

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
THE INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
(ORIGINALLY ISSUED IN TURKISH)**

**TÜRKİYE PETROL RAFİNERİLERİ A.Ş.**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 MARCH 2023**

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION.....</b>	<b>1</b>
<b>INTERIM CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER CONDENSED COMPREHENSIVE INCOME.....</b>	<b>2</b>
<b>INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY.....</b>	<b>3</b>
<b>INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW.....</b>	<b>4</b>
<b>NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION.....</b>	<b>5 - 51</b>
NOTE 1 ORGANIZATION OF THE GROUP AND NATURE OF OPERATIONS.....	5-6
NOTE 2 BASIS OF PRESENTATION OF INTERIM CONDENSED CONSOLIDATED INTERIM CONDENSED FINANCIAL INFORMATION.....	7-12
NOTE 3 BUSINESS COMBINATIONS.....	12
NOTE 4 SEGMENT REPORTING.....	13-14
NOTE 5 CASH AND CASH EQUIVALENTS.....	14-15
NOTE 6 FINANCIAL INVESTMENTS.....	16
NOTE 7 FINANCIAL LIABILITIES.....	17-20
NOTE 8 TRADE RECEIVABLES AND PAYABLES.....	20-21
NOTE 9 INVENTORIES.....	21
NOTE 10 INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD.....	22-23
NOTE 11 PROPERTY, PLANT AND EQUIPMENT.....	23-24
NOTE 12 INTANGIBLE ASSETS.....	25
NOTE 13 PREPAID EXPENSES.....	26
NOTE 14 OTHER ASSETS AND LIABILITIES.....	26-28
NOTE 15 PROVISIONS.....	28-30
NOTE 16 LIABILITIES FOR EMPLOYEE BENEFITS.....	30
NOTE 17 DERIVATIVE INSTRUMENTS.....	31-32
NOTE 18 COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES.....	33-34
NOTE 19 EQUITY.....	34-35
NOTE 20 REVENUE AND COST OF SALES.....	36
NOTE 21 GENERAL ADMINISTRATIVE EXPENSES MARKETING SELLING AND DISTRIBUTION EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES.....	36-37
NOTE 22 OTHER OPERATING INCOME/(EXPENSES).....	37
NOTE 23 INCOME FROM INVESTMENT ACTIVITIES.....	38
NOTE 24 FINANCIAL INCOME/(EXPENSES).....	38
NOTE 25 TAX ASSETS AND LIABILITIES.....	38-40
NOTE 26 EARNINGS PER SHARE /(LOSS).....	40
NOTE 27 RELATED PARTY TRANSACTIONS.....	40-43
NOTE 28 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT.....	44-51
NOTE 29 SUBSEQUENT EVENTS.....	51

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

ASSETS	Notes	Unaudited	Restated (*) Audited
		31 March 2023	31 December 2022
<b>Current Assets</b>		<b>100,817,820</b>	<b>119,710,705</b>
Cash and cash equivalents	5	38,905,040	47,635,158
Financial investments	6	241,616	2,135,177
Trade receivables	8	17,067,008	21,417,520
Due from related parties	8, 27	2,840,982	3,187,872
Trade receivables from third parties		14,226,026	18,229,648
Other receivables		63,249	40,622
Other receivables from third parties		63,249	40,622
Derivative instruments	17	2,409,802	3,597,033
Inventories	9	35,411,730	36,046,008
Prepaid expenses	13	360,056	748,787
Other current assets	14	6,359,319	8,090,400
<b>Non-Current Assets</b>		<b>50,277,986</b>	<b>49,181,630</b>
Financial investments		71,759	66,325
Investments accounted for using the equity method	10	2,985,486	2,962,632
Property, plant and equipment	11	34,581,800	32,904,315
Right of use asset		240,747	219,531
Intangible assets		594,299	556,630
Goodwill		599	599
Other intangible assets	12	593,700	556,031
Derivative instruments	17	17,921	57,048
Prepaid expenses	13	641,990	618,384
Deferred tax assets	25	8,359,756	9,195,612
Other non-current assets	14	2,784,228	2,601,153
<b>Total Assets</b>		<b>151,095,806</b>	<b>168,892,335</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>68,225,065</b>	<b>78,895,410</b>
Short-term financial liabilities	7	946,067	863,318
Current portion of long term financial liabilities	7	9,559,826	11,131,173
Trade payables	8	40,623,174	52,698,764
Due to related parties	8, 27	798,995	1,156,421
Trade payables, third parties		39,824,179	51,542,343
Liabilities for employee benefits	16	330,105	417,647
Other payables		107,476	262,395
Due to related parties	27	-	169,841
Other payables to third parties		107,476	92,554
Derivative instruments	17	714,062	994,512
Deferred income		201,905	116,249
Current income tax liabilities	25	2,990,569	955,255
Short-term provisions	15	1,174,578	530,528
Short-term provisions for employee benefits		180,501	47,604
Other provisions		994,077	482,924
Other current liabilities	14	11,577,303	10,925,569
<b>Non-current liabilities</b>		<b>21,377,518</b>	<b>22,811,153</b>
Long Term Borrowings		20,032,731	21,274,459
Long-term provisions	15	1,288,281	1,190,116
Long-term provisions for employee benefits		1,288,281	1,190,116
Deferred income		11,410	3,199
Derivative Instruments	17	-	298,200
Deferred Tax Liability	25	44,464	44,464
Other Long Term Liabilities		632	715
<b>Total liabilities</b>		<b>89,602,583</b>	<b>101,706,563</b>
<b>Equity</b>		<b>61,493,223</b>	<b>67,185,772</b>
Share capital	19	275,257	275,257
Adjustment to share capital	19	1,344,243	1,344,243
Share premium		1,000,699	1,000,699
Accumulated other comprehensive income/(expense) not to be reclassified to profit or loss		13,901,774	13,901,774
Gains/ losses on revaluation and remeasurement		13,622,714	13,622,714
Gain on revaluation of properties		13,928,679	13,928,679
Actuarial gain/(loss) arising from defined benefit plans		(305,965)	(305,965)
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss		279,060	279,060
Accumulated other comprehensive income/(expense) to be reclassified to profit or loss		1,176,028	1,169,774
Currency translation differences		656,930	622,209
Hedging gains/(losses)		(467,221)	(423,080)
Cash flow hedge gains/(losses)		(467,221)	(423,080)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		986,319	970,645
Restricted reserves	19	1,669,316	503,343
Retained earnings		34,882,216	7,503,568
Net income		6,748,073	41,044,621
<b>Total equity attributable to equity holders of the parent</b>		<b>60,997,606</b>	<b>66,743,279</b>
<b>Non-controlling interests</b>		<b>495,617</b>	<b>442,493</b>
<b>Total equity and liabilities</b>		<b>151,095,806</b>	<b>168,892,335</b>

