

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE INTERIM  
PERIOD 1 JANUARY - 31 MARCH 2021**

**(ORIGINALLY ISSUED IN TURKISH)**

## TURCAS PETROL A.Ş.

### CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM PERIOD 1 JANUARY – 31 MARCH 2021

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**TURCAS PETROL A.Ş.****CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2021 AND 31 DECEMBER 2020**

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

|   |       | (Not Audited)        | (Audited)        |
|---|-------|----------------------|------------------|
|   |       | Current Period       | Prior Period     |
|   | Notes | 31 March 2021        | 31 December 2020 |
| <b>ASSETS</b>                                   |       |                      |                  |
| <b>Current assets</b>                           |       |                      |                  |
| Cash and cash equivalents                       | 4     | <b>214,301,138</b>   | 101,777,296      |
| Trade receivables                               |       | <b>6,689,693</b>     | 8,808,630        |
| - <i>Trade receivables from third parties</i>   |       | <b>6,689,693</b>     | 8,808,630        |
| Other receivables                               |       | <b>1,582,914</b>     | 1,653,178        |
| - <i>Other receivables from related parties</i> | 19    | <b>975,723</b>       | 1,028,750        |
| - <i>Other receivables from third parties</i>   |       | <b>607,191</b>       | 624,428          |
| Prepaid expenses                                |       | <b>1,765,223</b>     | 1,836,251        |
| Financial assets                                | 5     | <b>32,394,604</b>    | 74,544,027       |
| Assets related to current period tax            | 17    | <b>652,354</b>       | 560,080          |
| Other current assets                            |       | <b>30,187</b>        | 2,180,988        |
| <b>Total currents assets</b>                    |       | <b>257,416,113</b>   | 191,360,450      |
| <b>Non-current assets</b>                       |       |                      |                  |
| Other receivables                               |       | <b>73,131,653</b>    | 73,131,653       |
| - <i>Other receivables from related parties</i> | 19    | <b>72,600,000</b>    | 72,600,000       |
| - <i>Other receivables from third parties</i>   |       | <b>531,653</b>       | 531,653          |
| Financial investments                           | 5     | <b>10,334,327</b>    | 10,334,327       |
| Financial assets                                | 5     | <b>28,904,319</b>    | 46,150,391       |
| Investments accounted by equity method          | 7     | <b>717,734,122</b>   | 689,028,150      |
| Property, plant and equipment                   | 8     | <b>228,724,917</b>   | 229,175,227      |
| Intangible assets                               | 8     | <b>49,235,532</b>    | 49,839,264       |
| Deferred tax assets                             | 17    | <b>28,867,210</b>    | 22,361,144       |
| <b>Total non-current assets</b>                 |       | <b>1,136,932,080</b> | 1,120,020,156    |
| <b>TOTAL ASSETS</b>                             |       | <b>1,394,348,193</b> | 1,311,380,606    |

These condensed consolidated interim financial statements as at and for the period ended 31 March 2021 have been approved for issue by the Board of Directors decision dated 9 June 2021.

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

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2021 AND 31 DECEMBER 2020**

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

|   |       | (Not Audited)        | (Audited)        |
|---|-------|----------------------|------------------|
|   |       | Current Period       | Prior Period     |
|   | Notes | 31 March 2021        | 31 December 2020 |
| <b>LIABILITIES</b>  |       |                      |                  |
| <b>Current liabilities</b>  |       |                      |                  |
| Short term portions of long term financial liabilities                          | 6     | <b>187,625,203</b>   | 169,948,156      |
| Trade payables  |       | <b>39,586,003</b>    | 38,513,681       |
| - Trade payables to related parties   | 19    | <b>51,869</b>        | 42,739           |
| - Trade payables to third parties   |       | <b>39,534,134</b>    | 38,470,942       |
| Short term liabilities for employee benefits                                    |       | <b>562,750</b>       | 311,942          |
| Other payables  |       | <b>11,820,887</b>    | 2,184,089        |
| - Other payables to related parties   | 19    | <b>266,812</b>       | 1,402,710        |
| - Other payables to third parties   |       | <b>11,554,075</b>    | 781,379          |
| Short term provisions   |       | <b>3,208,891</b>     | 2,847,908        |
| - Short term provisions for employee benefits                                   |       | <b>1,296,291</b>     | 935,308          |
| - Provisions for lawsuit  |       | <b>1,912,600</b>     | 1,912,600        |
| <b>Total current liabilities</b>  |       | <b>242,803,734</b>   | 213,805,776      |
| <b>Non-current liabilities</b>  |       |                      |                  |
| Financial liabilities   | 6     | <b>793,017,857</b>   | 715,324,894      |
| Trade payables  |       | <b>17,590,075</b>    | 16,190,799       |
| - Trade payables to third parties   |       | <b>17,590,075</b>    | 16,190,799       |
| Long term provisions  |       | <b>824,184</b>       | 614,437          |
| - Long term provisions for employee benefits                                    |       | <b>824,184</b>       | 614,437          |
| Other non-current liabilities   |       | <b>776,389</b>       | 776,389          |
| <b>Total non-current liabilities</b>  |       | <b>812,208,505</b>   | 732,906,519      |
| <b>EQUITY</b>   |       |                      |                  |
| Paid-in capital   | 10    | <b>255,600,000</b>   | 255,600,000      |
| Adjustment to share capital   | 10    | <b>41,247,788</b>    | 41,247,788       |
| Repurchased shares (-)  | 10    | <b>(8,450,916)</b>   | (8,450,916)      |
| Other comprehensive income / (expense) not to be reclassified to profit or loss |       | <b>(7,222,658)</b>   | (7,169,975)      |
| - Actuarial gains / (losses) on defined benefit plans                           |       | <b>(7,222,658)</b>   | (7,169,975)      |
| Restricted reserves   | 10    | <b>39,311,954</b>    | 39,311,954       |
| Other comprehensive income / (expense) to be reclassified to profit or loss     |       | <b>(58,275,286)</b>  | (39,348,448)     |
| - Gains / (losses) on cash flow hedges  |       | <b>(58,275,286)</b>  | (39,348,448)     |
| Other reserves  |       | <b>(7,256,169)</b>   | (7,256,169)      |
| Retained earnings   |       | <b>90,734,077</b>    | 214,738,175      |
| Net profit / (loss) for year  |       | <b>(6,352,836)</b>   | (124,004,098)    |
| Equity attributable to equity holders of the parent                             |       | <b>339,335,954</b>   | 364,668,311      |
| Non-controlling interest  |       | -                    | -                |
| <b>Total equity</b>   |       | <b>339,335,954</b>   | 364,668,311      |
| <b>TOTAL LIABILITIES AND EQUITY</b>   |       | <b>1,394,348,193</b> | 1,311,380,606    |

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

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2021 AND 2020

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

|  |       | (Not Audited)                | (Not Audited)                |
|--|-------|------------------------------|------------------------------|
|  | Notes | 1 January –<br>31 March 2021 | 1 January –<br>31 March 2020 |
| Revenue  | 11    | 21,112,762                   | 13,455,674                   |
| Cost of sales (-)  | 11    | (5,985,142)                  | (4,781,267)                  |
| <b>GROSS PROFIT / (LOSS)</b>                                     |       | <b>15,127,620</b>            | <b>8,674,407</b>             |
| General administrative expenses (-)                              | 12    | (7,926,125)                  | (5,938,132)                  |
| Other operating income   | 13    | 8,701,482                    | 21,414,362                   |
| Other operating expenses (-)                                     | 13    | (4,753,436)                  | (3,790,995)                  |
| <b>OPERATING (LOSS) / PROFIT</b>                                 |       | <b>11,149,541</b>            | <b>20,359,642</b>            |
| Income from investment activities                                | 14    | 1,511,901                    | 5,163,835                    |
| Expenses from investment activities (-)                          | 14    | (9,963,162)                  | -                            |
| Income from investments accounted by equity method               | 7     | 28,514,494                   | (72,614,845)                 |
| <b>OPERATING PROFIT BEFORE FINANCIAL INCOME / (EXPENSES)</b>     |       | <b>31,212,774</b>            | <b>(47,091,368)</b>          |
| Financial income   | 15    | 45,363,757                   | 16,321,367                   |
| Financial expenses (-)   | 16    | (89,422,263)                 | (64,130,759)                 |
| <b>(LOSS) / PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>     |       | <b>(12,845,732)</b>          | <b>(94,900,760)</b>          |
| <b>Tax income / (expense) from continued operations</b>          |       |                              |                              |
| - Current income tax expense (-)                                 | 17    | -                            | -                            |
| - Deferred tax income / expense (-)                              | 17    | 6,492,896                    | 4,279,411                    |
| <b>(LOSS) / PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b> |       | <b>(6,352,836)</b>           | <b>(90,621,349)</b>          |
| <b>Attributable to:</b>  |       |                              |                              |
| Equity holders of the parent                                     |       | (6,352,836)                  | (90,621,349)                 |
| Non-controlling shares   |       | -                            | -                            |
| (Loss) / earnings per share                                      | 18    | (0.025)                      | (0.355)                      |

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

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTH PERIODS ENDED 31 MARCH 2021 AND 2020**

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

|  | <b>(Not Audited)</b>                 | <b>(Not Audited)</b>                 |
|--|--------------------------------------|--------------------------------------|
| <b>Notes</b>   | <b>1 January –<br/>31 March 2021</b> | <b>1 January –<br/>31 March 2020</b> |
| <b>(LOSS) / PROFIT FOR THE PERIOD</b>  | <b>(6,352,836)</b>                   | <b>(90,621,349)</b>                  |
| <b>Other comprehensive income / (expense)<br/>not to be reclassified to profit or loss</b>   |                                      |                                      |
| Actuarial gains / (losses) on defined benefit plans  | <b>(65,853)</b>                      | <b>(37,785)</b>                      |
| Deferred tax income / (expense)  | <b>17 13,170</b>                     | <b>7,557</b>                         |
| <b>Other comprehensive income of shares from investments<br/>accounted by the equity method not to be reclassified to profit<br/>or loss</b> |                                      |                                      |
| Revaluation gains / (losses) of defined benefit plans of investments<br>accounted by equity method   | <b>-</b>                             | <b>445,500</b>                       |
| Deferred tax income / (expense)  | <b>-</b>                             | <b>(89,101)</b>                      |
| <b>Total</b>   | <b>(52,683)</b>                      | <b>326,171</b>                       |
| <b>Other comprehensive income / (expense)<br/>to be reclassified to profit or loss</b>   |                                      |                                      |
| Other comprehensive income (loss) related with cash flow hedges  | <b>(18,926,838)</b>                  | <b>(11,596,090)</b>                  |
| Deferred tax income / (expense)  | <b>-</b>                             | <b>-</b>                             |
| <b>Total</b>   | <b>(18,926,838)</b>                  | <b>(11,596,090)</b>                  |
| <b>Other comprehensive income / (expense)</b>  | <b>(18,979,521)</b>                  | <b>(11,269,919)</b>                  |
| <b>TOTAL COMPREHENSIVE (LOSS) / INCOME</b>   | <b>(25,332,357)</b>                  | <b>(101,891,268)</b>                 |
| Equity holders of the parent   | <b>(25,332,357)</b>                  | <b>(101,891,268)</b>                 |
| Non-controlling interests  | <b>-</b>                             | <b>-</b>                             |
| <b>(Loss) / earnings per share</b>   | <b>(0.099)</b>                       | <b>(0.399)</b>                       |

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

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY AT 31 MARCH 2021 AND 31 MARCH 2020**

(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 2020                         | 255,600,000        | 41,247,788                  | (8,450,916)        | 39,311,954          | (1,123,877)   | (13,656,155)   | (7,256,169)        | 243,417,512        | (28,679,337)                       | 520,410,800                  | -                        | 520,410,800        |
| Transfers                              | -                  | -                           | -                  | -                   | -   | -  | -                  | (28,679,337)       | 28,679,337                         | -                            | -                        | -                  |
| Net profit / (loss)                    | -                  | -                           | -                  | -                   | -   | -  | -                  | -                  | (90,621,349)                       | (90,621,349)                 | -                        | (90,621,349)       |
| Other comprehensive income / (expense) | -                  | -                           | -                  | -                   | 326,171   | (11,596,090)   | -                  | -                  | -                                  | (11,269,919)                 | -                        | (11,269,919)       |
| Total comprehensive income / (expense) | -                  | -                           | -                  | -                   | 326,171   | (11,596,090)   | -                  | -                  | (90,621,349)                       | (101,891,268)                | -                        | (101,891,268)      |
| 31 March 2020 (*)                      | 255,600,000        | 41,247,788                  | (8,450,916)        | 39,311,954          | (797,706)   | (25,252,245)   | (7,256,169)        | 214,738,175        | (90,621,349)                       | 418,519,532                  | -                        | 418,519,532        |
| <b>1 January 2021</b>                  | <b>255,600,000</b> | <b>41,247,788</b>           | <b>(8,450,916)</b> | <b>39,311,954</b>   | <b>(7,169,975)</b>  | <b>(39,348,448)</b>  | <b>(7,256,169)</b> | <b>214,738,175</b> | <b>(124,004,098)</b>               | <b>364,668,311</b>           | <b>-</b>                 | <b>364,668,311</b> |
| Transfers                              | -                  | -                           | -                  | -                   | -   | -  | -                  | (124,004,098)      | 124,004,098                        | -                            | -                        | -                  |
| Net profit / (loss)                    | -                  | -                           | -                  | -                   | -   | -  | -                  | -                  | (6,352,836)                        | (6,352,836)                  | -                        | (6,352,836)        |
| Other comprehensive income / (expense) | -                  | -                           | -                  | -                   | (52,683)  | (18,926,838)   | -                  | -                  | -                                  | (18,979,521)                 | -                        | (18,979,521)       |
| Total comprehensive income / (expense) | -                  | -                           | -                  | -                   | (52,683)  | (18,926,838)   | -                  | -                  | (6,352,836)                        | (25,332,357)                 | -                        | (25,332,357)       |
| 31 March 2021 (*)                      | 255,600,000        | 41,247,788                  | (8,450,916)        | 39,311,954          | (7,222,658)   | (58,275,286)   | (7,256,169)        | 90,734,077         | (6,352,836)                        | 339,335,954                  | -                        | 339,335,954        |

(\*) Not Audited.

