Not Reviewed)	
		1 January – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2023	1 July – 30 September 2022
PROFIT / (LOSS) FOR THE PERIOD		764,634,641	1,061,755,548	823,677,622	(199,934,746)
Other comprehensive income / (expense) not to be reclassified to profit or loss					
Actuarial gains / (losses) on defined benefit plans		(2,658,075)	(650,009)	(3,849,945)	(446,371)
Deferred tax income / (expense)	17	664,519	149,502	962,487	102,665
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		(254,035)	(8,390,555)	181,396	(8,220,592)
Deferred tax income / (expense)		63,509	1,678,111	(45,349)	1,644,118
Total		(2,184,082)	(7,212,951)	(2,751,411)	(6,920,180)
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)	-	-
Other comprehensive income / (expense)		(2,184,082)	(10,565,718)	(2,751,411)	(6,920,180)
TOTAL COMPREHENSIVE INCOME / (LOSS)		762,450,559	1,051,189,830	820,926,211	(206,854,926)
Attributable to:					
Equity holders of the parent		762,450,559	1,051,189,830	820,926,211	(206,854,926)
Non-controlling interests		-	-	-	-

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
FOR THE NINE MONTH PERIODS ENDED 30 SEPTEMBER 2023 AND 2022**

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

	Paid in Capital	Adjustment to share capital	Repurchased Shares (-)	Restricted reserves	Other comprehensive income/expense not to be reclassified to profit or loss	Other comprehensive income/expense to be reclassified to profit or loss	Retained earnings			Attributable to equity holders of the parent	Total Equity
					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		
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
Total comprehensive income / (expense)	-	-	-	-	(7,212,951)	(3,352,767)	-	-	1,061,755,548	1,051,189,830	1,051,189,830
Net profit / (loss) for period	-	-	-	-	-	-	-	-	1,061,755,548	1,061,755,548	1,061,755,548
Other comprehensive income / (expense)	-	-	-	-	(7,212,951)	(3,352,767)	-	-	-	(10,565,718)	(10,565,718)
30 September 2022 (*)	255,600,000	41,247,788	(8,450,916)	39,311,954	(17,697,995)	-	(7,256,169)	10,634,711	1,061,755,548	1,375,144,921	1,375,144,921
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)	-	-
Total comprehensive income / (expense)	-	-	-	-	(2,184,082)	-	-	-	764,634,641	762,450,559	762,450,559
Net profit / (loss) for period	-	-	-	-	-	-	-	-	764,634,641	764,634,641	764,634,641
Other comprehensive income / (expense)	-	-	-	-	(2,184,082)	-	-	-	-	(2,184,082)	(2,184,082)
30 September 2023 (*)	255,600,000	41,247,788	(8,450,916)	39,311,954	(65,828,382)	-	(7,256,169)	803,829,444	764,634,641	1,823,088,360	1,823,088,360

(*) Not Reviewed.

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 NINE MONTH PERIODS ENDED 30 SEPTEMBER 2023 AND 2022

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

		(Not Reviewed)	(Not Reviewed)
	Notes	1 January – 30 September 2023	1 January – 30 September 2022
A. Cash flows from operating activities		(211,041,874)	61,289,562
Net income / (loss) for the period		764,634,641	1,061,755,548
Net income / (loss) for the period from continued operations		764,634,641	1,005,080,307
Net income / (loss) for the period from discontinued operations		-	56,675,241
Adjustments to reconcile net income/(loss)		(876,050,445)	(1,085,191,195)
Adjustments related to tax (income) / expense	17	6,770,348	2,301,973
Adjustment related to unrealized foreign currency translation differences		181,764,329	118,488,949
Adjustments related to depreciation and amortization expenses		2,362,709	1,790,404
Adjustments related to provisions / (reversals) for employee termination benefits		1,451,192	346,063
Adjustments related to losses / (gains) resulting from the disposal of the tangible assets	14	(11,358,957)	-
Adjustments related to provisions / (reversals) for lawsuit and /or penalty		1,738,800	-
Other adjustments related to (profit) and loss reconciliation		(319,246,832)	(235,811,512)
Adjustments related to undistributed profit/losses of investments accounted by the equity method	7	(607,923,778)	(636,936,595)
Adjustments related to undistributed profits of associates	7	(574,438)	(574,438)
Adjustments related to fair value losses (gains) of financial assets		(112,117,407)	-
Adjustments related to losses / (gains) on disposal of subsidiaries or joint operations		-	(317,802,586)
Adjustments related to interest income	15	(45,941,942)	(30,625,985)
Adjustments related to interest expense	16	27,025,531	13,632,532
Changes in working capital		(96,555,981)	84,616,084
Decrease / (increase) in financial investments		(88,034,800)	-
Adjustments related to decrease / (increase) in trade receivables		(1,294)	110,705
Decrease / (increase) in prepaid expenses		(8,565,537)	(10,632,440)
Adjustments related to increase / (decrease) in trade payables		522,479	690,031
Decrease / (increase) in other assets related to operations		(1,814,768)	68,988,149
Increase / (decrease) in other liabilities related to operations		1,337,939	385,998
Net cash flows from discontinued operations		-	25,073,641
Cash flow used in operations		(3,070,089)	109,125
Employment termination benefits paid		(3,040,452)	(61,682)
Tax refunds / (payments)		(29,637)	170,807
B. Net cash generated by investing activities		322,930,512	463,315,023
Cash outflow resulted from acquisition of tangible and intangible assets	8	(4,412,369)	(3,827,373)
Cash inflows related to sales of tangible and intangible assets		11,553,418	-
Cash inflows related to sales that causing loss of control of subsidiaries		-	215,402,000
Dividends received		269,868,000	138,572,800
Cash inflows from sales of shares or capital decrease of associates or joint ventures		-	82,500,000
Interest received		45,921,463	30,602,348
Net cash flows from discontinued operations		-	65,248
C. Cash flow from financing activities		(105,138,278)	(433,424,416)
Repayment of bank borrowings	6	(88,048,974)	(424,028,736)
Interest paid	6	(17,089,304)	(9,395,680)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		6,750,360	91,180,169
CASH AND CASH EQUIVALENTS BALANCE AT THE BEGINNING OF THE PERIOD		31,527,847	57,342,888
CASH AND CASH EQUIVALENTS BALANCE AT THE END OF THE PERIOD	4	38,278,207	148,523,057