This interim condensed consolidated financial information as of and for the year ended 31 March 2023 have been approved for issue by the Board of Directors on 27 April 2023.

The accompanying notes form an integral part of this interim consolidated financial information.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

		Unaudited	Restated (*)
	Notes	1 January - 31 March 2023	Audited 1 January - 31 March 2022
Revenue	20	92,826,375	77,645,678
Cost of sales	20	(78,829,121)	(71,950,399)
<b>Gross profit (loss)</b>		<b>13,997,254</b>	<b>5,695,279</b>
General administrative expenses	21	(1,478,779)	(623,006)
Marketing expenses	21	(694,148)	(443,417)
Research and development expenses	21	(32,895)	(14,455)
Other operating income	22	556,074	806,962
Other operating expenses	22	(1,176,416)	(2,329,434)
<b>Operating profit (loss)</b>		<b>11,171,090</b>	<b>3,091,929</b>
Income/ (expenses) from investment activities	23	9,331	2,233
Income (loss) from investments accounted by equity method	10	257,200	208,662
<b>Operating profit before financial income (expense)</b>		<b>11,437,621</b>	<b>3,302,824</b>
Financial income	24	1,674,363	2,512,586
Financial expense	24	(2,426,353)	(4,483,760)
<b>Profit (loss) before tax from continued operations</b>		<b>10,685,631</b>	<b>1,331,650</b>
<b>Tax income (expense)</b>		<b>(3,892,974)</b>	<b>(186,586)</b>
Taxes on income		(3,037,426)	(41,418)
Deferred tax income (expense)	25	(855,548)	(145,168)
<b>Net income (loss) from continued operations</b>		<b>6,792,657</b>	<b>1,145,064</b>
<b>Other comprehensive income:</b>			
<b>Items to be reclassified to profit or loss</b>			
Currency translation differences related to the translation of foreign businesses		14,794	(2,799,337)
Gains (losses) on foreign currency translation differences related to the translation of foreign operations		34,721	104,981
Share of other comprehensive income accounted for investment using equity method that will be reclassified to profit or loss		34,721	104,981
Gain (loss) from translation of foreign currency of investments using equity method	10	15,674	35,559
Income (expense) relating to avoidance of risk of cash flow		15,674	35,559
Income (loss) of avoidance of risk cash flow		(55,293)	(3,979,639)
Tax effect of other comprehensive income (loss) to be reclassified to profit or loss		(55,293)	(3,979,639)
Deferred tax income (expense)	25	19,692	1,039,762
		19,692	1,039,762
<b>Other comprehensive income (expense)</b>		<b>14,794</b>	<b>(2,799,337)</b>
<b>Total comprehensive income (expense)</b>		<b>6,807,451</b>	<b>(1,654,273)</b>
<b>Distribution of income for the period:</b>			
Non-controlling interests		44,584	42,335
Attributable to equity holders of the parent		6,748,073	1,102,729
<b>Distribution of total comprehensive income</b>			
Non-controlling interests		53,124	39,661
Attributable to equity holders of the parent		6,754,327	(1,693,934)
<b>Earnings (loss) per share from continued operations</b>			
Earnings per share with nominal value Kr1 each (Kr)	26	24.52	4.01

(\*)The restatement effects are explained in Note 2.2.1.