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

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW FOR THE  
THREE MONTH PERIODS ENDED 31 MARCH 2021 AND 2020**

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

|  |       | (Not Audited)               | (Not Audited)               |
|--|-------|-----------------------------|-----------------------------|
|  | Notes | 1 January-<br>31 March 2021 | 1 January-<br>31 March 2020 |
| <b>A. Cash flows from operating activities</b>   |       |                             |                             |
| Net (loss) / income for the period   |       | (6,352,836)                 | (90,621,349)                |
| <b>Adjustments to reconcile net (loss) / income for the period</b>                               |       | <b>30,181,012</b>           | <b>125,705,012</b>          |
| Adjustments related to tax (income) / expense  | 17    | (6,492,896)                 | (4,279,411)                 |
| Adjustment related to unrealized foreign currency translation differences                        |       | 69,118,194                  | 55,667,213                  |
| Adjustments related to depreciation and amortization expenses                                    |       | 3,093,378                   | 2,823,334                   |
| Other adjustments related to profit and (loss) reconciliation                                    | 5     | (4,380,205)                 | (5,163,835)                 |
| Adjustments related to provisions / (reversals) for employee termination benefits                |       | 529,067                     | 458,326                     |
| Adjustments related to undistributed profit/losses of investments accounted by the equity method | 7     | (28,514,493)                | 72,614,845                  |
| Adjustments related to undistributed profits of associates                                       | 7     | (191,479)                   | (191,479)                   |
| Adjustments related to other items causing cash flows from investing activities                  |       | (6,618,115)                 | -                           |
| Adjustments related to interest income   | 15    | (3,733,544)                 | (3,589,716)                 |
| Adjustments related to interest expense  | 16    | 7,371,105                   | 7,365,735                   |
| <b>Changes in working capital</b>  |       | <b>16,770,233</b>           | <b>(17,797,331)</b>         |
| Adjustments related to decrease / (increase) in trade receivables                                |       | 2,118,937                   | 397,398                     |
| Decrease / (Increase) in prepaid expenses  |       | 2,221,829                   | (1,177,209)                 |
| Adjustments related to increase / (decrease) in trade payables                                   |       | 2,471,598                   | (343,380)                   |
| Decrease / (increase) in other assets related to operations                                      |       | 70,264                      | (17,074,826)                |
| Increase / (decrease) in other liabilities related to operations                                 |       | 9,887,605                   | 400,686                     |
| <b>Cash used in operations</b>   |       | <b>(116,464)</b>            | <b>(161,490)</b>            |
| Employment termination benefits paid   |       | (24,190)                    | -                           |
| Tax refunds / (payments)   |       | (92,274)                    | (161,490)                   |
| <b>B. Net cash (resulted from) / generated by investing activities</b>                           |       | <b>72,121,325</b>           | <b>15,966,811</b>           |
| Cash outflow resulted from acquisition of tangible and intangible assets                         | 8     | (2,039,335)                 | (7,940,463)                 |
| Dividend received  |       | 63,775,700                  | -                           |
| Other cash inflows / (outflows)  |       | 6,618,115                   | 20,320,274                  |
| Interest received  |       | 3,766,845                   | 3,587,000                   |
| <b>C. Net cash generated / (used) in financing activities</b>                                    |       | <b>(46,127)</b>             | <b>14,480,050</b>           |
| Proceeds from borrowings   | 6     | -                           | 14,526,177                  |
| Repayment of bank borrowings   | 6     | (44,415)                    | (38,171)                    |
| Interest paid  | 6     | (1,712)                     | (7,956)                     |
| <b>Net increase in cash and cash equivalents</b>   |       | <b>112,557,143</b>          | <b>47,571,703</b>           |
| <b>Cash and cash equivalents balance at the beginning of the period</b>                          |       | <b>101,678,425</b>          | <b>133,406,565</b>          |
| <b>Cash and cash equivalents balance at the end of the period</b>                                |       | <b>214,235,568</b>          | <b>180,978,268</b>          |

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

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

#### NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS

Turcas Petrol A.Ş. and its subsidiaries (“The Group”) consist of Turcas Petrol A.Ş. (“The Company” or “Turcas”), 1 subsidiary and 2 associates.

Turcas Petrolcülük A.Ş. was established in 1988 by Türkp petrol Holding and Burmah-Castrol. In 1996, Tabaş Petrolcülük A.Ş. (“Tabaş”) purchased shares of Turcas Petrolcülük A.Ş, resulting in an ownership of 82.16%.

On 30 September 1999, Tabaş merged with Turcas Petrolcülük A.Ş.. As a result of the merger, the assets and liabilities of Turcas Petrolcülük A.Ş. were transferred to Tabaş and Turcas Petrolcülük A.Ş. was dissolved. As of the same date, the commercial title of Tabaş was changed to Turcas Petrol A.Ş..

As of 1 July 2006, Turcas Petrol A.Ş. transferred its part of shares to Shell & Turcas Petrol A.Ş. (“STAŞ”) by partial spin-off. 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”). Since this date, main operations of Turcas Petrol A.Ş.; which were purchasing, selling, importing, exporting of fuel products and lubricants, are carried by STAŞ. Accordingly, based on the decision of the Company’s Board of Directors, the main operations of the Company changed into exploration, research, production, transportation, distribution, storage, export, import, re-export, and national and international investments about trade in the energy sector and its subsectors like petroleum, fuel, electricity and natural gas; and to establish new companies and/or to join the management and establishment of the companies that focus on developing new business lines with commercial, industrial, agricultural and financial purposes.

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. 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 Group at the end of the period is 85 (31 December 2020: 86).

| <b>Subsidiary</b>                             | <b>Country</b> | <b>Nature of business</b> |
|---|----------------|---------------------------|
| Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. | Turkey         | Energy, electricity       |

In 1996, the Company acquired 100% of Turcas Enerji Holding A.Ş (“Turcas Enerji”). During the year, The Company also bought 5% shares of Ataş Anadolu Tasfiyehanesi A.Ş, (“ATAŞ”) which was established in 1958, from Turcas Enerji.

Based on the resolution of the Board of Directors of the Company dated 7 June 2004, the Company’s subsidiary Marmara Petrol ve Rafineri İşleri A.Ş. and the other ATAŞ partners returned their Certificate of Refinery to the General Directorate of Petroleum Affairs, put an end to the refining operations of ATAŞ and obtained a Terminal License for ATAŞ from the Energy Market Regulatory Authority (“EMRA”). 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.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

#### NOTE 1 - GROUP'S ORGANISATION AND NATURE OF OPERATIONS (Continued)

As a result of the Extraordinary General Assembly meeting held on 27 May 2008, "Marmara Petrol ve Rafineri İşleri A.Ş."s title was changed into "Turcas Enerji Holding A.Ş.". This decision was published on the Turkish Trade Registry Gazette numbered 7105 on 15 July 2008 and the title is registered and declared as Turcas Enerji Holding A.Ş. Turcas Enerji Holding A.Ş (TEHAŞ) had decided to merge with Turcas Yenilenebilir Enerji Üretim A.Ş. (TYEÜAŞ), which is its 100% subsidiary, via takeover method whereby all assets and liabilities of TYEÜAŞ shall be transferred to TEHAŞ as a whole. At this time, the Company has been informed that the abovementioned merger transaction has been registered by İstanbul Trade Registration Office on 26 October 2017. Turcas Petrol A.Ş had decided to merge with Turcas Enerji Holding A.Ş. (TEHAŞ), which is Turcas Petrol's 100% subsidiary, via takeover method whereby all assets and liabilities of TEHAŞ shall be transferred to Turcas Petrol as a whole. At this time, the Company has been informed that the abovementioned merger transaction has been registered by İstanbul Trade Registration Office on 4 December 2017.

Turcas Elektrik Toptan Satış A.Ş. has been established on 30 October 2000 and obtained the license to operate in electricity trading business for 10 years starting from 5 June 2003 in accordance with the Electricity Market Regulation numbered 4628. In accordance with the decision of Turcas Elektrik Toptan Satış A.Ş.'s Board of directors dated 29 January 2019 and numbered 2019/01, it has been decided to apply to the Energy Market Regulatory Authority ("EMRA") for the termination of its supply license and aforementioned licence has been terminated by EMRA's Board decision dated 21 February 2019 and numbered 8439-4. Turcas Elektrik Toptan Satış A.Ş. has not carried out any operation related to the mentioned license for the last three years due to the developments in retail and wholesale electricity market as well as the fact that these operations can be carried out by its subsidiary RWE & Turcas Güney Elektrik Üretim A.Ş. and its own subsidiary Turcas Kuyucak Geothermal Power Generation. Following this transaction, on 11 June 2019, it has been decided to carry out merger transaction of Turcas Elektrik Toptan Satış A.Ş. via takeover method whereby all assets and liabilities of Turcas Elektrik Toptan Satış A.Ş. shall be transferred to Turcas Petrol A.Ş. as a whole with an aim to increase operational efficiency within the group and simplify Company's organization. Concerning aforementioned merger transaction, an application has been made to the Capital Markets Board for the approval of "Text of Announcement. Accordingly, "Text of Announcement" has been approved by the meeting of Capital Markets Board dated 01.08.2019 and numbered 43/985. Merger transaction has been registered at İstanbul Trade Registration Office on 16 August 2019.

Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. was established on September 2013 with an aim to operate in the field of geothermal power generation as a joint venture (Turcas Enerji Holding A.Ş.:46%, BM Mühendislik ve İnşaat A.Ş.: 46% and Alte Enerji A.Ş.: 8%). The Company purchased 46% shares owned by BM Mühendislik ve İnşaat A.Ş. on 30 May 2016 and purchased 8% shares owned by Alte Enerji A.Ş. on 11 December 2018. Thus, Turcas Petrol A.Ş. has become 100% shareholder of Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş.

| <b>Associates</b>  | <b>Company</b> | <b>Nature of business</b> |
|--|----------------|---------------------------|
| Shell & Turcas Petrol A.Ş. ("STAŞ")                                    | Turkey         | Petroleum products        |
| RWE&Turcas Güney Elektrik Üretim A.Ş.<br>("RWE&Turcas Güney" or "RTG") | Turkey         | Energy, electricity       |

STAŞ operates in every aspect of the purchase, sale, import, export, storage and distribution of all types of fuel and lubricants.

## **TURCAS PETROL A.Ş.**

### **CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021**

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

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#### **NOTE 1 - GROUP’S ORGANISATION AND NATURE OF OPERATIONS (Continued)**

RWE & Turcas Güney Elektrik Üretim A.Ş has been established on 7 December 2007 in order to construct and operate electricity power plant, generate electricity, heat and steam from power plants, perform maintenance services and market the recycled and waste materials.

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

#### **NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

##### **2.1 Basis of Presentation**

###### **Financial reporting standards**

The accompanying condensed interim consolidated financial statements of the Group have been prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards (“TAS/TFRS”) promulgated by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) that are set out in the 5th article of the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board (“CMB”) on 13 June 2013 and published in Official Gazette numbered 28676.

The Group has prepared its condensed interim financial statements as of 31 March 2021 in accordance with Communiqué Serial II, No:14.1, “Principles of Financial Reporting in Capital Markets” and TAS 34. Condensed interim consolidated financial statements and notes have been prepared in accordance with the minimum requirements published by CMB.

With the decision taken on 17 March 2005, the CMB has announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for companies operating in Turkey and preparing their financial statements in accordance with the accounting and financial reporting principles issued by the CMB. Accordingly, the Group’s interim condensed consolidated financial statements have been prepared in this respect.

The Group maintains its books of account and prepares its statutory financial statements 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 Capital Market Board (“CMB”). The consolidated financial statements, except for the financial asset and liabilities presented with their fair values, are maintained under historical cost conversion, these consolidated 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 condensed interim consolidated financial statements whether full set or condensed. In this framework, Group preferred to present its condensed interim consolidated financial statements in condensed form.