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 30 SEPTEMBER 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:

Maslak Mh. AOS 55. Sk. 42 Maslak A Blok No:2 İç Kapı No: 7 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. (formerly known as Aksoy Holding 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 39 (31 December 2022: 42).

Approval of Financial Statements

These condensed interim financial statements as at and for the period ended 30 September 2023 have been approved for issue by the Board of Directors decision dated 30 October 2023.

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 30 SEPTEMBER 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 (“TAS”) / Turkish Financial Reporting Standards (“TFRS”) and its addendum and interpretations issued by Public Oversight Accounting and Auditing Standards Authority (“POAASA”).

The accompanying financial statements are presented in accordance with the “Announcement regarding to TAS Taxonomy” which was published on 4 October 2022 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.

On January 20, 2022, the Public Oversight Authority made a statement on the Implementation of Financial Reporting in High Inflation Economies within the Scope of Turkish Financial Reporting Standards. Accordingly, it has been stated that businesses applying TFRS do not need to make any adjustments within the scope of TAS 29 in their financial statements for 2021. As of 30 September 2023, no new announcement has been made by POA within the scope of TAS 29, and no inflation adjustment has been made according to TAS 29 while preparing the financial statements for 30 September 2023.

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 30 SEPTEMBER 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.

The new standards, amendments and interpretations

The accounting policies adopted in preparation of the interim financial statements as of September 30, 2023 are consistent with those of the previous financial year, except for the adoption of new and amended IFRS and IFRIC interpretations effective as of January 1, 2023 and thereafter. 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 of 30 September 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.

The amendments did not have a significant impact on the financial statements of the Company.

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.

The amendments did not have a significant impact on the financial statements of the Company.

Amendment to IAS 12 -International tax reform - pillar two model rules

The deferred tax exemption and disclosure of the fact that the exception has been applied, is effective immediately. The other disclosure requirements are effective annual periods beginning on or after January 1, 2023. These amendments give companies temporary relief from accounting for deferred taxes arising from the Organization for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

The amendments did not have a significant impact on the financial statements of the Company.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD ENDED 30 SEPTEMBER 2023**

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

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

ii) Standards, amendments and interpretations that are issued but not effective as of 30 September 2023:

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.

Amendments to IAS 7 and IFRS 7 on Supplier finance arrangements

Effective from annual periods beginning on or after January 1, 2024. These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company’s liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB’s response to investors’ concerns that some companies’ supplier finance arrangements are not sufficiently visible, hindering investors’ analysis.

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.

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

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:

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.

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NOTE 3 - SEGMENT REPORTING (Continued)

- a) Operational segments which have been prepared in accordance with the reportable segments as of 30 September 2023 are as follows:

	Petrol	Electricity	Other	Total
Segment revenue	-	-	-	-
EBITDA	-	-	(87,587,514)	(87,587,514)
Financial income	-	-	201,106,197	201,106,197
Financial expenses	-	-	(247,781,395)	(247,781,395)
Amortization and depreciation expenses	-	-	(2,362,708)	(2,362,708)
Income/ (loss) from Associates	514,429,500	93,494,278	-	607,923,778
Purchase of tangible and intangible assets	-	-	4,412,369	4,412,369

- b) Operational segments which have been prepared in accordance with the reportable segments as of 30 September 2022 are as follows:

	Petrol	Electricity	Other	Total
Segment revenue	-	-	-	-
EBITDA	-	-	(80,394,107)	(80,394,107)
Financial income	-	-	181,091,854	181,091,854
Financial expenses	-	-	(207,554,123)	(207,554,123)
Amortization and depreciation expenses	-	-	(1,790,404)	(1,790,404)
Income/ (loss) from Associates	493,498,200	143,438,395	-	636,936,595
Purchase of tangible and intangible assets	-	-	3,827,373	3,827,373

- c) Operational segments which have been prepared in accordance with the reportable segments as of 1 July - 30 September 2023 are as follows:

	Petrol	Electricity	Other	Total
Segment revenue	-	-	-	-
EBITDA	-	-	(21,316,360)	(21,316,360)
Financial income	-	-	49,574,139	49,574,139
Financial expenses	-	-	(42,340,151)	(42,340,151)
Amortization and depreciation expenses	-	-	(829,283)	(829,283)
Income/ (loss) from Associates	753,761,100	74,391,553	-	828,152,653
Purchase of tangible and intangible assets	-	-	2,241,345	2,241,345

- d) Operational segments which have been prepared in accordance with the reportable segments as of 1 July - 30 September 2022 are as follows:

	Petrol	Electricity	Other	Total
Segment revenue	-	-	-	-
EBITDA	-	-	(9,267,559)	(9,267,559)
Financial income	-	-	28,292,096	28,292,096
Financial expenses	-	-	(31,658,919)	(31,658,919)
Amortization and depreciation expenses	-	-	(757,294)	(757,294)
Income/ (loss) from Associates	(246,572,400)	39,267,653	-	-
Purchase of tangible and intangible assets	-	-	2,013,141	2,013,141

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NOTE 3 - SEGMENT REPORTING (Continued)

e) Operating segment information as of 30 September 2023 is shown below:

	Petrol	Electricity	Other	Eliminations	Total
Segment assets (*)	-	-	232,271,107	469,472,220	701,743,327
Investments accounted by equity method	1,082,580,600	585,448,683	-	-	1,668,029,283
Segment liabilities	-	-	539,213,242	7,471,008	546,684,250

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

	Petrol	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.

g) Reconciliation between reportable segment incomes is as follows:

	1 January – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2023	1 July – 30 September 2022
Revenue				
Segment revenue	-	-	-	-
Revenue	-	-	-	-
EBITDA				
EBITDA of Segment	-	-	-	-
Other EBITDA	(87,587,514)	(80,394,107)	(21,316,360)	(9,267,559)
EBITDA	(87,587,514)	(80,394,107)	(21,316,360)	(9,267,559)
Financial income	201,106,197	181,091,854	49,574,139	28,292,096
Financial expense	(247,781,395)	(207,554,123)	(42,340,151)	(31,658,919)
Income from investment activities	300,106,631	479,092,465	11,013,896	18,198,709
Profit/(loss) of investments accounted by equity method	607,923,778	636,936,595	828,152,653	(207,304,747)
Depreciation and amortization expense	(2,362,708)	(1,790,404)	(829,283)	(757,294)
Profit / (loss) before tax	771,404,989	1,007,382,280	824,254,894	(202,497,714)

NOTE 4 - CASH AND CASH EQUIVALENTS

	30 September 2023	31 December 2022
Cash	174,028	124,122
Banks		
- time deposits	38,087,210	31,334,576
- demand deposits	38,167	69,868
	38,299,405	31,528,566

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NOTE 4 - CASH AND CASH EQUIVALENTS (Continued)

The maturities of cash and cash equivalents are as follows:

	30 September 2023	31 December 2022
Up to 30 days	38,299,405	31,528,566
Up to 60 days	-	-
	38,299,405	31,528,566

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

	30 September 2023	31 December 2022
TL	40.00	11.00
EUR	0.01	0.50

Cash and cash equivalents as of 30 September 2023 and 30 September 2022, as seen in condensed interim cash flow statements, are as follows:

	30 September 2023	30 September 2022
Cash and cash equivalents	38,299,405	148,546,733
Less: interest accrual	(21,198)	(23,676)
	38,278,207	148,523,057

As of 30 September 2023, the Company has no blocked deposits (31 December 2022: None).

NOTE 5 - FINANCIAL INVESTMENTS AND FINANCIAL ASSETS**a) Financial Investments:****Short term financial investments**

	30 September 2023	31 December 2022
Currency Protected Deposit Account	92,142,437	-
Total	92,142,437	-

Long term financial investments

	30 September 2023		31 December 2022	
	Participation amount	Participation rate (%)	Participation amount	Participation rate (%)
ATAŞ (*)	125,091,686	5	17,081,916	5
	125,091,686		17,081,916	

(*) According to TFRS 9 Financial Instruments, ATAŞ is recognized at fair value. As of 30 June 2023, the “fair value difference” resulting from the fixed asset valuation prepared by an independent valuation company is accounted for under “Income from Investing Activities” (Note 14) in the statement of profit or loss.

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NOTE 5 - FINANCIAL INVESTMENTS AND FINANCIAL ASSETS (Continued)

b) Financial Assets:

	30 September 2023	31 December 2022
Currents Financial Assets (*)	197,218,524	139,490,037
Non-Current Financial Assets (*)	151,622,329	107,240,456
Non-Current Financial Assets (**)	48,779,833	31,716,925
Total	397,620,686	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 348,840,853 (Information on agreements is included in Note 7).