The accompanying notes form an integral part of this interim consolidated financial information.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated)

	Accumulated other comprehensive income/(expense) not to be reclassified to profit or loss						Accumulated other comprehensive income/(expense) that will be reclassified to profit or loss				Total retained earnings					Total equity
	Share Capital	Adjustments to share capital	Premiums related to shares	Gain on revaluation of properties	Gains/(losses) on valuation and remeasurement		Currency translation differences	Hedge gains/ (losses)		Restricted reserves	Retained earnings	Net income/ (expense)	Equity holders of parent	Non controlling interest		
					Actuarial gains/(losses) arising from defined benefit plans	Share of other comprehensive income of investments accounted for using equity method that will be not reclassified to profit or loss		Cash flow hedge gains/losses	Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss							
31 December 2021	250,419	1,344,243	-	10,957,223	(12,462)	88,998	297,679	(3,575,726)	599,871	503,343	3,784,488	3,319,134	17,557,210	270,307	17,827,517	
Transactions under common control	24,838	-	1,000,699	31,386	(259)	-	-	(226,798)	-	-	224,243	175,703	1,251,748	1,735	1,253,483	
1 January 2022 (Restated) (*)	275,257	1,344,243	1,000,699	11,010,545	(12,721)	88,998	297,679	(3,802,524)	599,871	503,343	4,008,731	3,494,837	18,808,958	272,042	19,081,000	
Transfers	-	-	-	-	-	-	-	-	-	-	3,494,837	(3,494,837)	-	-	-	
- Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	1,102,729	1,102,729	42,335	1,145,064	
- Other comprehensive income	-	-	-	-	-	-	104,981	(2,937,203)	35,559	-	-	-	(2,796,663)	(2,674)	(2,799,337)	
Total comprehensive income	-	-	-	-	-	-	104,981	(2,937,203)	35,559	-	-	-	1,102,729	(1,693,934)	39,661	(1,654,273)
31 March 2022	275,257	1,344,243	1,000,699	11,010,545	(12,721)	88,998	402,660	(6,739,727)	635,430	503,343	7,503,568	1,102,729	17,115,024	311,703	17,426,727	
<b>Audited</b>																
1 January 2023	275,257	1,344,243	1,000,699	13,928,679	(305,965)	279,060	622,209	(423,080)	970,645	503,343	7,503,568	41,044,621	66,743,279	442,493	67,185,772	
Transfers	-	-	-	-	-	-	-	-	-	1,165,973	39,878,648	(41,044,621)	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	-	-	(12,500,000)	-	(12,500,000)	-	(12,500,000)	
- Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	6,748,073	6,748,073	44,584	6,792,657	
- Other comprehensive income (loss)	-	-	-	-	-	-	34,721	(44,141)	15,674	-	-	-	6,254	8,540	14,794	
Total comprehensive income (loss)	-	-	-	-	-	-	34,721	(44,141)	15,674	-	-	6,748,073	6,754,327	53,124	6,807,451	
31 March 2023	275,257	1,344,243	1,000,699	13,928,679	(305,965)	279,060	656,930	(467,221)	986,319	1,669,316	34,882,216	6,748,073	60,997,606	495,617	61,493,223	

(\*) The restatement effects are explained in Note 2.2.1.

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

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

		Unaudited 1 January - 31 March 2023	Restated (*) Unaudited 1 January - 31 March 2022
	Notes		
<b>Cash flows from operating activities</b>		<b>4,080,650</b>	<b>2,663,290</b>
<b>Profit/(loss) for the period</b>		<b>6,792,657</b>	<b>1,145,064</b>
<b>Adjustment for reconciliation of profit/(loss) for the period</b>		<b>2,353,734</b>	<b>748,825</b>
Adjustment for depreciation and amortisation expense	11, 12	<b>265,158</b>	<b>233,210</b>
Adjustments for Impairment Loss (Reversal of Impairment Loss)		<b>(428,460)</b>	<b>-</b>
Adjustments for Impairment Loss (Reversal of Impairment Loss) of Receivables	9	<b>(428,460)</b>	<b>-</b>
Adjustment for provisions	15	<b>917,121</b>	<b>151,772</b>
Adjustment for interest (income) and expense	24	<b>(541,166)</b>	<b>551,965</b>
Adjustment for unrealized foreign currency translation differences		<b>(331,279)</b>	<b>(2,340,510)</b>
Adjustment for fair value (gain) or loss		<b>(2,957,465)</b>	<b>86,651</b>
Adjustment for undistributed profit accounted by equity method	10	<b>(257,200)</b>	<b>(208,662)</b>
Adjustment for tax expenses(income)		<b>3,892,974</b>	<b>186,586</b>
Adjustment for (gain)/loss on sales of property, plant and equipment	23	<b>2,505</b>	<b>(2,173)</b>
Adjustment for other items related with cash flow of investment or financial activities		<b>1,369,691</b>	<b>1,874,089</b>
Other adjustments for reconciliation of profit/(loss)		<b>421,855</b>	<b>215,897</b>
<b>Changes in working capital</b>		<b>(3,747,452)</b>	<b>873,566</b>
Adjustment for decrease/(increase) in trade receivables		<b>4,383,665</b>	<b>(5,821,358)</b>
Adjustment for decrease/(increase) in other receivables related with operations		<b>1,875,117</b>	<b>(1,147,526)</b>
Adjustment for decrease/(increase) in derivative assets		<b>1,226,358</b>	<b>3,160,912</b>
Adjustment for decrease/(increase) in inventories		<b>1,062,738</b>	<b>(10,370,091)</b>
Adjustment for increase/(decrease) in trade payables		<b>(12,110,446)</b>	<b>13,287,630</b>
Adjustment for increase/(decrease) in other payables related with operations		<b>393,766</b>	<b>(8,777)</b>
Adjustment for decrease/(increase) in derivative liabilities		<b>(578,650)</b>	<b>1,772,776</b>
<b>Cash flows from operating activities</b>		<b>5,398,940</b>	<b>2,767,455</b>
Tax returns/(payments)		<b>(1,002,112)</b>	<b>(81,734)</b>
Other cash inflow/(outflow)		<b>(316,178)</b>	<b>(22,431)</b>
<b>Cash flows from investing activities</b>		<b>158,221</b>	<b>(319,016)</b>
Dividends received		<b>250,020</b>	<b>240,000</b>
Cash inflows from the sales of property, plant and equipment and intangible assets		<b>566</b>	<b>2,444</b>
Cash outflows from the purchase of property, plant and equipment and intangible assets		<b>(1,997,763)</b>	<b>(276,329)</b>
Other cash inflow/(outflow)	6	<b>1,905,398</b>	<b>(285,131)</b>
<b>Cash flows from financing activities</b>		<b>(11,443,665)</b>	<b>(10,874,956)</b>
Cash inflows from financial liabilities	7	<b>118,669</b>	<b>6,281,963</b>
Cash outflows from financial liabilities	7	<b>(3,454,068)</b>	<b>(7,211,401)</b>
Cash inflows from derivative instruments		<b>4,282,376</b>	<b>171,571</b>
Cash outflows from derivative instruments		<b>(285,751)</b>	<b>(9,582,843)</b>
Cash outflows from payments of rent agreements	7	<b>(18,838)</b>	<b>(23,323)</b>
Dividends paid		<b>(12,500,000)</b>	<b>-</b>
Interest paid		<b>(720,746)</b>	<b>(679,796)</b>
Interest received		<b>1,134,693</b>	<b>168,873</b>
<b>Net increase/(decrease) in cash and cash equivalents before the effect of foreign currency translation differences</b>		<b>(7,204,794)</b>	<b>(8,530,682)</b>
<b>Impact of foreign currency translation differences on cash and cash equivalents</b>		<b>331,279</b>	<b>2,340,510</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(6,873,515)</b>	<b>(6,190,172)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>41,316,635</b>	<b>16,905,131</b>
<b>Cash and cash equivalents at the end of the period</b>	5	<b>34,443,120</b>	<b>10,714,959</b>