The Group’s interim condensed consolidated financial statements does not contain the entire explanations and notes of the year-end financial statements. Therefore, the interim condensed consolidated financial statements should be examined together with the year-end consolidated financial statements as of 31 December 2020.

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**2.2 Summary of the Significant Accounting Policies**

The accounting policies applied during the preparation of these interim condensed consolidated financial statements are consistent with the accounting policies applied for the financial year between 1 January - 31 December 2020. These condensed interim consolidated financial statements should be read on a comparative basis with annual financial statements for the year between 1 January - 31 December 2020.

There is no difference in the accounting policy applied to the condensed consolidated interim financial statements from the annual consolidated 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 consolidated financial statements as at March 31, 2021 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, 2021. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

**i) The new standards, amendments and interpretations which are effective as at January 1, 2021 are as follows:**

**Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, TAS 39, IFRS 7, IFRS 4 and IFRS 16**

In December 2020, the POA issued Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, TAS 39, IFRS 7, IFRS 4 and IFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR), amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed.

***Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform***

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying IFRS 4 Insurance Contracts that are using the exemption from IFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

***Relief from discontinuing hedging relationships***

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

***Separately identifiable risk components***

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

***Additional disclosures***

Amendments need additional TFRS 7 Financial Instruments disclosures such as; how the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and if IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods.

The amendments did not have a significant impact on the financial position or performance of the Group.

**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 consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

**TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)**

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted.

The Group will wait until the final amendment to assess the impacts of the changes.

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
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**NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(Continued)**

**TFRS 17 - The new Standard for insurance contracts**

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted.

The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

**Amendments to TAS 1- Classification of liabilities as current and non-current liabilities**

12 March 2020, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**Amendments to TFRS 3 – Reference to the Conceptual Framework**

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (March 2018).

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

**Amendments to TAS 16 – Proceeds before intended use**

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. Amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

There is no transition relief for the first time adopters.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

##### **Amendments to TAS 37 – Onerous contracts – Costs of Fulfilling a Contract**

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a “directly related cost approach”. Amendments must be applied retrospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Earlier application is permitted and must be disclosed.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

##### **Amendments to TFRS 16 – Covid-19 Rent Related Concessions**

In June 5, 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. In April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022.

A lessee will apply the amendment for annual reporting periods beginning on or after 1 April 2021. Early application of the amendments is permitted.

The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

##### **Annual Improvements – 2018–2020 Cycle**

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018–2020 Cycle, amending the followings:

- TFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- TFRS 9 Financial Instruments – Fees in the “10 per cent test” for derecognition of financial liabilities: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other’s behalf.
- TAS 41 Agriculture – Taxation in fair value measurements: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

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

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all.

The Group is in the process of assessing the impact of the amendments / improvements on financial position or performance of the Group.

**iii) The new standards, amendments and interpretations that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)**

There are no new standards, interpretations and amendments to existing IFRS standards issued by the IASB but not yet adopted / issued by the POA.

**2.3 Comparatives and restatement of prior year financial statements**

The Group prepares comparative consolidated 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 Group, 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**

The preparation of the financial statements requires the use of estimates and assumptions that may affect the amounts of assets and liabilities reported as of balance sheet date, the explanation of contingent assets and liabilities and the amounts of income and expenses reported during the period. Accounting assessments, estimates and assumptions are continuously assessed based on past experience, other factors and reasonable expectations about future events with respect to those circumstances. Although these estimates and assumptions are based on the management's best knowledge of current events and transactions, accounting estimates may not result in the same amounts as the actual results of the circumstances. The estimates and assumptions that could cause material adjustments in the carrying value of assets and liabilities in the next financial reporting period are as follows:

*Deferred Taxes:*

Group accounts the deferred tax assets and liabilities for the temporary differences arising from the timing differences between the statutory financial statements and the financial statements prepared in accordance with the Turkish Accounting Standards. Subsidiaries of the Group have deferred tax assets consisting of carry forward tax losses which may be deducted from the future taxable income and other deductible temporary differences. Amount of the deferred tax assets which may be partially or completely recovered are anticipated according to the current conditions. During the projections, future taxable income, current period losses, expiration dates of the carry forward tax losses, other tax assets and the tax planning strategies, if necessary, are taken into account.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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

The Group has unused accumulated losses which can be deducted from future taxable profits of TL 492,926,922 (31 December 2020: TL 492,922,315) at the balance sheet date. Since the Group anticipates that is going to generate taxable profit amounting to TL 31,734,904 within the next five years, deferred tax asset amounting to TL 6,346,981 has been generated (31 December 2020: deferred tax assets amounting to TL 31,734,904 has been recognized for total TL 6,346,981) (Note 17).

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 11.7% in USD terms.

#### 2.5 Comparative Information and Restatement of Prior Period Financial Statements

The financial statements of the Group include comparative financial information to enable the determination of the financial position and performance. In order to maintain comparability when the presentation or classification of financial statement items changes, prior period financial statements are also classified accordingly.

#### 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 consolidated 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 separately 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) Operating segments which have been prepared in accordance with the reportable segments as of 31 March 2021 are as follows:

|  | Oil        | Electricity  | Other        | Total        |
|--|------------|--------------|--------------|--------------|
| Revenue from external customers            | -          | 21,112,762   | -            | 21,112,762   |
| EBITDA                                     | -          | 13,287,212   | 955,708      | 14,242,920   |
| Financial income                           | -          | 7,044,742    | 38,319,015   | 45,363,757   |
| Financial expense                          | -          | (23,077,392) | (66,344,871) | (89,422,263) |
| Depreciation and amortisation expense      | -          | (2,398,686)  | (694,692)    | (3,093,378)  |
| Income / (expense) from associates         | 20,757,300 | 7,757,193    | -            | 28,514,493   |
| Purchase of tangible and intangible assets | -          | 2,013,981    | 25,354       | 2,039,335    |

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

#### NOTE 3 - SEGMENT REPORTING (Continued)

- b) Operating segments which have been prepared in accordance with the reportable segments as of 31 March 2020 are as follows:

|  | Oil          | Electricity  | Other        | Total        |
|--|--------------|--------------|--------------|--------------|
| Revenue from external customers            | -            | 13,455,674   | -            | 13,455,674   |
| EBITDA                                     | -            | 7,345,722    | 15,837,254   | 23,182,976   |
| Financial income                           | -            | 2,411,588    | 13,909,779   | 16,321,367   |
| Financial expense                          | -            | (16,683,428) | (47,447,331) | (64,130,759) |
| Depreciation and amortisation expense      | -            | (2,194,394)  | (628,940)    | (2,823,334)  |
| Income / (expense) from associates         | (65,704,800) | (6,910,045)  | -            | (72,614,845) |
| Purchase of tangible and intangible assets | -            | 7,830,371    | 110,092      | 7,940,463    |

- c) Operating segment information as of 31 March 2021 are shown below:

|  | Oil         | Electricity | Other       | Eliminations | Total         |
|--|-------------|-------------|-------------|--------------|---------------|
| Segment assets (*)                     | -           | 318,989,069 | 384,723,514 | (27,098,512) | 676,614,071   |
| Investments accounted by equity method | 352,310,100 | 365,424,022 | -           | -            | 717,734,122   |
| Segment liabilities                    | -           | 392,265,851 | 662,584,375 | 162,013      | 1,055,012,239 |

- d) Operating segment information as of 31 December 2020 are shown below:

|  | Oil         | Electricity | Other       | Eliminations | Total       |
|--|-------------|-------------|-------------|--------------|-------------|
| Segment assets (*)                     | -           | 293,710,413 | 295,765,612 | 32,876,431   | 622,352,456 |
| Investments accounted by equity method | 331,552,800 | 357,475,350 | -           | -            | 689,028,150 |
| Segment liabilities                    | -           | 349,484,138 | 597,254,223 | (26,066)     | 946,712,295 |

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

- e) Reconciliation between reportable segment income is as follows:

|  | 1 January –<br>31 March 2021 | 1 January –<br>31 March 2020 |
|--|------------------------------|------------------------------|
| <b>Revenue</b>   |                              |                              |
| Segment Revenue  | 21,112,762                   | 13,455,674                   |
| <b>Consolidated Revenue</b>                                      | 21,112,762                   | 13,455,674                   |
| <b>EBITDA</b>  |                              |                              |
| EBITDA of segment  | 13,287,212                   | 7,345,722                    |
| Other EBITDA   | 955,708                      | 15,837,254                   |
| <b>Consolidated EBITDA</b>                                       | 14,242,920                   | 23,182,976                   |
| Financial income   | 45,363,757                   | 16,321,367                   |
| Financial expense  | (89,422,263)                 | (64,130,759)                 |
| Income from investment activities                                | (8,451,261)                  | 5,163,835                    |
| Income / (loss) from investments accounted by equity method, net | 28,514,493                   | (72,614,845)                 |
| Depreciation and amortisation expense                            | (3,093,378)                  | (2,823,334)                  |
| <b>Consolidated (loss) / profit before tax</b>                   | (12,845,732)                 | (94,900,760)                 |

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

#### NOTE 4 - CASH AND CASH EQUIVALENTS

|                   | 31 March 2021      | 31 December 2020   |
|-------------------|--------------------|--------------------|
| Cash              | 67,360             | 55,946             |
| Banks             |                    |                    |
| - time deposits   | 214,163,811        | 101,659,915        |
| - demand deposits | 69,967             | 61,435             |
|                   | <b>214,301,138</b> | <b>101,777,296</b> |

The maturities of cash and cash equivalents are as follows:

|               |                    |                    |
|---------------|--------------------|--------------------|
| Up to 30 days | 100,321,545        | 39,019,034         |
| Up to 60 days | 113,979,593        | 62,758,262         |
|               | <b>214,301,138</b> | <b>101,777,296</b> |

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

|     | 31 March 2021 | 31 December 2020 |
|-----|---------------|------------------|
| TL  | 13.76         | 9.63             |
| USD | 1.04          | 1.26             |
| EUR | 0.33          | 0.20             |

Cash and cash equivalents as of 31 March 2021, 31 December 2020 and 31 March 2020, as seen in condensed interim consolidated cash flow statements, are as follows:

|                           | 31 March 2021      | 31 December 2020   | 31 March 2020      |
|---------------------------|--------------------|--------------------|--------------------|
| Cash and cash equivalents | 214,301,138        | 101,777,296        | 181,004,895        |
| Less: Interest accrual    | (65,570)           | (98,871)           | (26,627)           |
|                           | <b>214,235,568</b> | <b>101,678,425</b> | <b>180,978,268</b> |

The Group has no blocked deposits as of 31 March 2021 (31 December 2020: None).

#### NOTE 5 - FINANCIAL INVESTMENTS AND FINANCIAL ASSETS

##### a) Financial Investments:

|  | 31 March 2021        |                        | 31 December 2020     |                        |
|--|----------------------|------------------------|----------------------|------------------------|
|  | Participation amount | Participation rate (%) | Participation amount | Participation rate (%) |
| ATAŞ   | 10,284,327           | 5                      | 10,284,327           | 5                      |
| Enerji Piyasaları İşletme Anonim Şirketi (*) | 50,000               | 0.08                   | 50,000               | 0.08                   |
|  | <b>10,334,327</b>    |                        | <b>10,334,327</b>    |                        |

(\*) It consists of Group C 50.000 shares of Enerji Piyasaları İşletme A.Ş. (EPIAŞ) with a nominal value of TL 50,000 owned by Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

#### NOTE 5 - FINANCIAL INVESTMENTS AND FINANCIAL ASSETS (continued)

##### b) Financial assets

|                                   | 31 March 2021     | 31 December 2020   |
|-----------------------------------|-------------------|--------------------|
| Currents Financial Assets (*)     | 32,394,604        | 74,544,027         |
| Non-Current Financial Assets (*)  | 26,209,390        | 44,954,511         |
| Non-Current Financial Assets (**) | 2,694,929         | 1,195,880          |
| <b>Total</b>                      | <b>61,298,923</b> | <b>120,694,418</b> |

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 58,603,994.