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

	30 September 2023	30 September 2022
1 January	278,447,418	180,284,867
Usufruct Certificates collection (-)	(202,368,000)	(138,572,800)
Foreign exchange gains	97,868,870	53,919,807
Interest income	40,640,058	20,562,002
Additions	2,294,436	4,130,169
Fair value difference	180,737,904	161,289,879
Total	397,620,686	281,613,924

NOTE 6 - FINANCIAL LIABILITIES

	30 September 2023	31 December 2022
Short-term portions of long-term bank borrowings	198,589,666	85,098,525
Long-term bank borrowings	325,438,864	335,278,424
	524,028,530	420,376,949

	30 September 2023		
	Yearly average effective interest rate (%)	Original amount	TL
EUR borrowings			
- Floating interest rate (*)	6M Euribor + %1.65- 6M Euribor + %5.40	6,828,423	198,589,666
Total short term financial liabilities			198,589,666
EUR borrowings			
- Floating interest rate (*)	6M Euribor + %1.65- 6M Euribor + %5.40	10,837,733	315,191,635
- Interest accrual of EUR floating rate loan (*)	-	352,347	10,247,229
Total long term financial liabilities			325,438,864
Total financial liabilities			524,028,530

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**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
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NOTE 6 - FINANCIAL LIABILITIES (Continued)

- (*) The outstanding loan balance used for the long-term financing of Denizli natural gas power plant from Bayern LB is TL 276,968,168 (EUR 9,523,435) including its accrued interest, which is recognized through the deduction of ECA premium fee amounting to TL 492,105 (EUR 16,921) and arrangement fee amounting to TL 1,431,265 (EUR 49,213) 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 249,365,974 (EUR 8,574,345) including its accrued interest, which is recognized through deducting the arrangement fee amounting to TL 382,242 (EUR 13,143) 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 loan debt to EAA has been fully settled and as of the date of the report the relevant balances belong solely to Bayern LB). 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.

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:

	30 September 2023	31 December 2022
Within year	198,589,666	85,098,525
1 - 2 years	325,438,864	227,799,639
2 - 3 years	-	107,478,785
	524,028,530	420,376,949

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
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NOTE 6 - FINANCIAL LIABILITIES (Continued)

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:

	Cash changes			Non-cash changes		30 September 2023	
	31 December 2022	Principal Payments	Interest Payments	Cash Flow from borrowings	Interest accruals & translation adjustments		Balance Reduction Due to ECA Premium Reimbursement (*)
Bank loans	420,376,949	(88,048,974)	(17,089,304)	-	213,784,629	(4,994,770)	524,028,530
Financial liabilities	420,376,949	(88,048,974)	(17,089,304)	-	213,784,629	(4,994,770)	524,028,530

(*) 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 Eur 240,108.95 and the related amount was deducted from the loan balance.

NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD

	%	30 September 2023	%	31 December 2022
STAŞ	30	1,082,580,600	30	568,151,100
RWE & Turcas Güney Elektrik Üretim A.Ş.	30	585,448,683	30	559,070,493
		1,668,029,283		1,127,221,593
		30 September 2023		31 December 2022
Balance at the beginning of the year		1,127,221,593		860,707,429
Income and losses from associates (net) (*)		607,923,778		430,702,937
Transactions with associates (**)		574,438		765,917
Actuarial gain / losses		(190,526)		(52,454,690)
Capital decrease of associates (***)		-		(82,500,000)
Dividends received (****)		(67,500,000)		(30,000,000)
Balance at the end of the year		1,668,029,283		1,127,221,593

(*) As of 30 September 2023, The Company’s income and loss balances from associates amounting to TL 607,923,778 consist of income balance from Shell & Turcas Petrol A.Ş. amounting to TL 514,429,500, income balance from RWE&Turcas Güney Elektrik Üretim A.Ş. amounting to TL 93,494,278.

(**) The balance consists of the 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.

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

(****) Balance consists of dividend distribution of RWE&Turcas Güney Elektrik Üretim A.Ş. and the amount for 2023 collected on 17 May 2023, the amount for 2022 collected on 23 December 2022.

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NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD (Continued)

STAS

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

Shell & Turcas Petrol A.Ş. (STAŞ), 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 30 September 2022, STAŞ is one of the leading companies in Turkish fuel distribution sector with 1,153 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.

The Company has valued the financial asset resulting from this agreement as TL 348,840,853 in the financial statements (Note 5).

STAŞ	30 September 2023	31 December 2022
Total assets	33,717,585,000	22,474,579,000
Total liabilities	(30,108,983,000)	(20,580,742,000)
Net assets	3,608,602,000	1,893,837,000
Company's share of associate's net assets	1,082,580,600	568,151,100

	1 January - 30 September 2023	1 January - 30 September 2022
Net sales	136,969,114,000	117,553,046,000
Comprehensive income / (expense)	1,714,765,000	1,623,182,000
Company's share in total comprehensive income / (expense)	514,429,500	486,954,600

TURCAS PETROL A.Ş.**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
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NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD (Continued)**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	30 September 2023	31 December 2022
Total assets	2,979,250,371	3,716,479,922
Total liabilities	(1,011,873,039)	(1,835,115,097)
Net assets	1,967,377,332	1,881,364,825
Company's share of associate's net assets	590,213,200	564,409,448
Inter-group finance expense elimination	(4,764,517)	(5,338,955)
Company's share, net	585,448,683	559,070,493
	1 January – 30 September 2023	1 January – 30 September 2022
Net sales	6,453,641,099	4,583,528,408
Comprehensive income / (expense)	311,012,506	477,565,172
Company's share in total comprehensive income / (expense)	93,303,752	143,269,551

NOTE 8 - PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The amount of tangible and intangible assets purchased for the period ending as of 30 September 2023 is TL 4,412,369 (30 September 2022: TL 3,827,373).