(\*) The restatement effects are explained in Note 2.2.1.

The accompanying notes form an integral part of these consolidated financial information.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 1. ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP

Türkiye Petrol Rafinerileri A.Ş. (“Tüpraş” or the “Company”) was established on 16 November 1983. The Company is mainly engaged in the following fields:

- To provide and refine all kinds of crude oil, petroleum and chemical products, to sustain all kinds of commercial operations of produced and imported crude oil, petroleum and chemical products including export along with the storage and transportation activities during production and selling stages and to establish and operate domestic and foreign refineries for this purpose.
- To establish and operate factories and facilities in petrochemical and other related industries,
- To provide the necessary raw and supplementary materials and process, produce or trade these materials in order to obtain petrochemical and other related products,
- To package the products produced during various phases of production and to establish a packaging industry for this purpose, to evaluate and/or to sell waste, by products and substandard products, to establish and operate the necessary facilities for the destruction of the waste products,
- To establish and operate facilities and plants related with all kinds of energy and energy related industries within the framework of the laws and regulations. To obtain, use and trade all kinds of equipment, materials and chemical substances for this purpose,
- Domestic and foreign wholesale and retail purchase, sale, import, export, storage, marketing of all kinds of petroleum products, LPG and natural gas, with other real and legal persons to operate partially or completely in these purposes and subjects, such as distribution and marketing company or similar other establishing partnerships or appropriating the stocks and documents representing the shares of existing partnerships, selling them when necessary, buying or transferring the participation shares.

The main operations of Tüpraş and its subsidiaries (collectively referred as “the Group”) are in Turkey and the Group’s business segment has been identified as refining, trading of petroleum products, electricity production and supply.

The Company is registered at the Capital Markets Board (“CMB”) of Turkey and its shares have been quoted at Borsa İstanbul A.Ş. (“BIST”) since 1991. As of 31 March 2023, the principal shareholders and their respective shareholdings in the Company are as follow (Note 19, Note 2.2.1):

	(%)
Enerji Yatırımları A.Ş.	46.40
Koç Holding A.Ş.	6.35
Koç Family Members and Companies owned by Koç Family Members	0.47
Publicly held	46.78
	<b>100.00</b>

Enerji Yatırımları A.Ş., the parent of the Company is controlled by Koç Holding A.Ş., Koç Family and the companies owned by Koç Family.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

### 1. ORGANIZATION AND NATURE OF OPERATIONS OF THE GROUP (CONTINUED)

The nature of the business of the subsidiaries and joint ventures of the Group is as follows:

Subsidiaries	Country of incorporation	Nature of business
Ditaş Deniz İşletmeciliği ve Tankerciliği A.Ş. ("Ditaş")	Turkey	Crude oil and petroleum products transportation
Üsküdar Tankercilik A.Ş. ("Üsküdar")	Turkey	Crude oil and petroleum products transportation
T Damla Denizcilik A.Ş. ("Damla")	Turkey	Mooring and tug service
Kadıköy Tankercilik A.Ş. ("Kadıköy")	Turkey	Crude oil and petroleum products transportation
Beykoz Tankercilik A.Ş. ("Beykoz")	Turkey	Crude oil and petroleum products transportation
Sarıyer Tankercilik A.Ş. ("Sarıyer")	Turkey	Crude oil and petroleum products transportation
Kartal Tankercilik A.Ş. ("Kartal")	Turkey	Crude oil and petroleum products transportation
Maltepe Tankercilik A.Ş. ("Maltepe")	Turkey	Crude oil and petroleum products transportation
Salacak Tankercilik A.Ş. ("Salacak")	Turkey	Crude oil and petroleum products transportation
Karşıyaka Tankercilik A.Ş. ("Karşıyaka")	Turkey	Crude oil and petroleum products transportation
Bakırköy Tankercilik A.Ş. ("Bakırköy")	Turkey	Crude oil and petroleum products transportation
Karaköy Tankercilik A.Ş. ("Karaköy")	Turkey	Crude oil and petroleum products transportation
Çengelköy Tankercilik A.Ş. ("Çengelköy")	Turkey	Crude oil and petroleum products transportation
Pendik Tankercilik A.Ş. ("Pendik")	Turkey	Crude oil and petroleum products transportation
Tuzla Tankercilik A.Ş. ("Tuzla")	Turkey	Crude oil and petroleum products transportation
Göztepe Tankercilik A.Ş. ("Göztepe")	Turkey	Crude oil and petroleum products transportation
Körfez Ulaştırma A.Ş. ("Körfez")	Turkey	Air carriage and transportation
Tupras Trading Ltd. ("Tupras Trading")	England	Crude oil and petroleum products trade
Entek Elektrik Üretimi A.Ş. ("Entek")	Turkey	Electricity and steam production and trade
Eltak Elektrik Enerjisi İthalat		
İhracat ve Toptan Ticaret A.Ş. ("Eltak")	Turkey	Electricity trade
Menzelet Kılavuzlu Elektrik		
Üretimi A.Ş. ("Menzelet Kılavuzlu")	Turkey	Electricity production and trade
Süloğlu Elektrik Üretimi A.Ş. ("Süloğlu")	Turkey	Electricity production and trade
Enspire Enerji Yatırımları ve Hizmetleri A.Ş. ("Enspire")	Turkey	Establishing a power generation facility
Tüpraş Enerji Girişimleri A.Ş. ("Tüpraş Ventures")	Turkey	Technology and venture investments

  

Joint ventures	Country of incorporation	Nature of business
OPET Petrolcülük A.Ş. ("Opet")	Turkey	Petroleum products retail distribution
THY Opet Havacılık Yakıtları A.Ş.	Turkey	Jet fuel supply services
Opet International Limited	England	Petroleum products trading
Opet Trade B.V.	The Netherlands	Petroleum products trading
Opet Trade Singapore (In liquidation) (*)	Singapore	Petroleum products trading
Opet Market ve Akaryakıt İstasyon İşletmeciliği A.Ş.	Turkey	Petroleum products trading
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş.	Turkey	Lube oil trading
Op Ay Akaryakıt Ticaret Ltd. Şti.	Turkey	Petroleum products trading
Akdeniz Akaryakıt Depolama Nakliyat ve Tic. A.Ş.	Turkey	Petroleum products trading
Opet Aygaz Gayrimenkul A.Ş.	Turkey	Real estate

(\*) Ceased its activities since 15 July 2015.

The average number of employees of the Group as at 31 March 2023 is 6,040 (31 December 2022 - 6,043).

The address of the registered office of the Company is as follows:

Türkiye Petrol Rafinerileri A.Ş.  
Gülbahar Mahallesi  
Büyükdere Caddesi No:101/A  
Şişli, İstanbul



# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

---

### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

#### 2.1. Basis of presentation

##### 2.1.1 Financial reporting standards

The consolidated financial statements and disclosures have been prepared in accordance with 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 which is published on Official Gazette numbered 28676. In accordance with article 5th of the Communiqué, companies should apply Turkish Financial Reporting Standards ("TFRS") and interpretations regarding these standards as published by the Public Oversight Accounting and Auditing Standards Authority of Turkey ("POA").

The consolidated financial statements are presented in accordance with the formats specified in the "Announcement on TMS Taxonomy" published by the POA on 4 October 2022 and the Financial Table Examples and User Guide published by the CMB.

The Group and the group companies established in Turkey maintain their books of account and prepare their statutory financial statements ("Statutory Financial Statements") in accordance with rules and principles published by POA, the Turkish Commercial Code ("TCC"), tax legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. These consolidated financial statements have been prepared under the historical cost convention except for derivative instruments that are carried at fair value. These consolidated financial statements are based on the statutory records with the required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Turkish Financial Reporting Standards.

Public Oversight Accounting and Auditing Standards Authority ("POA") made an announcement on 20 January 2022 about Application of Financial Reporting in Hyperinflationary Economies for Turkish Financial Reporting Standards and Reporting Standards for Large and Medium Sized Entities. In accordance with the announcement, companies that apply TFRS should not adjust financial statements for TAS 29 - Financial Reporting in Hyperinflationary Economies for the year 2021. As of the preparation date of this interim condensed consolidated financial information, POA did not make an additional announcement and no adjustment was made to this interim condensed consolidated financial information in accordance with TAS 29.

#### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in TRY, which is the functional currency of Tüpraş and the presentation currency of the Group.