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

|                                      | 2021              | 2020              |
|--------------------------------------|-------------------|-------------------|
| 1 January                            | 120,694,418       | 41,701,166        |
| Usufruct Certificates collection (-) | (63,775,700)      | -                 |
| Foreign exchange gains               | 12,844,318        | -                 |
| Fair value difference                | (8,464,113)       | 5,163,835         |
| <b>31 March</b>                      | <b>61,298,923</b> | <b>47,586,511</b> |

#### NOTE 6 - FINANCIAL LIABILITIES

|                            | 31 March 2021      | 31 December 2020   |
|----------------------------|--------------------|--------------------|
| Short-term bank borrowings | 187,625,203        | 169,948,156        |
| Long-term bank borrowings  | 793,017,857        | 715,324,894        |
|                            | <b>980,643,060</b> | <b>885,273,050</b> |

# TURCAS PETROL A.Ş.

## CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

### NOTE 6 - FINANCIAL LIABILITIES (continued)

|   |  | 31 March 2021      |                    |
|---|--|--------------------|--------------------|
|   | Yearly<br>average effective<br>interest rate (%) | Original<br>amount | TL                 |
| <b>EUR borrowings</b>                             |  |                    |                    |
| - Floating interest rate (*)                      | 6Month Euribor + %1.65                           |                    |                    |
|   | 6Month Euribor + %5.40                           | 13,946,287         | 136,483,945        |
| - Fixed interest rate (***)                       | %4.75  | 1,569,326          | 15,358,052         |
| <b>USD borrowings</b>                             |  |                    |                    |
| - Floating interest rate (**)                     | 6Month Libor + %4.75                             | 4,288,308          | 35,767,917         |
| <b>TL borrowings</b>                              |  |                    |                    |
| - Fixed interest rate (****)                      | %16.36   | 15,289             | 15,289             |
| <b>Total short term financial liabilities</b>     |  |                    | <b>187,625,203</b> |
| <b>EUR borrowings</b>                             |  |                    |                    |
| - Floating interest rate (*)                      | 6Month Euribor + %1.65                           |                    |                    |
|   | 6Month Euribor + %5.40                           | 51,773,406         | 506,675,262        |
| - Interest accrual of EUR floating rate loan (*)  |  | 382,396            | 3,742,281          |
| - Fixed interest rate (***)                       | %4.75  | 8,642,709          | 84,581,009         |
| - Interest accrual of EUR fixed rate loan (***)   |  | 115,544            | 1,130,762          |
| <b>USD borrowings</b>                             |  |                    |                    |
| - Floating interest rate (**)                     | 6Month Libor + %4.75                             | 23,283,639         | 194,204,177        |
| - Interest accrual of USD floating rate loan (**) |  | 321,836            | 2,684,366          |
| <b>Total long term financial liabilities</b>      |  |                    | <b>793,017,857</b> |
| <b>Total financial liabilities</b>                |  |                    | <b>980,643,060</b> |

(\*) The outstanding loan balance used for the long-term financing of Denizli natural gas power plant from Bayern LB and EAA (Erste Abwicklungsanstalt) banks consortium is TL 470,577,130 (EUR 48,084,804) including its accrued interest, which is recognized through the deduction of ECA premium fee amounting to TL 8,847,301 (EUR 904,040) and arrangement fee amounting to TL 1,431,265 (EUR 146,250) 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 187,452,302 (EUR 19,154,368) including its accrued interest, which is recognized through the deduction of arrangement fee amounting to TL 849,379 (EUR 86,792) respectively from the total amount of the loan. The aforementioned commission amounts are amortized throughout the maturity of the loan.

(\*\*) According to the loan agreement signed on February 25, 2016 by TSKB and Turcas Kuyucak Jeotermal Elektrik Üretim, which is the 100% subsidiary of the Group, for the financing of geothermal power plant investment, the total maturity is 14 years and grace period is 30 months with a total loan limit of USD 40.5 million and EUR 15 million. As of 31 March 2021, the balance of the loan, which is utilized from the limit allocated in USD, is around TL 233,255,943 (USD 27,965,656) including accrued interest. It is recognized through deducting the arrangement fee amounting to TL 477,088 (USD 57,199) and commitment fee amounting the TL 122,395 (USD 14,674) respectively from total loan amount. The aforementioned commission amounts will be amortized throughout the term of the loan.

(\*\*\*) Aforementioned loan limit for Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. as of 31 March 2021, the amount of the loan used in the EUR limit is TL 101,324,835 (EUR 10,353,637) including the accrued interest. The arrangement fee amounting to TL 194,954 (EUR 19,921) and the commitment fee amounting to TL 60,058 (EUR 6,137) have been shown for this loan by deducting from the total loan amount. Such commission amounts are amortized over the term of the loan.

(\*\*\*\*) It consists of commercial loan with a balance of TL 15,289 including the accrued interest from Türkiye İş Bankası with 16.36% fixed interest rate.

# TURCAS PETROL A.Ş.

## CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

### NOTE 6 - FINANCIAL LIABILITIES (continued)

|   |  | 31 December 2020        |                           |
|---|--|-------------------------|---------------------------|
|   | Yearly<br>average effective<br>interest rate (%) | Original<br>amount      | TL                        |
| <b>EUR borrowings</b>                             |  |                         |                           |
| - Floating interest rate (*)                      | 6M Euribor + %1.65                               |                         |                           |
| - Fixed interest rate (***)                       | 6M Euribor + %5.40<br>%4.75                      | 13,850,441<br>1,550,190 | 124,763,386<br>13,963,953 |
| <b>USD borrowings</b>                             |  |                         |                           |
| - Floating interest rate (**)                     | 6M Libor + %4.75                                 | 4,245,051               | 31,160,797                |
| <b>TL borrowings</b>                              |  |                         |                           |
| - Fixed interest rate (****)                      | %16.36   | 60,020                  | 60,020                    |
| <b>Total short term financial liabilities</b>     |  |                         | <b>169,948,156</b>        |
| <b>EUR borrowings</b>                             |  |                         |                           |
| - Floating interest rate (*)                      | 6M Euribor + %1.65                               |                         |                           |
| - Interest accrual of EUR floating rate loan (*)  | 6M Euribor + %5.40                               | 51,752,948              | 466,185,383               |
| - Fixed interest rate (***)                       | %4.75  | 16,378                  | 147,527                   |
| - Interest accrual of EUR fixed rate loan (***)   | -  | 8,653,244               | 77,947,554                |
| - Interest accrual of EUR fixed rate loan (***)   | -  | 1,364                   | 12,284                    |
| <b>USD borrowings</b>                             |  |                         |                           |
| - Floating interest rate (**)                     | 6M Libor + %4.75                                 | 23,295,953              | 171,003,941               |
| - Interest accrual of USD floating rate loan (**) | -  | 3,842                   | 28,205                    |
| <b>Total long term financial liabilities</b>      |  |                         | <b>715,324,894</b>        |
| <b>Total financial liabilities</b>                |  |                         | <b>885,273,050</b>        |

(\*) The outstanding loan balance used for the long-term financing of Denizli natural gas power plant from Bayern LB and EAA (Erste Abwicklungsanstalt) banks consortium is TL 431,928,522 (EUR 47,949,969) including its accrued interest, which is recognized through the deduction of ECA premium fee amounting to TL 8,820,676 (EUR 979,216) and arrangement fee amounting to TL 1,431,265 (EUR 158,890) 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 170,257,857 (EUR 18,900,949) including its accrued interest, which is recognized through deducting the arrangement fee amounting to TL 838,142 (EUR 93,045) from total credit amount. The aforementioned commission amount is amortized throughout the maturity of the loan.

(\*\*) According to the loan agreement signed on February 25, 2016 by TSKB and Turcas Kuyucak Jeotermal Elektrik Üretim, which is the 100% subsidiary of the Group, for the financing of geothermal power plant investment, the total maturity is 14 years and grace period is 30 months with a total loan limit of USD 40.5 million and EUR 15 million. As of 31 December 2020, the balance of the loan, which is utilized from the limit allocated in USD, is around TL 202,785,548 (USD 27,625,577) including accrued interest. It is recognized through deducting the arrangement fee amounting to TL 470,210 (USD 64,057) and commitment fee amounting the TL 122,395 (USD 16,674) respectively from total loan amount. The aforementioned commission amounts will be amortized throughout the term of the loan.

(\*\*\*) Aforementioned loan limit as of 31 December 2020, the balance of the loan which is utilized from the limit allocated in EUR is TL 92,176,529 (EUR 10,232,854) including the accrued interest. The arrangement fee amounting to TL 192,680 (EUR 21,390) and the commitment fee amounting to TL 60,058 (EUR 6,667) have been shown for this loan by deducting from the total loan amount. The aforementioned commission amounts will be amortized throughout the term of the loan.

(\*\*\*\*) It consists of commercial loan with a balance of TL 60,020 including the accrued interest from Türkiye İş Bankası with 16.36% fixed interest rate.

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

#### NOTE 6 - FINANCIAL LIABILITIES (continued)

Foreign currency denominated floating rate borrowings are converted to TL by using the exchange rates prevailing at the end of the period. The interest rates of floating rate borrowings are being re-determined in 6 month periods and it is envisaged that the values carried forward will converge to reasonable values.

The redemption schedule of financial liabilities is as follows:

|               | 31 March 2021      | 31 December 2020   |
|---------------|--------------------|--------------------|
| Within 1 year | 187,625,203        | 169,948,156        |
| 1 - 2 years   | 187,357,257        | 169,751,780        |
| 2 - 3 years   | 193,662,884        | 175,547,495        |
| 3 - 4 years   | 187,405,316        | 169,931,873        |
| 4 - 5 years   | 108,481,977        | 97,931,434         |
| After 5 years | 116,110,423        | 102,162,312        |
|               | <b>980,643,060</b> | <b>885,273,050</b> |

The following is the information compiled regarding the loans made available for the 800 MW Natural Gas Combined Cycle Power Plant investment, within the scope of financing corresponding to the share of RWE & Turcas Güney Elektrik Üretim A.Ş., an associate of the Group, in the Denizli Project:

- The loan agreement was entered into with the bank consortium composing of Bayerische Landesbank ("Bayern LB") and EAA (Erste Abwicklungsanstalt) with respect to the amount EUR 149,351,984 with a maturity of 13 years and no-payback (grace) period of three years at the interest rate 6M Euribor + 1.65%, under the guarantee of Euler Hermes German Export Loan Agency,
- The loan agreement was entered into with Türkiye Sınai Kalkınma Bankası A.Ş. ("TSKB") with respect to the amount USD 55,000,000 with a maturity of 10 years and no-payback (grace) period of three years at the interest rate 6M Libor + 3.40%.

In accordance with the amendment agreement signed on February 20, 2016 between Turcas Petrol A.Ş. ("TPAŞ") and TSKB, Bayern LB and EAA (Erste Abwicklungsanstalt) (Consortium Banks), maturities of loans obtained from Consortium Banks for the financing of Denizli Combined Cycle Gas Power Plant with an installed capacity of 800 MW (TPAŞ's stake: 30%) have been extended by 2 years. Therefore, maturity of the loan obtained from TSKB is extended from 2020 to 2022. Meanwhile, maturity of the loan obtained from Bayern LB and EAA (Erste Abwicklungsanstalt) is extended from 2023 to 2025.

Turcas Petrol A.Ş. and TSKB has signed an additional agreement on 7th August, 2019. According to the mentioned agreement; maturity of the loan was extended to 30.06.2025 from 21.12.2022; repayment plan was updated with the first principal repayment to be realized in 30.06.2021; outstanding USD denominated loan balance was converted into Euro.

The outstanding amount of the loan received from the bank consortium formed by Bayern LB and EAA (Erste Abwicklungsanstalt) is EUR 48,084,804 and the outstanding amount of the loan received from TSKB is EUR 19,154,368 as of 31 March 2021.

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

#### NOTE 6 - FINANCIAL LIABILITIES (continued)

A loan agreement having 14 years of maturity with a grace period of 30 months amounting to USD 40.5 million and EUR 15 million was signed on February 25, 2017 with TSKB for the financing of geothermal power plant investment within the body of Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş., which is the 100% subsidiary of the Group. As of 31 March 2021, the outstanding loan balance is around USD 27,965,656 and EUR 10,353,637 including its accrued interest.

#### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group'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 Group's consolidated statement of cash flows as cash flows from financing activities:

|                              | Cash Changes       |                    |                   | Non-cash changes          |   |                    |
|------------------------------|--------------------|--------------------|-------------------|---------------------------|---|--------------------|
|                              | 31 December 2020   | Principal Payments | Interest Payments | Cash Flow from borrowings | Interest accruals & translation adjustments | 31 March 2021      |
| Bank loans                   | 885,273,050        | (44,415)           | (1,712)           | -                         | 95,416,137                                  | 980,643,060        |
| <b>Financial liabilities</b> | <b>885,273,050</b> | <b>(44,415)</b>    | <b>(1,712)</b>    | <b>-</b>                  | <b>95,416,137</b>                           | <b>980,643,060</b> |

#### NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD

|   | (%) | 31 March 2021        | (%) | 31 December 2020     |
|---|-----|----------------------|-----|----------------------|
| STAŞ  | 30  | 352,310,100          | 30  | 331,552,800          |
| RWE & Turcas Güney Elektrik Üretim A.Ş.     | 30  | 365,424,022          | 30  | 357,475,350          |
|   |     | <b>717,734,122</b>   |     | <b>689,028,150</b>   |
|   |     | <b>31 March 2021</b> |     | <b>31 March 2020</b> |
| <b>Balance at the beginning of the year</b> |     | <b>689,028,150</b>   |     | 763.201.048          |
| Income and losses from associates (net) (*) |     | <b>28,514,493</b>    |     | (72.614.845)         |
| Transactions with associates (**)           |     | <b>191,479</b>       |     | 191.479              |
| Actuarial gain / losses                     |     | -                    |     | 356.400              |
| <b>Balance at the end of the period</b>     |     | <b>717,734,122</b>   |     | <b>691.134.082</b>   |

(\*) The Group's net income and losses from associates amounting to TL 28,514,493 consist of income from Shell & Turcas Petrol A.Ş amounting to TL 20,757,300 and income from RWE&Turcas Güney Elektrik Üretim A.Ş. amounting to TL 7,757,193.