The amount of tangible and intangible assets sold for the period ending as of 30 September 2023 is TL 2,301,555 (30 September 2022: None).

For the nine month interim periods ending as of 30 September 2023 and 30 September 2022, all depreciation and amortisation expenses have been added to general administrative expenses.

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NOTE 9 - COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities related with Turcas

Collaterals, pledges, mortgages (CPM) given by the Company, as of 30 September 2023 and 31 December 2022 are as follows:

	Currency	30 September 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	9,400	257,804	33,800	633,142
	EUR	266,719	7,756,934	5,524,986	110,338,386
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					
		-	-	-	-
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					
		-	-	-	-
		31,012,524		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 DSRRA 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 266,719, with a maturity of 31 January 2024.

	30 September 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 as follows:

	30 September 2023	31 December 2022
Letters of guarantee given to the customs office	1,306,508,096	958,508,096
Letters of guarantee given to the tax office	402,196,049	317,653,127
Letters of guarantee given to the EMRA	15,000,000	15,000,000
Letter of guarantees given to financial institutions	145,515,000	-
Other	21,517,648	15,363,109
	1,890,736,793	1,306,524,332

TURCAS PETROL A.Ş.**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD ENDED 30 SEPTEMBER 2023**

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

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

	30 September 2023	31 December 2022
Mortgages taken	1,967,723,400	1,295,855,400
Letters of guarantees received	1,568,810,400	1,096,623,300
Other guarantees received	112,918,800	122,663,700
	3,649,452,600	2,515,142,400

STAŞ has committed to pay TL 4,265,748,000 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:

	30 September 2023	31 December 2022
Within 1 year	343,810,200	214,563,900
1-5 years	724,758,600	586,669,200
5-22 years	211,155,600	89,032,200
	1,279,724,400	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.

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. With the decision of the 13th Chamber of the Council of State numbered 2023/3012 under 2023/271, the decision of the appeal court has been approved. The fine amount paid was accounted as an expense in 2022. An individual application was made to the Constitutional Court on 18 August 2023 and is expected to be concluded.

TURCAS PETROL A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2023

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

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

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

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

	30 September 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
	30 September 2023	31 December 2022
Letters of guarantees received	62,100,000	900,000
	62,100,000	900,000

NOTE 10 – EQUITY

a) Paid in capital/treasury shares

Shareholders	Group	Allocation (%)	30 September 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	35.67	91,172,719	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	9.85	25,180,053	17.21	43,980,446
Total			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

(*) The decrease in the portion specified as other and the increase in the same amount in the free float portion of the shares are due to the conversion of shares held by shareholders who have non-traded (closed) shares into publicly traded status in accordance with their own requests.

The issued capital of the Company in 30 September 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.

TURCAS PETROL A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2023

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

NOTE 10 – EQUITY (Continued)

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

	30 September 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.

NOTE 11 - SALES AND COST OF SALES

As of 30 September 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”.

TURCAS PETROL A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2023

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

NOTE 11 - SALES AND COST OF SALES (Continued)

As of 30 September 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 – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2023	1 July – 30 September 2022
Personnel expenses	38,032,148	18,920,204	9,397,845	5,636,533
Outsourced services	12,004,482	6,445,682	4,252,101	2,738,253
Taxes and other liabilities	8,855,571	580,024	4,488,808	50,742
Repair and maintenance expenses	6,062,142	2,955,789	2,944,927	1,217,090
Depreciation and amortization expenses	2,362,708	1,790,404	829,283	757,294
Provisions for lawsuit	1,738,800	-	311,280	-
Insurance expenses	1,400,828	558,017	557,736	210,536
Office expenses	860,518	525,501	265,995	179,954
Travel expenses	675,394	303,590	284,797	84,746
Aid expenses	616,030	-	-	-
Other	5,903,399	2,851,010	2,189,576	999,172
	78,512,020	34,930,221	25,522,348	11,874,320

(*) As of 30 September 2022, general and administrative expenses for the period from 1 January 2022 to 14 February 2022 amounting to TL 169,622 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 13 - OTHER OPERATING INCOME / EXPENSE

For the nine-month period ending as of September 30, 2023, other operating income amounting to TL 14,744,844 consists of rent and service income amounting to TL 8,183,964, 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 1,566,110.

For the nine-month period ending as of September 30, 2022, other operating income amounting to TL 5,120,985 consists of rent and service income amounting to TL 4,218,339 and other income amounting to TL 902,646. As of 30 September 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 nine-month period ending as of September 30, 2023, other operating expense amounting to TL 26,183,046 consists of the Joint Venture Agreement amounting to TL 25,701,240 and other expenses amounting to TL 481,806.

For the nine-month period ending as of September 30, 2022, other operating expense amounting to TL 52,375,275 consists of the Joint Venture Agreement amounting to TL 52,331,784 and other expenses amounting to TL 43,491. As of 30 September 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".

TURCAS PETROL A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2023

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

NOTE 14 - INCOME / EXPENSE FROM INVESTMENT ACTIVITIES

For the nine-month period ending as of September 30, 2023, income from investment activities amounting to TL 300,106,631 consists of fair value difference of venture capital investment fund valuation amounting to TL 14,768,472, fair value difference of usufruct certificates amounting to TL 165,969,432, fair value difference of ATAŞ valuation amounting to TL 108,009,770 and fixed asset sales income amounting to TL 11,358,957.