#### Foreign group companies

Tupras Trading, a subsidiary of the Group, prepares its financial statements in US Dollar functional currency. The results of the relevant subsidiary are based on the average exchange rate for the relevant period, assets and liabilities are translated into TRY with the period-end exchange rate. Exchange differences arising from the translation of net assets at the beginning of the period into TRY and differences between average and period-end exchange rates are included in the foreign currency translation differences account in shareholders' equity and are associated with total comprehensive income.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023**

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

---

**2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

**2.1. Basis of presentation (Continued)**

**2.1.2 Amendments in Turkish Financial Reporting Standards (TFRS)**

**The new standards, amendments and interpretations**

The accounting policies adopted in preparation of the consolidated financial statements as at 31 March 2023 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and IFRIC interpretations effective as of 1 January 2023. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

*a) Standards, amendments and interpretations applicable as at 31 March 2023:*

- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, ‘Insurance Contracts’;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

*b) Standards, amendments and interpretations that are issued but not effective as at 31 March 2023:*

- **Amendment to IAS 1 – Non current liabilities with covenants;** effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
- **Amendment to IFRS 16 – Leases on sale and leaseback;** effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.1. Basis of presentation (Continued)

##### 2.1.3 Financial statements of subsidiaries and joint ventures operating in foreign countries

Financial statements of subsidiaries and joint ventures operating in foreign countries are prepared according to the legislation of the country in which they operate, and adjusted to the Turkish Financial Reporting Standards to reflect the proper presentation and content. Foreign subsidiaries’ and joint ventures’ assets and liabilities are translated into TRY with the foreign exchange rate at the balance sheet date. Exchange differences arising from the retranslation of the opening net assets of foreign undertakings and differences between the average and balance sheet date rates are included in the statements of other comprehensive income and shareholders’ equity.

##### 2.1.4 Principles of consolidation

- a) The interim condensed consolidated financial information for the interim period ended 31 March 2023 have been prepared in accordance with principles stated on the consolidated financial statements for the year ended 31 December 2022 and include financial statements of Tüpraş, and its Subsidiaries.
- b) As of 31 March 2023 and 31 December 2022, the voting rights and effective partnership shares of the subsidiaries and joint ventures that were consolidated are as follows.

	31 March 2023		31 December 2022	
	Direct and indirect voting right possessed by the company (%)	Proportion of effective interest (%)	Direct and indirect voting right possessed by the company (%)	Proportion of effective interest (%)
<b>Subsidiary</b>				
Ditaş	79.98	79.98	79.98	79.98
Üsküdar	79.98	79.98	79.98	79.98
Damla	79.98	79.98	79.98	79.98
Beykoz	79.98	79.98	79.98	79.98
Kadıköy	79.98	79.98	79.98	79.98
Sarıyer	79.98	79.98	79.98	79.98
Kartal	79.98	79.98	79.98	79.98
Maltepe	79.98	79.98	79.98	79.98
Salacak	79.98	79.98	79.98	79.98
Karşıyaka	79.98	79.98	79.98	79.98
Bakırköy	79.98	79.98	79.98	79.98
Karaköy	79.98	79.98	79.98	79.98
Çengelköy	79.98	79.98	79.98	79.98
Pendik	79.98	79.98	79.98	79.98
Tuzla	79.98	79.98	79.98	79.98
Göztepe	79.98	79.98	79.98	79.98
Körfez	100.00	100.00	100.00	100.00
Tupras Trading	100.00	100.00	100.00	100.00
Entek (*)	99.23	99.23	99.23	99.23
Eltak (*)	99.23	99.23	99.23	99.23
Menzelet Kılavuzlu (*)	99.23	99.23	99.23	99.23
Süloğlu (*)	99.23	99.23	99.23	99.23
Enspire (*)	99.23	99.23	99.23	99.23
Tüpraş Ventures	100.00	100.00	100.00	100.00

(\*) The financial statements of Entek and its Subsidiaries, which were acquired in 2022, have been consolidated retrospectively in the financial statements using the “Consolidation of Rights” method published by Public Oversight Accounting and Auditing Standards Authority (Note 2.2.1).

The financial position statements and income statements of the Subsidiaries have been consolidated using the full consolidation method, and the registered contributory value of the shares owned by the company is mutually clarified with the relevant equity. Transactions and balances within the scope of consolidation between the Company and Subsidiaries are mutually write off. The book values of the subsidiary shares owned by the Company and the dividends arising from these shares have been netted off from the related equity and comprehensive income statement accounts.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.1. Basis of presentation (Continued)

##### 2.1.4. Basis of presentation (Continued)

- c) Joint ventures are companies in which the Group has joint control. Joint control is the contractually agreed sharing of control. The control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The Group's interest in joint ventures is accounted for with equity method. Investments accounted by equity method are presented in consolidated statement of financial position with additions or deductions of changes on share of the Group on net assets of the affiliate and with deduction of provisions for the decline in the value.