(\*\*) 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 Group in order to finance Denizli Power Plant investment of RWE&Turcas Güney Elektrik Üretim A.Ş.

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#### NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD (continued)

##### STAŞ

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., which has 30% of shareholder of Turcas, has become operational on 1 July 2006. As of 31 March 2021, STAŞ is one of the leading companies in Turkish fuel distribution sector with 1,074 fuel stations, lubricant production facilities, retail and commercial sale.

In accordance with the agreements signed on 25.08.2017 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 STAŞ for the purpose of purchasing Turcas' 30% shares. If upon calculation of FMV Shell makes an offer to purchase Turcas' shares in STAŞ, Turcas has the right to counter offer to purchase Shell's 70% shares in STAŞ, 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 STAŞ 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 STAŞ 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 Group has recognized financial assets, which is generated as a result of this Agreement, as Financial Asset (Note 5), amounting to TL 58,603,994 according to the valuation.

The summarized financial information of STAŞ, which is an associate of the Group accounted using the equity method is as follows:

| <b>STAŞ</b>  | <b>31 March 2021</b>                 | <b>31 December 2020</b>              |
|--|--------------------------------------|--------------------------------------|
| Total assets   | <b>8,617,027,500</b>                 | 7,811,422,000                        |
| Total liabilities  | <b>(7,442,660,500)</b>               | (6,706,246,000)                      |
| Net assets   | <b>1,174,367,000</b>                 | 1,105,176,000                        |
| <b>Group's share of associate's net assets</b>                 | <b>352,310,100</b>                   | 331,552,800                          |
|  | <b>1 January -<br/>31 March 2021</b> | <b>1 January -<br/>31 March 2020</b> |
| Net sales  | <b>8,816,096,000</b>                 | 8,467,277,000                        |
| Comprehensive income / (expense)                               | <b>69,191,000</b>                    | (217,828,000)                        |
| <b>Group's share in total comprehensive income / (expense)</b> | <b>20,757,300</b>                    | (65,348,400)                         |

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

#### NOTE 7 - INVESTMENTS ACCOUNTED BY EQUITY METHOD (Continued)

##### RWE&Turcas Güney Elektrik Üretim A.Ş.

Turcas has established a joint venture company in 2007 named RWE & Turcas Güney Elektrik Üretim A.Ş. with subsidiary of RWE AG. Natural gas combined cycle power plant with a 800 MW installed capacity, which is established in Denizli by RWE & Turcas Güney Elektrik Üretim A.Ş. has become operational with completion of temporary admission process conducted by the Ministry as of 24 June 2013. Currently, shareholding ratio of Turcas Petrol A.Ş. is 30% and shareholding ratio of RWE Generation SE is 70% in this joint venture.

| <b>RWE&amp;Turcas</b>  | <b>31 March 2021</b>                 | <b>31 December 2020</b>              |
|--|--------------------------------------|--------------------------------------|
| Total assets   | <b>1,411,445,148</b>                 | 1,477,883,753                        |
| Total liabilities  | <b>(171,100,711)</b>                 | (263,396,624)                        |
| Net assets   | <b>1,240,344,437</b>                 | 1,214,487,129                        |
| <b>Group's share of associate's net assets</b>                 | <b>372,103,331</b>                   | 364,346,139                          |
| Intra-group finance expense elimination                        | <b>(6,679,309)</b>                   | (6,870,789)                          |
| <b>Group's share, net</b>                                      | <b>365,424,022</b>                   | 357,475,350                          |
|  | <b>1 January -<br/>31 March 2021</b> | <b>1 January -<br/>31 March 2020</b> |
| Net sales  | <b>750,302,111</b>                   | 536,966,138                          |
| Comprehensive income / (expense)                               | <b>25,857,311</b>                    | (23,033,488)                         |
| <b>Group's share in total comprehensive income / (expense)</b> | <b>7,757,193</b>                     | (6,910,045)                          |

#### 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 2021 is TL 2,039,335 (31 March 2020: TL 7,940,463).

There is no tangible and intangible assets sold for the period ending as of 31 March 2021 (31 December 2020: TL 5,363).

For the three month interim periods ending as of 31 March 2021 and 31 March 2020, all of the depreciation and amortisation expenses are included in the general administrative expenses and cost of sales.

As of 31 March 2021, Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş., which is the 100% subsidiary of the Group, has a mortgage on property, plant and equipment and pledge on business licence on behalf of TSKB A.Ş. (31 March 2020: Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş., which is the 100% subsidiary of the Group, has a on property, plant and equipment and pledge on business licence on behalf of TSKB A.Ş.).

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#### NOTE 9 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

##### Contingent assets and liabilities of Turcas

Collaterals, pledges, mortgages (CPM) given by the Group, as of 31 March 2021 and 31 December 2020 are as follows:

|   | Currency | 31 March 2021     |                    | 31 December 2020 |                    |
|---|----------|-------------------|--------------------|------------------|--------------------|
|   |          | Original Amount   | TL Amount          | Original Amount  | TL Amount          |
| <b>GPM's given by the Company<br/>(Guarantee-Pledge-Mortgage)</b>                                       |          |                   |                    |                  |                    |
| A. GPM's given for companies own legal personality (*)  | TL       | <b>25,146,364</b> | <b>25,146,364</b>  | 24,802,442       | 24,802,442         |
|   | USD      | <b>50,600</b>     | <b>422,044</b>     | 50,600           | 371,429            |
| 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      | <b>91,000,000</b> | <b>759,012,800</b> | 91,000,000       | 667,985,500        |
|   | EUR      | <b>6,929,687</b>  | <b>67,816,689</b>  | 7,040,847        | 63,423,243         |
| 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                 |          | -                 | -                  | -                | -                  |
|   |          |                   | <b>852,397,897</b> |                  | <b>756,582,614</b> |

(\*) It consists of the guarantees that Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. has given to EMRA and district governorships and Turcas Petrol has given to EMRA and Türkiye Elektrik İletim A.Ş. (TEİAŞ).

(\*\*) A loan agreement having 14 years of maturity with a grace period of 30 months amounting to USD 40.5 million and EUR 15 million was signed on February 25, 2016 with TSKB for the financing of geothermal power plant investment within the body of Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. Surety of Turcas Petrol A.Ş. amounting to USD 91 million has been given for the aforementioned loan. The aforementioned surety will expire when the following conditions are satisfied: the revenues from the project operations will be recognized, the minimum subsequent four principal and interest payments will be made and the other conditions stated in the Loan Contract are performed by the loan borrower. In relation to Company's share of financing the investment of 800 MW Natural Gas Fired Combined-Cycle Power Plant; as stated in Note 6, within the scope of the loan contract which is signed with Bayern LB and EAA (Erste Abwicklungsanstalt) and amounting to EUR 149,351,984, a DSRSA Standby Letter of Credit was arranged by Türkiye Garanti Bankası A.Ş. on behalf of Turcas Petrol A.Ş with Bayern LB and EAA (Erste Abwicklungsanstalt) as the drawee bank in the amount of EUR 5,600,142, with a maturity of 30 July 2021. Additionally, Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. has given a standby letter of credit amounting to EUR 1,329,545 to Exergy S.P.A. within the scope of the construction of the 18.16 MW Geothermal Power Plant ("GPP") in Kuyucak district of Aydin province.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

#### NOTE 9 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

(Continued)

|                                     | 31 March 2021     | 31 December 2020  |
|-------------------------------------|-------------------|-------------------|
| Letter of guarantees received (*)   | 37,482,224        | 34,710,343        |
| Letter of other guarantees received | 40,750            | 40,750            |
|                                     | <b>37,522,974</b> | <b>34,751,093</b> |

(\*) The balance consists of the guarantee letter of EUR 3,594,800 (TL 35,116,882) from Exergy S.P.A. within the scope of the construction of the 18.16 MW Geothermal Power Plant ("GPP") in Kuyucak district of Aydın province.

In 2020, the accounts of Turcas Petrol A.Ş. were subjected to the full investigation for 2018 and within the scope of the aforementioned review; a total of TL 7,989,632.62 (TL 3,991,966.31 original tax fine, TL 3,991,966.31 tax loss and TL 5,700 special irregularity penalty) has been issued on behalf of Turcas Petrol A.Ş. on 06.05.2021 by the Maslak Tax Office Directorate, of which TL 3,168,000 corporate tax and the same amount of tax loss penalty, TL 823,966.31 income tax withholding and the same amount of tax loss penalty and the amount of TL 5,700 special irregularity penalty. In case the payment is made, an additional delay interest will be calculated over the tax originals. At the same time, within the scope of the aforementioned review; it has been stated by Maslak Tax Office Directorate that the corporate tax base for the 2018 accounting period for Turcas Petrol A.Ş. has been appraised as TL 0.00 due to the tax base difference of TL 5,788,534.36 and Turcas Petrol A.Ş.'s current year loss amount carried over to the next year should be taken into account as TL 131,459,820.51 in the 2019 corporate tax declaration and subsequent declarations. Correction declarations were approved in the Revenue Administration system on 3 June 2021.

At Turcas Petrol A.Ş., continuing the operations in accordance with the laws and relevant legislative regulations has always been a top priority. Turcas Petrol A.Ş. is fully compliant with the tax legislation regarding the subject of examination in line with the sector practices and the opinions of tax experts and therefore no provision has been made in its financial statements regarding this penalty. Turcas Petrol A.Ş. reserves the right to take legal action regarding the issue.

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

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

|  | 31 March 2021        | 31 December 2020     |
|--|----------------------|----------------------|
| Letters of guarantee given to the customs office | 931,531,500          | 931,531,500          |
| Letters of guarantee given to the tax office     | 239,364,900          | 246,943,500          |
| Letters of guarantee given to the EMRA           | 15,000,000           | 15,000,000           |
| Other  | 12,788,100           | 11,430,000           |
|  | <b>1,198,684,500</b> | <b>1,204,905,000</b> |

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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#### NOTE 9 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

(Continued)

|                                | 31 March 2021        | 31 December 2020 |
|--------------------------------|----------------------|------------------|
| Mortgages taken                | 800,908,200          | 777,245,400      |
| Letters of guarantees received | 345,442,200          | 325,675,500      |
| Other guarantees received      | 113,652,000          | 95,233,800       |
|                                | <b>1,260,002,400</b> | 1,198,154,700    |

STAŞ has committed to pay TL 2,450,514,000 to the station owners for the station improvement in the periods mentioned below (31 December 2020: TL 2,876,147,000). The payment terms of group’s share of warranty are as follows:

|               | 31 March 2021      | 31 December 2020 |
|---------------|--------------------|------------------|
| Within 1 year | 197,340,900        | 257,048,100      |
| 1-5 years     | 465,177,000        | 503,455,800      |
| 5-22 years    | 72,636,300         | 102,340,200      |
|               | <b>735,154,200</b> | 862,844,100      |

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 consolidated financial statements.

Energy Market Regulatory Authority (“EMRA”) sent a letter to STAŞ dated 3 March 2021 and entitled Fuel Sale Prices and stated that, Eşel Mobil System has been adopted as per the Council of Minister’s decision dated 17 May 2018 and numbered 2018/11818, refinery issue prices on the date of 17 May 2018 are being based upon and refinery issue prices on the relevant date have caused decline or increase in the Special Consumption Taxes and EMRA initiated an investigation pursuant to Article 11 of the Petroleum Market Law no.5015. STAŞ did not set aside any provision in the financial tables due to the reason that it is at the early stages of the investigation and the monetary impacts thereof cannot be estimated.

In 2020, a full scope tax investigation was conducted related to year 2018. An investigation closure minute that covers the service charges from intragroup service companies and withholding tax applications was signed on 14 January 2021. The Company has requested Report Review Committee meeting and the meeting was held on 31 March 2021. As a result of the Report Review Committee meeting, the report was returned to the inspector with the request for reconsideration, but it has not been finalized by the tax inspector.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

#### NOTE 9 - PROVISIONS, COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

(Continued)

As a result of the investigation initiated by the Competition Authority against STAŞ on 26 September 2018, on the grounds of determining whether Article 4 of the Law on the Protection of Competition no.4054 has been violated or not by maintaining the resale prices of the dealers, a notification was sent to the Company on 13 March 2020, stating that a fine in the amount of TL 348 million was imposed on STAŞ. The payment regarding the fine was made with reservation on 21 October 2020 by means of benefiting from 25% early payment discount as TL 261 million. The company initiated legal action against the fine and is expecting to win the case. For this reason, no provisions were set aside regarding the case and the payment which was made was accounted under "other non-current assets".