For the nine-month period ending as of September 30, 2022, income from investment activities amounting to TL 479,092,465 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 14,880,606 and fair value difference of usufruct certificates amounting to TL 146,409,273.

For the nine-month period ending as of September 30, 2023, there is no expense from investment activities.

For the nine-month period ending as of September 30, 2022, there is no expense from investment activities.

NOTE 15 - FINANCIAL INCOME

Financial Income (*)	1 January – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2023	1 July – 30 September 2022
Foreign exchange gains	155,164,255	150,465,869	29,888,093	16,829,773
Interest income	45,941,942	30,625,985	19,686,046	11,462,323
	201,106,197	181,091,854	49,574,139	28,292,096

(*) As of 30 September 2022, financial income for the period from 1 January 2022 to 14 February 2022 amounting to TL 15,402,025 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 16 - FINANCIAL EXPENSE

Financial Expense (*)	1 January – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2023	1 July – 30 September 2022
Foreign exchange losses	218,920,985	181,544,397	32,118,579	25,081,392
Interest expenses	27,025,531	13,632,532	9,669,525	4,262,123
Other	1,834,879	12,377,194	552,047	2,315,404
	247,781,395	207,554,123	42,340,151	31,658,919

(*) As of 30 September 2022, financial expense for the period from 1 January 2022 to 14 February 2022 amounting to TL 21,458,305 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".

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD ENDED 30 SEPTEMBER 2023**

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

NOTE 17 - TAX ASSETS AND LIABILITIES

Current tax liability	30 September 2023	31 December 2022
Prepaid tax and funds	114,737	85,100
Corporate tax provision	-	-
Prepaid tax and funds / (Current tax liability), net	114,737	85,100

Tax expense is comprised of the following:

	1 January – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2023	1 July – 30 September 2022
Deferred tax income / (expense)	(6,770,348)	(2,301,973)	(577,272)	2,562,968
Corporate tax expense	-	-	-	-
	(6,770,348)	(2,301,973)	(577,272)	2,562,968

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).

In Turkey, advance tax returns are filed on a quarterly basis. With Article 21 of the Law No. 7456 dated 14/7/2023, the corporate tax rate was increased from %20 to 25%. The companies apply 25% tax rate over their quarterly profits (23% for the year 2022) when calculating their temporary tax payables which they are obliged to declare and pay via Advance Corporate Tax Declaration 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.

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.

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

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. The income tax withholding has been reduced from 15% to 10% effective from December 21, 2021, according to Presidential Decree No. 4936 dated December 21, 2021. Undistributed dividends incorporated in share capital are not subject to income withholding tax.

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 TFRS and their statutory financial statements. These temporary differences usually result in the recognition of revenue and expenses in different reporting periods for TFRS and tax purposes.

The rate applied in the calculation of deferred tax assets and liabilities is 25% 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)	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Interest accrual, net and prepaid loan commissions	(24,359)	(630,666)	6,090	145,053
Tangible and intangible assets	1,485,699	1,405,363	(371,425)	(323,233)
Provision for employment termination benefits	(2,134,854)	(1,660,095)	533,713	381,822
Unused vacation pay liability	(1,275,494)	(681,438)	318,874	156,731
Provision for lawsuit	(5,685,200)	(3,946,400)	1,421,300	907,672
Fair value differences	119,536,130	11,526,360	(7,471,008)	(662,767)
Other	(247,620)	-	61,905	-
Deferred tax asset/ (liability), net			(5,500,551)	605,278

The movement of deferred tax assets and liabilities as of 30 September 2023 and 2022 are as follows:

	1 January - 30 September 2023	1 January - 30 September 2022
Opening balance	605,278	5,098,488
Amount in statement of profit or loss	(6,770,348)	(2,301,973)
Amount in other comprehensive income	664,519	149,502
Closing balance	(5,500,551)	2,946,017

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

Tax Advantages Obtained Under the Investment Incentive System

There is no tax advantage obtained under the investment incentive system (30 September 2022: None).

NOTE 18 – EARNINGS / (LOSS) PER SHARE

For the years 30 September 2023 and 2022, the number of shares and earnings / loss per share is as follows:

	1 January – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2023	1 July – 30 September 2022
Number of outstanding shares	255,600,000	255,600,000	255,600,000	255,600,000
Net profit / (loss) of shareholders	764,634,641	1,061,755,548	823,677,622	(199,934,746)
Earnings / (loss) per share	2.992	4.154	3.223	(0.782)

TURCAS PETROL A.Ş.**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
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INTERIM PERIOD ENDED 30 SEPTEMBER 2023**