The table below shows the total interest of the Group in its joint ventures accounted by using the equity method as at 31 March 2023 and 31 December 2022:

	31 March 2023		31 December 2022	
	Direct and indirect voting right possessed by the company (%)	Proportion of effective interest (%)	Direct and indirect voting right possessed by the company (%)	Proportion of effective interest (%)
<b>Joint ventures accounted by equity method</b>				
Opet	50.00	41.67	50.00	41.67
Opet International Limited (*)	50.00	41.67	50.00	41.67
Opet Trade B.V. (*)	50.00	41.67	50.00	41.67
Opet Trade Singapore (In liquidation) (*) (***)	50.00	41.67	50.00	41.67
Opet Market ve Akaryakıt İstasyon İşletmeciliği A.Ş. (*)	50.00	41.67	50.00	41.67
THY Opet Havacılık Yakıtları A.Ş. (**)	25.00	20.84	25.00	20.84
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. (**)	25.00	20.84	25.00	20.84
Op Ay Akaryakıt Ticaret Ltd. Şti. (**)	25.00	20.84	25.00	20.84
Akdeniz Akaryakıt Depolama Nakliyat ve Tic. A.Ş. (**)	16.65	13.88	16.65	13.88
Opet Aygaz Gayrimenkul A.Ş. (**)	25.00	20.84	25.00	20.84

(\*) Related companies are accounted by consolidation in Opet's financial statements.

(\*\*) Related companies are accounted by equity method in Opet's financial statements.

(\*\*\*) Ceased its activities since 15 July 2015.

- d) The non-controlling shareholders' share of the net assets and results for the period for the subsidiaries are classified separately in the consolidated statement of financial position and statements of comprehensive income as non-controlling interests.

#### 2.2. Changes in accounting policies

##### 2.2.1 Comparative information and restatement of prior period financial statements

Significant changes in accounting policies are applied retrospectively and prior period financial statements are restated.

The Group has prepared the consolidated statement of financial position as of 31 March 2023, the consolidated statement of financial position prepared as of 31 December 2022 and the consolidated statement of comprehensive income for the interim period ended 31 March 2023, the statement of cash flow and the statement of changes in shareholders' equity as of 31 March 2022 prepared comparatively with the interim consolidated financial statements.

In order to comply with the presentation of the current period consolidated financial statements, comparative information is rearranged when deemed necessary and important differences are disclosed. The Group has restated its prior period financial statements in order to comply with the presentation of the current period consolidated financial statements.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

---

### 2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

#### 2.2. Changes in accounting policies (Continued)

##### 2.2.1 Comparative information and restatement of prior period financial statements

Tüpraş took over Entek shares with a nominal value of TRY 942,727,458.04 corresponding to 99.23% of Entek shares, from Koç Holding and Aygaz through a partial division. Tüpraş capital increased from TRY 250,419,200 to TRY 275,256,514. In accordance with the principle of "Accounting for Business Combinations Subject to Joint Control" published in the Gazette of Republic of Turkey dated 21 July 2018 by the Public Oversight Accounting and Auditing Standards Authority (POA), the “Consolidation of Rights method” was used to reflect the takeover on the Group's financial statements. Accordingly, the book values of the assets and liabilities of the acquiree, which were included in the financial statements of the company holding joint control as of the acquisition date, is reflected in the financial statements retrospectively as of the beginning of the period which is disclosed comparatively.

##### 2.2.2 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### 2.3. Summary of significant accounting policies

The condensed interim consolidated financial statements for the period ended 31 March 2023 have been prepared in accordance with TAS 34 for the preparation of interim financial statements of TFRS. In addition, the condensed interim consolidated financial statements as of 31 March 2022 have been prepared by applying the accounting policies that are consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ended 31 December 2022, except for the accounting policy changes effective from 1 January 2023. Therefore, these condensed interim consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended 31 December 2022.

### 3. BUSINESS COMBINATIONS

No business combinations occurred during the period ended 31 March 2023.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 4. SEGMENT REPORTING

The Group management has decided to use industrial segments as the reporting format for operating segments, considering that the Group's risks and returns are affected by developments in the energy sector. The Group management thinks that the Group operates under the industrial divisions formed by these two sectors, since the Group's field of activity is the refining and the electricity sectors as of the date of acquisition of Entek shares. The Group has presented the segment reporting it has prepared for the refining and electricity sectors in the consolidated financial statements.

#### a) Analysis of information by segments

<b>1 January - 31 March 2023</b>	<b>Refining</b>	<b>Electric</b>	<b>Consolidated Total</b>
Revenue	91,247,978	1,578,397	92,826,375
Cost of sales	(77,499,759)	(1,329,362)	(78,829,121)
<b>Gross profit (loss)</b>	<b>13,748,219</b>	<b>249,035</b>	<b>13,997,254</b>
Operating expenses	(2,135,638)	(70,184)	(2,205,822)
Other operating income	549,796	6,278	556,074
Other operating expenses	(1,172,827)	(3,589)	(1,176,416)
<b>Operating profit</b>	<b>10,989,550</b>	<b>181,540</b>	<b>11,171,090</b>
Income/ (expenses) from investment activities	(2,511)	11,842	9,331
Income (loss) from investments accounted by equity method	257,200	-	257,200
<b>Operating profit before financial income (expense)</b>	<b>11,244,239</b>	<b>193,382</b>	<b>11,437,621</b>
Financial income	1,607,134	67,229	1,674,363
Financial expense	(2,311,663)	(114,690)	(2,426,353)
<b>Profit (loss) before tax from continued operations</b>	<b>10,539,710</b>	<b>145,921</b>	<b>10,685,631</b>
Tax (expense) income from continued operations	(3,858,717)	(34,257)	(3,892,974)
<b>Net income (loss) from continued operations</b>	<b>6,680,993</b>	<b>111,664</b>	<b>6,792,657</b>