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

The contingent assets and liabilities of the Group related to RWE & Turcas Güney Elektrik Üretim A.Ş. are follows:

|                                       | 31 March 2021    | 31 December 2020 |
|---------------------------------------|------------------|------------------|
| Letters of guarantees given for EPIAŞ | 1,907,844        | 1,907,844        |
| Letters of guarantees given for TEİAŞ | 3,738,699        | 3,738,699        |
| Letters of guarantees given for BOTAŞ | 1,845,000        | 1,200,000        |
| Other                                 | 284,245          | 177,535          |
|                                       | <b>7,775,788</b> | <b>7,024,078</b> |

#### NOTE 10- EQUITY

##### a) Paid in capital / Repurchased shares

| Shareholders  | Group     | Allocation (%) | 31 March 2021      | Allocation (%) | 31 December 2020   |
|---|-----------|----------------|--------------------|----------------|--------------------|
| Aksoy Girişimcilik Enerji ve Turizm A.Ş.              | A/C Group | 54.45          | 139,175,892        | 54.45          | 139,175,892        |
| Free Float  | A Group   | 28.25          | 72,197,346         | 28.14          | 71,914,371         |
| Turcas Petrol A.Ş., publicly traded on Borsa İstanbul | A Group   | 0.03           | 71,336             | 0.03           | 71,336             |
| Other   | A/B Group | 17.28          | 44,155,426         | 17.39          | 44,438,401         |
| <b>Total</b>  |           | <b>100</b>     | <b>255,600,000</b> | <b>100</b>     | <b>255,600,000</b> |
| Repurchased shares                                    |           |                | (8,450,916)        |                | (8,450,916)        |
| Inflation adjustment                                  |           |                | 41,247,788         |                | 41,247,788         |
| <b>Adjusted capital</b>                               |           |                | <b>288,396,872</b> |                | <b>288,396,872</b> |

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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#### NOTE 10- EQUITY (Continued)

The issued capital of the Company in 31 March 2021 is composed of 255,600,000 shares (31 December 2020: 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 2021     | 31 December 2020  |
|----------------|-------------------|-------------------|
| Legal reserves | 39,311,954        | 39,311,954        |
|                | <b>39,311,954</b> | <b>39,311,954</b> |

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. In accordance with the Turkish Commercial Code, legal reserves can be used for offsetting the losses as long as they do not exceed 50% of the paid in capital. Apart from that, they cannot be used in anyhow. 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 consolidated financial statements, calculate the net distributable profit amount by taking into account the net profits for the period in the consolidated 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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#### NOTE 11 - SALES AND COST OF SALES

|  | 1 January -<br>31 March 2021         | 1 January -<br>31 March 2020         |
|--|--------------------------------------|--------------------------------------|
| Electricity sales                      | 21,112,762                           | 13,455,674                           |
|  | 21,112,762                           | 13,455,674                           |
| <b>Cost of sales</b>                   | <b>1 January -<br/>31 March 2021</b> | <b>1 January -<br/>31 March 2020</b> |
| Depreciation and amortization          | 2,398,686                            | 2,194,394                            |
| Personnel expenses                     | 1,819,953                            | 1,411,253                            |
| Transmission capacity and service cost | 430,013                              | 292,146                              |
| Electricity cost                       | 396,897                              | 211,210                              |
| Insurance expenses                     | 309,907                              | 140,309                              |
| Outsourced benefits and services       | 286,093                              | 267,177                              |
| Maintenance and repair costs           | 162,884                              | 70,046                               |
| Other                                  | 180,709                              | 194,732                              |
|  | 5,985,142                            | 4,781,267                            |

#### NOTE 12 - GENERAL AND ADMINISTRATIVE EXPENSES

|  | 1 January -<br>31 March 2021 | 1 January -<br>31 March 2020 |
|--|------------------------------|------------------------------|
| Personnel expenses                     | 4,602,829                    | 3,450,618                    |
| Outsourced services                    | 1,089,147                    | 470,247                      |
| Depreciation and amortization expenses | 694,693                      | 628,940                      |
| Repair and maintenance expenses        | 547,876                      | 280,641                      |
| Insurance expenses                     | 129,441                      | 83,016                       |
| Taxes and other liabilities            | 98,419                       | 88,284                       |
| Travel expenses                        | 24,288                       | 119,810                      |
| Rent expenses                          | 20,615                       | 41,296                       |
| Aid expenses                           | -                            | 141,720                      |
| Other                                  | 718,817                      | 633,560                      |
|  | 7,926,125                    | 5,938,132                    |

#### NOTE 13 – OTHER OPERATING INCOME / EXPENSE

For the three-month period ending as of March 31, 2021, other operating income amounting to TL 8,701,482 consists of the Joint Venture Agreement amounting to TL 6,618,115, rent and service income amounting to TL 1,367,768 and exchange rate differences arising from trade payables amounting to TL 715,599.

For the three-month period ending as of March 31, 2020, other operating income amounting to TL 21,414,362 consists of the Joint Venture Agreement amounting to TL 20,320,274, rent and service income amounting to TL 706,570 and exchange rate differences arising from trade payables amounting to TL 387,518.

## TURCAS PETROL A.Ş.

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#### NOTE 13 – OTHER OPERATING INCOME / EXPENSE (Continued)

Joint Venture Agreement gives Turcas the right to redeem a predetermined amount from Shell Turkey, if administration expenses reflected to STAŞ by Shell Turkey's main shareholder exceed a certain amount.

For the three-month period ending as of March 31, 2021, other operating expenses amounting to TL 4,753,436 consist of exchange rate differences arising from trade payables amounting to TL 4,748,711 and other expenses amounting to TL 4,725.

For the three-month period ending as of March 31, 2020, other operating expenses amounting to TL 3,790,995 consist of exchange rate differences arising from trade payables amounting to TL 3,418,694 and other expenses amounting to TL 372,301.

#### NOTE 14 – INCOME / EXPENSE FROM INVESTMENT ACTIVITIES

For the three-month period ending as of March 31, 2021, income from investment activities amounting to TL 1,511,901 consist of fair value difference of venture capital investment fund valuation amounting to TL 1,499,049 and dividend income from EPİAŞ amounting to TL 12,852.

For the three-month period ending as of March 31, 2020, income from investment activities amounting to TL 5,163,835 consist of fair value difference of usufruct certificates amounting to TL 5,102,604 and fair value difference of venture capital investment fund valuation amounting to TL 61,231.

For the three-month period ending as of March 31, 2021, expense from investment activities amounting to TL 9,963,162 consist of fair value difference of usufruct certificates.

For the three-month period ending as of March 31, 2020, there is no expense from investment activities.

#### NOTE 15 - FINANCIAL INCOME

|                        | <b>1 January -<br/>31 March 2021</b> | 1 January -<br>31 March 2020 |
|------------------------|--------------------------------------|------------------------------|
| Foreign exchange gains | <b>41,630,213</b>                    | 12,731,651                   |
| Interest income        | <b>3,733,544</b>                     | 3,589,716                    |
|                        | <b>45,363,757</b>                    | 16,321,367                   |

#### NOTE 16 - FINANCIAL EXPENSE

|                         | <b>1 January -<br/>31 March 2021</b> | 1 January -<br>31 March 2020 |
|-------------------------|--------------------------------------|------------------------------|
| Foreign exchange losses | <b>81,361,082</b>                    | 56,470,494                   |
| Interest expenses       | <b>7,371,105</b>                     | 7,365,735                    |
| Other                   | <b>690,076</b>                       | 294,530                      |
|                         | <b>89,422,263</b>                    | 64,130,759                   |

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#### NOTE 17 - TAX ASSETS AND LIABILITIES

| <b>Current tax liability</b>                                | <b>31 March 2021</b> | <b>31 December 2020</b> |
|---|----------------------|-------------------------|
| Prepaid tax and funds                                       | <b>652,354</b>       | 560,080                 |
| Corporate tax provision                                     | -                    | -                       |
| <b>Prepaid tax and funds / (current tax liability), net</b> | <b>652,354</b>       | <b>560,080</b>          |

Tax income / (expense) is comprised of the following:

|                                  | <b>1 January -<br/>31 March 2021</b> | <b>1 January -<br/>31 March 2020</b> |
|----------------------------------|--------------------------------------|--------------------------------------|
| Deferred tax income / (expenses) | <b>6,492,896</b>                     | 4,279,411                            |
|                                  | <b>6,492,896</b>                     | <b>4,279,411</b>                     |

#### Corporate Tax

The Group is subject to taxation in accordance with the tax regulation and the legislation effective in Turkey.

In Turkey, the corporate tax rate is 20%. However, in accordance with the addition of temporary 10th article to the Corporate Tax Law, 22% corporate tax rate will be applied to the profits of the entities related to their 2018, 2019 and 2020 tax periods (for the entities with special accounting period, tax periods commenced in the related year) rather than 20%. This rate is applicable to the tax base derived upon exemptions and deductions stated in the tax legislation and by addition of disallowable expenses to the commercial revenues of the companies with respect to the tax legislation. Corporate tax losses can be carried forward to be deducted from taxable profit for a maximum period of 5 years following the year in which the losses were incurred. But these losses cannot be deducted retrospectively from profits incurred in previous periods.

In Turkey, there is no implementation such as agreement with the tax authorities for tax payables. Corporate tax is required to be filed by the twenty-fifth day of the fourth month following the balance sheet date and taxes must be paid by the end of the fourth month.

The tax legislation provides for a temporary tax of 20% (will be applied as 22% for 2018, 2019 and 2020 tax periods) to be calculated based on earnings generated for each quarter. Temporary tax is declared by the 14th day of the second month following each quarter and corresponding tax is payable by the 17th day of the same month. The amounts thus calculated and paid are offset against the final corporate tax liability for the year. If there is excess temporary tax paid even if it is already offset, this amount may be refunded or offset.

#### 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 resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 15%. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

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### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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#### NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

##### Deferred tax assets and liabilities

The Group, 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 22% depending on the periods that temporary differences disappear (2020: 22%).

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<br>2021            | 31 December<br>2020 | 31 March<br>2021               | 31 December<br>2020 |
| Carry forward tax loss                           | <b>(31,734,904)</b>         | (31,734,904)        | <b>6,346,981</b>               | 6,346,981           |
| Interest accrual                                 | <b>3,366,936</b>            | 4,567,750           | <b>(673,387)</b>               | (913,550)           |
| Tangible and intangible assets                   | <b>(148,868,521)</b>        | (118,106,440)       | <b>29,773,704</b>              | 23,621,288          |
| Provision for employment<br>termination benefits | <b>(824,184)</b>            | (614,437)           | <b>164,837</b>                 | 122,887             |
| Unused vacation pay liability                    | <b>(1,296,291)</b>          | (935,308)           | <b>259,258</b>                 | 187,062             |
| Provision for lawsuit                            | <b>(1,912,600)</b>          | (1,912,600)         | <b>382,520</b>                 | 382,520             |
| Effect of business combinations                  | <b>28,462,702</b>           | 28,462,702          | <b>(5,692,540)</b>             | (5,692,540)         |
| Sales revenues extend to the next<br>month       | <b>(69,734)</b>             | (73,028)            | <b>13,947</b>                  | 14,605              |
| Effect of intra-group transactions               | <b>7,358,351</b>            | 7,358,351           | <b>(1,471,671)</b>             | (1,471,671)         |
| Fair value differences                           | <b>4,728,771</b>            | 4,728,771           | <b>(236,439)</b>               | (236,438)           |
| <b>Deferred tax asset, net</b>                   |                             |                     | <b>28,867,210</b>              | 22,361,144          |

The expiration dates of recognized carry-forward tax losses on which deferred tax asset has been calculated are as follows:

|      | 31 March 2021     | 31 December 2020 |
|------|-------------------|------------------|
| 2021 | <b>145,230</b>    | 145,230          |
| 2022 | <b>486,909</b>    | 486,909          |
| 2023 | <b>12,784,601</b> | 12,784,601       |
| 2024 | <b>8,406,668</b>  | 8,406,668        |
| 2025 | <b>9,911,496</b>  | 9,911,496        |
|      | <b>31,734,904</b> | 31,734,904       |

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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#### NOTE 17 - TAX ASSETS AND LIABILITIES (Continued)

The movement of deferred tax assets and liabilities as of 31 March 2021 and 2020 are as follows:

|  | <b>1 January -<br/>31 March 2021</b> | 1 January -<br>31 March 2020 |
|--|--------------------------------------|------------------------------|
| Opening balance                          | <b>22,361,144</b>                    | 11,022,155                   |
| Presented in statement of profit or loss | <b>6,492,896</b>                     | 4,279,411                    |
| Presented in other comprehensive income  | <b>13,170</b>                        | 7,557                        |
| <b>Closing balance</b>                   | <b>28,867,210</b>                    | 15,309,123                   |

#### NOTE 18 – (LOSS) / EARNINGS PER SHARE

For the years 31 March 2021 and 2020, the weighted average number of shares and earnings / loss per share is as follows:

|   | <b>1 January -<br/>31 March 2021</b> | 1 January -<br>31 March 2020 |
|---|--------------------------------------|------------------------------|
| Weighted average number of outstanding shares                       | <b>255,600,000</b>                   | 255,600,000                  |
| (Loss) / profit attributable to the equity holders<br>of the parent | <b>(6,352,836)</b>                   | (90,621,349)                 |
| <b>(Loss) / Earnings per share</b>                                  | <b>(0.025)</b>                       | (0.355)                      |