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

NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

	30 September 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. (*)	197,218,524	151,622,329	-	-	-	-	-	42,906	-	-
Other related entities										
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	-	-	-	1,565,588	-	-
Dividend payable to shareholders	-	-	-	-	-	-	-	187,987	-	-
YTC Turizm ve Enerji A.Ş.	-	-	-	-	-	-	-	61,069	-	-
Aksoy Holding A.Ş.	-	-	-	1,140	-	-	-	-	-	-
Aksoy International Dış Ticaret A.Ş. (**)	-	-	-	90,867	-	-	-	-	-	-
Aksoy Girişimcilik Enerji Ve Turizm A.Ş.	-	-	-	596,777	-	-	-	-	-	-
Horizonist Dis Tic. Ltd. Sti.	-	-	-	5,170	-	-	-	-	-	-
Daytona Turizm Ve Danışmanlık Ltd.Şti.	-	-	-	3,990	-	-	-	-	-	-
Tas.Hal.Transbalkan Denizyollari Deniz Taş.A.Ş.	-	-	-	3,990	-	-	-	-	-	-
Aksoy Taşınmaz Yatırımları A.Ş.	-	-	-	-	-	-	-	587,027	-	-
Gode Tekstil ve Tasarım Hizmetleri LTD. Şti.	-	-	-	12,367	-	-	-	-	-	-
Aksoy International Holding A.Ş.	-	-	-	660	-	-	-	-	-	-
	197,218,524	151,622,329	-	722,149	-	-	-	2,444,577	-	-

(*) The financial asset originating from the agreements signed between Turcas and Shell Company of Turkey Ltd. (Shell) on 25 August 2017 is subject to valuation and disclosed in the financial statements as TL 348,840,853 in total, amounting to TL 197,218,524 as short term and TL 151,622,329 as long term.

(**) The title of Aksoy Enternasyonal Tic. A.Ş. has changed to Aksoy International Dış Ticaret A.Ş. on 18 September 2023.

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

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 International Dış Ticaret 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 August 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).

(**) The title of Aksoy Enternasyonal Tic. A.Ş. has changed to Aksoy International Dış Ticaret A.Ş. on 18 September 2023.

TURCAS PETROL A.Ş.**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

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

Transactions with related parties	1 January - 30 September 2023							
	Purchases	Sales	Interest received	Interest paid	Rent income	Dividend income	Other income	Other expenses
Associates								
Shell & Turcas Petrol A.Ş. (*)	-	-	-	-	-	-	202,492,526	330,003
RWE & Turcas Güney Elektrik Üretim A.Ş.	-	-	-	-	-	67,500,000	10,473	6,005
Other related entities								
Aksoy Holding A.Ş.	-	-	-	-	4,500	-	-	-
Aksoy International Dış Ticaret A.Ş. (***)	-	-	-	-	4,500	-	516,129	-
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	769,731	-	56,768	1,676,774
Daytona Turizm ve Danışmanlık Ltd.Şti.	-	-	-	-	4,500	-	-	-
Tas.Hal.Transbalkan Denizyollari Deniz Taş.A.Ş.	-	-	-	-	4,500	-	-	-
Aksoy Taşınmaz Yatırımları A.Ş.	-	-	-	-	4,500	-	794,795	2,819,406
YTC Turizm ve Enerji A.Ş.	-	-	-	-	-	-	26,697	474,455
Conrad Yeditepe Beyn.Otelcilik Turz.Ve Tic A.Ş.	-	-	-	-	-	-	-	40,368
Horizonist Dis Tic.Ltd.Sti.	-	-	-	-	4,500	-	-	-
Aksoy Girişimcilik Enerji Ve Turizm A.Ş.	-	-	-	-	445,798	-	5,152,085	951,383
The Shell Company of Turkey LTD. (**)	-	-	-	-	-	-	-	25,701,240
Gode Tekstil ve Tasarım Hizmetleri LTD. Şti.	-	-	-	-	4,950	-	-	-
Aksoy International Holding A.Ş.	-	-	-	-	6,050	-	-	-
	-	-	-	-	1,253,529	67,500,000	209,049,473	31,999,634

(*) Other income consists of usufruct certificates income amounting to TL 202,368,000.

(**) It consists of Joint Venture Agreement expense.

(***) The title of Aksoy Enternasyonal Tic. A.Ş. has changed to Aksoy International Dış Ticaret A.Ş. on 18 September 2023.

TURCAS PETROL A.Ş.

CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2023

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

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

	1 January - 30 September 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. (*)	-	-	9,116,034	-	-	-	138,632,752	433,161
RWE & Turcas Güney Elektrik Üretim A.Ş.	-	-	-	-	-	-	94,254	110,308
Other related entities								
Aksoy Holding A.Ş.	-	-	-	-	4,500	-	3,000	-
Aksoy International Dış Ticaret A.Ş. (***)	-	-	-	-	4,500	-	758,480	16,225
Ataş Anadolu Tasfiyehanesi A.Ş.	-	-	-	-	520,272	-	52,177	641,208
Daytona Turizm ve Danışmanlık Ltd.Şti.	-	-	-	-	4,500	-	-	-
Tas.Hal.Transbalkan Denizyollari Deniz Taş.A.Ş.	-	-	-	-	4,500	-	-	-
Aksoy Taşınmaz Yatırımları A.Ş.	-	-	-	-	4,500	-	189,398	1,305,513
YTC Turizm ve Enerji A.Ş.	-	-	-	-	-	-	-	187,528
Conrad Yeditepe Beyn.Otelcilik Turz.Ve Tic A.Ş.	-	-	-	-	-	-	-	22,298
Horizonist Dis Tic.Ltd.Sti.	-	-	-	-	4,500	-	-	-
Aksoy Girişimcilik Enerji Ve Turizm A.Ş.	-	-	-	-	255,620	-	1,690,254	431,254
The Shell Company of Turkey LTD. (**)	-	-	-	-	-	-	-	52,331,784
Gode Tekstil ve Tasarım Hizmetleri LTD. Şti.	-	-	-	-	3,850	-	-	4
	-	-	9,116,034	-	806,742	-	141,420,315	55,479,283

(*) 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 September 2019. Other income consists of usufruct certificates income amounting to TL 138,572,800.

(**) It consists of Joint Venture Agreement expense.

(***) The title of Aksoy Enternasyonal Tic. A.Ş. has changed to Aksoy International Dış Ticaret A.Ş. on 18 September 2023.

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
INTERIM PERIOD ENDED 30 SEPTEMBER 2023**

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

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

Total compensation provided to key management personnel is as follows:

	1 January – 30 September 2023	1 January – 30 September 2022	1 July – 30 September 2023	1 July – 30 September 2022
Salaries and other short term benefits	20,364,769	10,247,546	5,875,836	2,481,793

NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(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 analyses the Company’s foreign currency position and takes necessary precautions when needed.

TURCAS PETROL A.Ş.

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES
TO THE CONDENSED FINANCIAL STATEMENTS FOR THE
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(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

**NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

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

	30 September 2023			
	TL Equivalent (Functional currency)	USD	EUR	Other
1- Trade receivables	-	-	-	-
2a- Monetary financial assets	36,946,124	261	1,272,408	10
2b- Non-monetary financial assets	-	-	-	-
3- Other	-	-	-	-
4- Current assets (1+2+3)	36,946,124	261	1,272,408	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)	36,946,124	261	1,272,408	10
10- Trade payables	-	-	-	-
11- Financial liabilities	198,589,666	-	6,828,423	-
12a-Other monetary liabilities	-	-	-	-
12b-Other non-monetary liabilities	-	-	-	-
13- Current Liabilities (10+11+12)	198,589,666	-	6,828,423	-
14- Trade payables	-	-	-	-
15- Financial liabilities	325,438,864	-	11,190,080	-
16a-Other monetary liabilities	-	-	-	-
16b-Other non-monetary liabilities	-	-	-	-
17- Non-current liabilities (14+15+16)	325,438,864	-	11,190,080	-
18- Total liabilities (13+17)	524,028,530	-	18,018,503	-
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)	(487,082,406)	261	(16,746,095)	10
21- Net foreign currency asset / liability position of (1+2a+5+6a+10+11-12a-14-15-16a)	(487,082,406)	261	(16,746,095)	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 30 SEPTEMBER 2023**

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

**NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(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
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(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

**NOTE 20 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT
(Continued)**

(ii) Foreign currency sensitivity

	30 September 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	715	(715)	-	-
2- Hedged from USD risk (-)	-	-	-	-
3- USD net effect (1+2)	715	(715)	-	-
+/-10% fluctuation of EUR rate				
4- EUR net asset / liability	(48,708,988)	48,708,988	-	-
5- Hedged from EUR risk (-)	-	-	-	-
6- EUR net effect (4+5)	(48,708,988)	48,708,988	-	-
TOTAL (3+6)	(48,708,273)	48,708,273	-	-
	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 30 SEPTEMBER 2023**

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

NOTE 21 – AFTER THE REPORTING PERIOD

Denizli Combined Cycle Natural Gas Power Plant hybrid solar power plant investment

As previously announced in our Company's Public Disclosure dated 13 October 2023, our 30% subsidiary, RWE & Turcas Güney Elektrik Üretim A.Ş., has decided to conduct a pre-feasibility study for a hybrid solar power plant investment up to 20 MW in the Denizli Natural Gas Combined Cycle Power Plant field, which it owns and operates. Together with the relevant business development activities, it is planned to carry out approval processes at the regulatory institutions. The final investment decision for the mentioned investment that can be taken based on the results of the feasibility study will be further disclosed to the public.

About dividend distribution proposal at RWE & Turcas Güney Elektrik Üretim A.Ş.

As previously announced in our Company's Public Disclosure dated 13 October 2023, Board of Directors of our 30% subsidiary RWE & Turcas Güney Elektrik Üretim A.Ş. ("RTG") has decided to present dividend distribution proposal amounting to 337,730,582.94 TL, to be covered from net profit in the financial statements of fiscal year 2022, to the approval of shareholders at RTG's Extraordinary General Assembly Meeting to be held on 10.11.2023 (Turcas' share is 101,319,174.88 TL on a net basis). The developments regarding the process will be shared with the public subsequently.

About dividend distribution at Shell & Turcas Petrol A.Ş.

As previously announced in our Company's Public Disclosure dated 27 October 2023, our 30% subsidiary Shell & Turcas Petrol A.Ş. ("STAŞ") has decided to distribute dividends amounting to 400,000,000.00 TL to be covered from retained earnings of the company at its Extraordinary General Assembly Meeting held on 27.10.2023 (Turcas' share is 120,000,000.00 TL on a net basis). The relevant amount is expected to be transferred to our accounts within 3 business days at the latest.