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

#### NOTE 19 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES

|  | 31 March 2021     |                   |             |                 |           |                   |               |                 |           |                 |
|--|-------------------|-------------------|-------------|-----------------|-----------|-------------------|---------------|-----------------|-----------|-----------------|
|  | Financial Assets  |                   | Receivables |                 |           |                   | Payables      |                 |           |                 |
|  | Short Term        | Long Term         | Short Term  |                 | Long Term |                   | Short Term    |                 | Long Term |                 |
| Balances with related parties                    |                   |                   | Trading     | Non-<br>Trading | Trading   | Non-<br>Trading   | Trading       | Non-<br>Trading | Trading   | Non-<br>Trading |
| <b>Associates</b>                                |                   |                   |             |                 |           |                   |               |                 |           |                 |
| RWE & Turcas Güney Elektrik Üretim A.Ş.          | -                 | -                 | -           | 12,096          | -         | -                 | 49,304        | -               | -         | -               |
| Shell & Turcas Petrol A.Ş. (*)                   | 32,394,604        | 26,209,390        | -           | 783,600         | -         | 72,600,000        | -             | -               | -         | -               |
| <b>Other related entities</b>                    |                   |                   |             |                 |           |                   |               |                 |           |                 |
| Dividend payable to real person shareholders     | -                 | -                 | -           | -               | -         | -                 | -             | 187,987         | -         | -               |
| Ataş Anadolu Tasfiyehanesi A.Ş.                  | -                 | -                 | -           | -               | -         | -                 | -             | 75,080          | -         | -               |
| Aksoy Girişimcilik Enerji Ve Turizm A.Ş.         | -                 | -                 | -           | 126,637         | -         | -                 | -             | -               | -         | -               |
| Daytona Turizm ve Danışmanlık Ltd.Şti.           | -                 | -                 | -           | 19,660          | -         | -                 | -             | -               | -         | -               |
| Tas.Hal.Transbalkan Denizyolları Deniz Taş. A.Ş. | -                 | -                 | -           | 19,660          | -         | -                 | -             | -               | -         | -               |
| Aksoy Holding A.Ş.                               | -                 | -                 | -           | 1,080           | -         | -                 | -             | -               | -         | -               |
| Aksoy Enternasyonal Tic. A.Ş.                    | -                 | -                 | -           | 9,110           | -         | -                 | -             | -               | -         | -               |
| YTC Turizm ve Enerji A.Ş.                        | -                 | -                 | -           | -               | -         | -                 | 2,564         | 3,745           | -         | -               |
| Horizonist Dış Tic.Ltd.Sti.                      | -                 | -                 | -           | 3,880           | -         | -                 | -             | -               | -         | -               |
|  | <b>32,394,604</b> | <b>26,209,390</b> | -           | <b>975,723</b>  | -         | <b>72,600,000</b> | <b>51,869</b> | <b>266,812</b>  | -         | -               |

(\*) TL 72,600,000 of the related balance consists of the 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. 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 58,603,994 in total, amounting to TL 32,394,604 as short term and TL 26,209,390 as long term.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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

|  | 31 December 2020 |            |             |                 |         |                 |           |                 |         |                 |
|--|------------------|------------|-------------|-----------------|---------|-----------------|-----------|-----------------|---------|-----------------|
|  | Financial Assets |            | Receivables |                 |         |                 | Payables  |                 |         |                 |
|  | Short Term       | Long Term  | Short Term  | Long Term       |         | Short Term      | Long Term |                 |         |                 |
|  |                  |            | Trading     | Non-<br>Trading | Trading | Non-<br>Trading | Trading   | Non-<br>Trading | Trading | Non-<br>Trading |
| <b>Balances with related parties</b>           |                  |            |             |                 |         |                 |           |                 |         |                 |
| <b>Associates</b>                              |                  |            |             |                 |         |                 |           |                 |         |                 |
| RWE & Turcas Güney Elektrik Üretim A.Ş.        | -                | -          | -           | 12,096          | -       | -               | 32,927    | -               | -       | -               |
| Shell Turcas Petrol A.Ş. (*)                   | 74,544,027       | 44,954,511 | -           | 788,509         | -       | 72,600,000      | -         | 6,725           | -       | -               |
| <b>Other related entities</b>                  |                  |            |             |                 |         |                 |           |                 |         |                 |
| Ataş Anadolu Tasfiyehanesi A.Ş.                | -                | -          | -           | -               | -       | -               | -         | 1,056,407       | -       | -               |
| Dividend payable to shareholders               | -                | -          | -           | -               | -       | -               | -         | 187,987         | -       | -               |
| Aksoy Maslak Taşınmaz Yatırımları A.Ş.         | -                | -          | -           | -               | -       | -               | -         | 72,867          | -       | -               |
| YTC Turizm ve Enerji A.Ş.                      | -                | -          | -           | -               | -       | -               | 9,812     | 1,149           | -       | -               |
| Aksoy Holding A.Ş.                             | -                | -          | -           | 540             | -       | -               | -         | -               | -       | -               |
| Aksoy Enternasyonel Tic. A.Ş.                  | -                | -          | -           | 21,807          | -       | -               | -         | -               | -       | -               |
| Aksoy Girişimcilik Enerji Ve Turizm A.Ş.       | -                | -          | -           | 166,918         | -       | -               | -         | -               | -       | -               |
| Horizonist Dis Tic.Ltd.Sti.                    | -                | -          | -           | 2,800           | -       | -               | -         | -               | -       | -               |
| Daytona Turizm Ve Danışmanlık Ltd.Şti.         | -                | -          | -           | 18,040          | -       | -               | -         | -               | -       | -               |
| Tas.Hal.Transbalkan Denizyolları Deniz Taş.Aş. | -                | -          | -           | 18,040          | -       | -               | -         | -               | -       | -               |
| Aksoy Petrol Taşınmaz Yatırımları A.Ş.         | -                | -          | -           | -               | -       | -               | -         | 77,575          | -       | -               |
|  | 74,544,027       | 44,954,511 | -           | 1,028,750       | -       | 72,600,000      | 42,739    | 1,402,710       | -       | -               |

(\*) TL 72,600,000 of the related balance consists of the 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. 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 119,498,538 in total, amounting to TL 74,544,027 as short term and TL 44,954,511 as long term.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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

| Transactions with related parties                | 1 January - 31 March 2021 |         |                   |               |             |                 |              |                |
|--|---------------------------|---------|-------------------|---------------|-------------|-----------------|--------------|----------------|
|  | Purchases                 | Sales   | Interest received | Interest paid | Rent income | Dividend income | Other income | Other expenses |
| <b>Associates</b>                                |                           |         |                   |               |             |                 |              |                |
| Shell & Turcas Petrol A.Ş. (*)                   | -                         | -       | 2,996,412         | -             | -           | -               | 63,826,383   | 35,158         |
| RWE & Turcas Güney Elektrik Üretim A.Ş.          | 143,487                   | 101,252 | -                 | -             | -           | -               | 31,418       | 13,089         |
| <b>Other related entities</b>                    |                           |         |                   |               |             |                 |              |                |
| The Shell Company Of Turkey Ltd. (**)            | -                         | -       | -                 | -             | -           | -               | 6,618,115    | -              |
| Ataş Anadolu Tasfiyehanesi A.Ş.                  | -                         | -       | -                 | -             | 115,569     | -               | 3,798        | 139,877        |
| Aksoy Taşınmaz Yatırımları A.Ş.                  | -                         | -       | -                 | -             | 1,500       | -               | 39,634       | 261,295        |
| Daytona Turizm ve Danışmanlık Ltd.Şti.           | -                         | -       | -                 | -             | 1,500       | -               | -            | -              |
| Aksoy Holding A.Ş.                               | -                         | -       | -                 | -             | 1,500       | -               | -            | -              |
| Aksoy Enternasyonal Tic. A.Ş.                    | -                         | -       | -                 | -             | 74,675      | -               | 45,307       | 35,744         |
| YTC Turizm ve Enerji A.Ş.                        | -                         | -       | -                 | -             | -           | -               | -            | 7,400          |
| Aksoy Girişimcilik Enerji Ve Turizm A.Ş.         | -                         | -       | -                 | -             | 1,500       | -               | 569,966      | -              |
| Tas.Hal.Transbalkan Denizyolları Deniz Taş. A.Ş. | -                         | -       | -                 | -             | 1,500       | -               | -            | -              |
| Horizonist Dış Tic.Ltd.Sti.                      | -                         | -       | -                 | -             | 1,500       | -               | -            | -              |
|  | 143,487                   | 101,252 | 2,996,412         | -             | 199,244     | -               | 71,134,621   | 492,563        |

(\*) 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. Other income consists of usufruct certificates income amounting to TL 63,775,700.

(\*\*) It consists of Joint Venture Agreement income amounting to TL 6,618,115.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

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

| Transactions with related parties                | 1 January - 31 March 2020 |         |                   |               |             |                 |              |                |
|--|---------------------------|---------|-------------------|---------------|-------------|-----------------|--------------|----------------|
|  | Purchases                 | Sales   | Interest received | Interest paid | Rent income | Dividend income | Other income | Other expenses |
| Associates                                       |                           |         |                   |               |             |                 |              |                |
| Shell & Turcas Petrol A.Ş.                       | -                         | -       | 2,339,929         | -             | -           | -               | -            | 28,302         |
| RWE & Turcas Güney Elektrik Üretim A.Ş.          | 105,298                   | 102,926 | -                 | -             | -           | -               | 62,836       | 19,703         |
| Other related entities                           |                           |         |                   |               |             |                 |              |                |
| Yeditepe Beyn.Otelcilik Turz.Ve Tic A.Ş.         | -                         | -       | -                 | -             | -           | -               | -            | 1,130          |
| Ataş Anadolu Tasfiyehanesi A.Ş.                  | -                         | -       | -                 | -             | 101,238     | -               | 2,869        | 44,033         |
| Aksoy Petrol Taşınmaz Yatırımları A.Ş.           | -                         | -       | -                 | -             | 1,500       | -               | 19,513       | -              |
| Aksoy Maslak Taşınmaz Yatırımları A.Ş.           | -                         | -       | -                 | -             | 1,500       | -               | 5,204        | 199,079        |
| Daytona Turizm ve Danışmanlık Ltd.Şti.           | -                         | -       | -                 | -             | 1,500       | -               | -            | -              |
| Aksoy Holding A.Ş.                               | -                         | -       | -                 | -             | 1,500       | -               | 33,660       | -              |
| Aksoy Enternasyonal Tic. A.Ş.                    | -                         | -       | -                 | -             | 1,500       | -               | 113,721      | -              |
| Aksoy Bodrum Taşınmaz Yatırımları A.Ş.           | -                         | -       | -                 | -             | 1,500       | -               | 42,929       | -              |
| Pronegy Gayrimenkul ve Enerji Yatırımları A.Ş.   | -                         | -       | -                 | -             | 1,500       | -               | 19,513       | -              |
| YTC Turizm ve Enerji A.Ş.                        | -                         | -       | -                 | -             | -           | -               | -            | 140,625        |
| The Shell Company Of Turkey Ltd. (*)             | -                         | -       | -                 | -             | -           | -               | 20,320,274   | -              |
| Tas.Hal.Transbalkan Denizyolları Deniz Taş. A.Ş. | -                         | -       | -                 | -             | 1,500       | -               | -            | -              |
| Horizonist Dış Tic.Ltd.Sti.                      | -                         | -       | -                 | -             | 1,500       | -               | -            | -              |
|  | 105,298                   | 102,926 | 2,339,929         | -             | 114,738     | -               | 20,620,519   | 432,872        |

(\*) It consists of the Joint Venture Agreement income amounting to TL 20,320,274.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

(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 during the current period is as follows:

|  | <b>1 January -<br/>31 March 2021</b> | 1 January -<br>31 March 2020 |
|--|--------------------------------------|------------------------------|
| Salaries and other short term benefits | <b>2,258,589</b>                     | 1,479,616                    |

#### NOTE 20 - FOREIGN CURRENCY POSITION

##### (i) Foreign currency risk management

Foreign currency transactions cause foreign currency risk.

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

Effective hedge accounting applied in accordance with TFRS 9, in order to ensure that the effects of the foreign exchange gains and losses are reflected on the financial statements of the Group's subsidiary Turcas Kuyucak Jeotermal Elektrik Üretim A.Ş. in accordance with the periodicity principle of accounting. The Group uses investment loans amounting to USD 18,921,162, which is equivalent to TL 157,817,627 as prevention against USD/TL spot foreign exchange risk of USD denominated revenue, which is highly probable to be realized. Based on the outcome of effectiveness test performed on related process, the Group has considered that process is fully effective and therefore applied cash flow hedge accounting. As of 31 March 2021, TL 58,275,286 of foreign exchange loss that arose from investment loans is classified under equity "Cash flow hedge gains (losses)" which has no effect on current year income statement.

## TURCAS PETROL A.Ş.

### CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021

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

#### NOTE 20 - FOREIGN CURRENCY POSITION (Continued)

The Group is primarily exposed to risks from USD and EUR, other currency's effects are immaterial.

|   | 31 March 2021                             |                     |                     |           |
|---|---|---------------------|---------------------|-----------|
|   | TL Equivalent<br>(Functional<br>currency) | USD                 | EUR                 | Other     |
| 1- Trade receivables  | -   | -                   | -                   | -         |
| 2a- Monetary financial assets   | 150,589,139                               | 10,344,570          | 6,598,787           | 10        |
| 2b- Non-monetary financial assets   | -   | -                   | -                   | -         |
| 3- Other  | -   | -                   | -                   | -         |
| <b>4- Current assets (1+2+3)</b>  | <b>150,589,139</b>                        | <b>10,344,570</b>   | <b>6,598,787</b>    | <b>10</b> |
| 5- Trade receivables  | -   | -                   | -                   | -         |
| 6a- Monetary financial assets   | -   | -                   | -                   | -         |
| 6b- Non-monetary financial assets   | -   | -                   | -                   | -         |
| 7- Other  | -   | -                   | -                   | -         |
| <b>8- Non-current assets (5+6+7)</b>  | <b>-</b>                                  | <b>-</b>            | <b>-</b>            | <b>-</b>  |
| <b>9- Total Assets (4+8)</b>  | <b>150,589,139</b>                        | <b>10,344,570</b>   | <b>6,598,787</b>    | <b>10</b> |
| 10- Trade payables  | 33,384,284                                | -                   | 3,411,294           | -         |
| 11- Financial liabilities   | 187,609,914                               | 4,288,308           | 15,515,613          | -         |
| 12a-Other monetary liabilities  | -   | -                   | -                   | -         |
| 12b-Other non-monetary liabilities  | -   | -                   | -                   | -         |
| <b>13- Current Liabilities (10+11+12)</b>   | <b>220,994,198</b>                        | <b>4,288,308</b>    | <b>18,926,907</b>   | <b>-</b>  |
| 14- Trade payables  | 17,590,075                                | -                   | 1,797,400           | -         |
| 15- Financial liabilities   | 793,017,857                               | 23,605,475          | 60,914,056          | -         |
| 16a-Other monetary liabilities  | -   | -                   | -                   | -         |
| 16b-Other non-monetary liabilities  | -   | -                   | -                   | -         |
| <b>17- Non-current liabilities (14+15+16)</b>   | <b>810,607,932</b>                        | <b>23,605,475</b>   | <b>62,711,456</b>   | <b>-</b>  |
| <b>18- Total liabilities (13+17)</b>  | <b>1,031,602,130</b>                      | <b>27,893,783</b>   | <b>81,638,363</b>   | <b>-</b>  |
| <b>19- Net asset / liability position of<br/>off-balance sheet derivatives (19a-19b)</b>          | <b>-</b>                                  | <b>-</b>            | <b>-</b>            | <b>-</b>  |
| 19a-Off-balance sheet foreign<br>currency derivative assets                                       | -   | -                   | -                   | -         |
| 19b-Off-balance sheet foreign<br>currency derivative liabilities                                  | -   | -                   | -                   | -         |
| <b>20- Net foreign currency asset liability position<br/>(9-18+19)</b>                            | <b>(881,012,991)</b>                      | <b>(17,549,213)</b> | <b>(75,039,576)</b> | <b>10</b> |
| <b>21- Net foreign currency asset / liability position of<br/>(1+2a+5+6a+10+11-12a-14-15-16a)</b> | <b>(881,012,991)</b>                      | <b>(17,549,213)</b> | <b>(75,039,576)</b> | <b>10</b> |
| 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 CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021**

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

**NOTE 20 - FOREIGN CURRENCY POSITION (Continued)**

|   | <b>31 December 2020</b>                            |                     |                     |              |
|---|--|---------------------|---------------------|--------------|
|   | <b>TL Equivalent<br/>(Functional<br/>currency)</b> | <b>USD</b>          | <b>EUR</b>          | <b>Other</b> |
| 1- Trade receivables  | -  | -                   | -                   | -            |
| 2a- Monetary financial assets   | 99,949,264   | 12,343,606          | 1,036,972           | 10           |
| 2b- Non-monetary financial assets   | -  | -                   | -                   | -            |
| 3- Other  | -  | -                   | -                   | -            |
| <b>4- Current assets (1+2+3)</b>  | <b>99,949,264</b>                                  | <b>12,343,606</b>   | <b>1,036,972</b>    | <b>10</b>    |
| 5- Trade receivables  | -  | -                   | -                   | -            |
| 6a- Monetary financial assets   | -  | -                   | -                   | -            |
| 6b- Non-monetary financial assets   | -  | -                   | -                   | -            |
| 7- Other  | -  | -                   | -                   | -            |
| <b>8- Non-current assets (5+6+7)</b>  | <b>-</b>   | <b>-</b>            | <b>-</b>            | <b>-</b>     |
| <b>9- Total Assets (4+8)</b>  | <b>99,949,264</b>                                  | <b>12,343,606</b>   | <b>1,036,972</b>    | <b>10</b>    |
| 10- Trade payables  | 31,200,955   | -                   | 3,463,732           | -            |
| 11- Financial liabilities   | 169,888,136  | 4,245,051           | 15,400,630          | -            |
| 12a-Other monetary liabilities  | -  | -                   | -                   | -            |
| 12b-Other non-monetary liabilities  | -  | -                   | -                   | -            |
| <b>13- Current Liabilities (10+11+12)</b>   | <b>201,089,091</b>                                 | <b>4,245,051</b>    | <b>18,864,362</b>   | <b>-</b>     |
| 14- Trade payables  | 16,190,799   | -                   | 1,797,400           | -            |
| 15- Financial liabilities   | 715,324,894  | 23,299,795          | 60,423,933          | -            |
| 16a-Other monetary liabilities  | -  | -                   | -                   | -            |
| 16b-Other non-monetary liabilities  | -  | -                   | -                   | -            |
| <b>17- Non-current liabilities (14+15+16)</b>   | <b>731,515,693</b>                                 | <b>23,299,795</b>   | <b>62,221,333</b>   | <b>-</b>     |
| <b>18- Total liabilities (13+17)</b>  | <b>932,604,784</b>                                 | <b>27,544,846</b>   | <b>81,085,695</b>   | <b>-</b>     |
| <b>19- Net asset / liability position of<br/>off-balance sheet derivatives (19a-19b)</b>          | <b>-</b>   | <b>-</b>            | <b>-</b>            | <b>-</b>     |
| 19a-Off-balance sheet foreign<br>currency derivative assets                                       | -  | -                   | -                   | -            |
| 19b-Off-balance sheet foreign<br>currency derivative liabilities                                  | -  | -                   | -                   | -            |
| <b>20- Net foreign currency<br/>asset liability position (9-18+19)</b>                            | <b>(832,655,520)</b>                               | <b>(15,201,240)</b> | <b>(80,048,723)</b> | <b>10</b>    |
| <b>21- Net foreign currency asset / liability position of<br/>(1+2a+5+6a+10+11-12a-14-15-16a)</b> | <b>(832,655,520)</b>                               | <b>(15,201,240)</b> | <b>(80,048,723)</b> | <b>10</b>    |
| <b>22- Fair value of foreign currency hedged financial<br/>assets</b>                             | <b>-</b>   | <b>-</b>            | <b>-</b>            | <b>-</b>     |
| <b>23- Hedged foreign currency assets</b>   | <b>-</b>   | <b>-</b>            | <b>-</b>            | <b>-</b>     |
| <b>24- Hedged foreign currency liabilities</b>  | <b>-</b>   | <b>-</b>            | <b>-</b>            | <b>-</b>     |
| <b>25- Exports</b>  | <b>-</b>   | <b>-</b>            | <b>-</b>            | <b>-</b>     |
| <b>26- Imports</b>  | <b>-</b>   | <b>-</b>            | <b>-</b>            | <b>-</b>     |

**TURCAS PETROL A.Ş.**

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021**

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

**NOTE 20 - FOREIGN CURRENCY POSITION (Continued)**

*Foreign currency sensitivity*

|                                       | 31 March 2021                    |                                 |                                  |                                 |
|---------------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
|                                       | Gain/Loss                        |                                 | Equity                           |                                 |
|                                       | Appreciation of foreign currency | Devaluation of foreign currency | Appreciation of foreign currency | Devaluation of foreign currency |
| <b>+/-10% fluctuation of USD rate</b> |                                  |                                 |                                  |                                 |
| 1- USD net asset / liability          | (14,637,448)                     | 14,637,448                      | (5,827,529)                      | 5,827,529                       |
| 2- Hedged from USD risk (-)           | -                                | -                               | -                                | -                               |
| <b>3- USD net effect (1+2)</b>        | <b>(14,637,448)</b>              | <b>14,637,448</b>               | <b>(5,827,529)</b>               | <b>5,827,529</b>                |
| <b>+/-10% fluctuation of EUR rate</b> |                                  |                                 |                                  |                                 |
| 4- EUR net asset / liability          | (73,436,730)                     | 73,436,730                      | -                                | -                               |
| 5- Hedged from EUR risk (-)           | -                                | -                               | -                                | -                               |
| <b>6- EUR net effect (4+5)</b>        | <b>(73,436,730)</b>              | <b>73,436,730</b>               | <b>-</b>                         | <b>-</b>                        |
| <b>TOTAL (3+6)</b>                    | <b>(88,074,178)</b>              | <b>88,074,178</b>               | <b>(5,827,529)</b>               | <b>5,827,529</b>                |
|                                       | 31 December 2020                 |                                 |                                  |                                 |
|                                       | Gain/Loss                        |                                 | Equity                           |                                 |
|                                       | Appreciation of foreign currency | Devaluation of foreign currency | Appreciation of foreign currency | Devaluation of foreign currency |
| <b>+/-10% fluctuation of USD rate</b> |                                  |                                 |                                  |                                 |
| 1- USD net asset / liability          | (11,158,466)                     | 11,158,466                      | (3,934,845)                      | 3,934,845                       |
| 2- Hedged from USD risk (-)           | -                                | -                               | -                                | -                               |
| <b>3- USD net effect (1+2)</b>        | <b>(11,158,466)</b>              | <b>11,158,466</b>               | <b>(3,934,845)</b>               | <b>3,934,845</b>                |
| <b>+/-10% fluctuation of EUR rate</b> |                                  |                                 |                                  |                                 |
| 4- EUR net asset / liability          | (72,107,087)                     | 72,107,087                      | -                                | -                               |
| 5- Hedged from EUR risk (-)           | -                                | -                               | -                                | -                               |
| <b>6- EUR net effect (4+5)</b>        | <b>(72,107,087)</b>              | <b>72,107,087</b>               | <b>-</b>                         | <b>-</b>                        |
| <b>TOTAL (3+6)</b>                    | <b>(83,265,553)</b>              | <b>83,265,553</b>               | <b>(3,934,845)</b>               | <b>3,934,845</b>                |

**CONVENIENCE TRANSLATION INTO ENGLISH OF NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE INTERIM PERIOD ENDED 31 MARCH 2021**

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

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**NOTE 21 - SUBSEQUENT EVENTS**

Board of Directors' proposal for the appointment of Mr. Emre Derman as Independent Board Member by extending the term of office for a period of 3 (three) years, in accordance with TCC, Regulation, Capital Markets Board legislation and Articles of Association as well as with the approval of the Corporate Governance Committee; has been approved by the shareholders during 2020 Annual General Assembly Meeting.

In accordance with Turkish Commercial Code, Capital Markets Law and related legislation as well as the positive view of the Company's Audit Committee, Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi (a member of Ernst & Young Global)'s election for the independent audit of financial statements of the fiscal year 2021, has been approved by the shareholders during 2020 Annual General Assembly Meeting.

Board of Directors' proposal regarding not distributing dividends as there is not any net distributable profit according to Dividend Distribution Table based on 2020 year-end statutory financial statements as well as audited and consolidated financial statements per Capital Markets Board regulations; has been approved by the shareholders during 2020 Annual General Assembly Meeting.

In accordance with Provisional Article 13 added to the Corporate Tax Law No. 5520 with the Article 11 of Law Amending Certain Laws with Law on the Procedure For The Collection of Public Receivables numbered 7316, published in Official Gazette numbered 31462 on 22 April 2021, corporate tax rate for the year 2021 has increased from 20% to 25% and for the year 2022 to %23. The amendment will be valid for the taxable corporate income starting from 1 January 2021, beginning with the advance Corporate Tax Declarations which must be declared as of 1 July 2021. As the change has been announced after the reporting period, it is considered as a non-adjusting event according to IAS 10 and the Group continued to use 20% as of the reporting date and related amendment will be applied in consolidated financial statements as of 30 June 2021.

**NOTE 22 – OTHER ISSUES AFFECTING FINANCIAL STATEMENTS MATERIALLY OR NECESSARY TO MAKE FINANCIAL STATEMENTS SOUND, INTERPRETABLE AND UNDERSTANDABLE**

The recent outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections originating in China and spreading in various jurisdictions, may negatively affect economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion. The ultimate severity of the Coronavirus outbreak is uncertain at this time and therefore the Company cannot reasonably estimate the impact on Company's operations.