<b>1 January - 31 March 2022</b>	<b>Refining</b>	<b>Electric</b>	<b>Consolidated Total</b>
Revenue	76,541,226	1,104,452	77,645,678
Cost of sales	(71,236,895)	(713,504)	(71,950,399)
<b>Gross profit (loss)</b>	<b>5,304,331</b>	<b>390,948</b>	<b>5,695,279</b>
Operating expenses	(1,050,290)	(30,588)	(1,080,878)
Other operating income	805,549	1,413	806,962
Other operating expenses	(2,303,250)	(26,184)	(2,329,434)
<b>Operating profit</b>	<b>2,756,340</b>	<b>335,589</b>	<b>3,091,929</b>
Income/ (expenses) from investment activities	1,296	937	2,233
Income (loss) from investments accounted by equity method	208,662	-	208,662
<b>Operating profit before financial income (expense)</b>	<b>2,966,298</b>	<b>336,526</b>	<b>3,302,824</b>
Financial income	2,436,181	76,405	2,512,586
Financial expense	(4,340,317)	(143,443)	(4,483,760)
<b>Profit (loss) before tax from continued operations</b>	<b>1,062,162</b>	<b>269,488</b>	<b>1,331,650</b>
Tax (expense) income from continued operations	(125,751)	(60,835)	(186,586)
<b>Net income (loss) from continued operations</b>	<b>936,411</b>	<b>208,653</b>	<b>1,145,064</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 4. SEGMENT REPORTING (Continued)

#### b) Assets by segments

	31 March 2023	31 December 2022
Refining	145,134,126	162,732,988
Electric	5,962,421	6,149,916
Cross-section correction	(741)	9,431
<b>Total Assets</b>	<b>151,095,806</b>	<b>168,892,335</b>

### 5. CASH AND CASH EQUIVALENTS

	31 March 2023	31 December 2022
Cash at banks		
Demand deposits	218,305	863,000
Time deposits	34,224,815	40,453,635
Demand deposits (blocked)	794,595	2,706,134
Revenue share (blocked)	3,621,219	3,370,655
Time deposit interest accruals	46,106	241,734
<b>Total</b>	<b>38,905,040</b>	<b>47,635,158</b>

As determined by the Petroleum Market License Regulation, the revenue share received from customers is kept in banks and treated as blocked deposits in the Company's records. As of March 31, 2023 and December 31, 2022, revenue shares are accounted for as time deposits and overnight interest deposits with government securities interest rates (Note 14). In addition, there are demand blocked deposits amounting to TL 794,595 thousand for derivative transactions carried out in foreign exchanges (31 December 2022 – TL 2,706,134 thousand).

#### Time deposits and other cash and cash equivalents

As of 31 March 2023 and 31 December 2022 the details of time deposits are as follows:

#### 31 March 2023

	Effective rate of interest (%)	Less than 1 month	1 - 3 months	Total
TRY	28.66	9,644,446	165,001	9,809,447
USD	1.50	24,366,702	-	24,366,702
EUR	0.05	43,781	2,080	45,861
GBP	0.05	2,805	-	2,805
<b>Time deposit</b>		<b>34,057,734</b>	<b>167,081</b>	<b>34,224,815</b>

#### 31 December 2022

	Effective rate of interest (%)	Less than 1 month	1 - 3 months	Total
TRY	25.48	23,009,851	500,000	23,509,851
USD	3.71	16,816,503	65,692	16,882,195
EUR	0.10	52,501	-	52,501
GBP	0.05	9,088	-	9,088
<b>Time deposit</b>		<b>39,887,943</b>	<b>565,692</b>	<b>40,453,635</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 5. CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents included in the consolidated statements of cash flows for the periods ended 31 March 2023 and 2022 are as follows:

	31 March 2023	31 March 2022
Cash and cash equivalents	38,905,040	20,372,923
Less: Blocked deposits (Revenue share)	(3,621,219)	(2,852,068)
Less: Blocked deposits (Revenue share)	(794,595)	(6,795,217)
Less: Time deposit interest accruals	(46,106)	(10,679)
<b>Cash and cash equivalents</b>	<b>34,443,120</b>	<b>10,714,959</b>

### 6. FINANCIAL INVESTMENTS

#### Short-term Financial Investments:

	31 March 2023	31 December 2022
Short-term financial investments	241,616	2,135,177
<b>Total</b>	<b>241,616</b>	<b>2,135,177</b>

As of 31 March 2023 and 31 December 2022, the nominal amount and fair values of the financial assets that are Exchange-rate protected TRY time deposits are as follows:

	Nominal amount (original currency)	31 March 2023	
		Fair value (TL equivalent)	Term
TRY	215,731	241,616	1-3 months
		<b>241,616</b>	
31 December 2022			
	Nominal amount (original currency)	Fair value (TL equivalent)	Term
TRY	2,068,764	2,135,177	1-3 months
		2,135,177	

The financial investment movement table is as follows:

	2023	2022
1 January	2,135,177	-
Withdrawals	(1,987,079)	-
Nominal amount	81,681	285,131
Fair value difference	11,836	-
<b>31 December</b>	<b>241,616</b>	<b>285,131</b>



# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 7. FINANCIAL LIABILITIES

	31 March 2023	31 December 2022
<b>Short-term borrowings:</b>		
Short-term bank borrowings	907,044	840,440
Interest accruals of bank borrowings	39,023	22,878
<b>Total</b>	<b>946,067</b>	<b>863,318</b>
<b>Short-term portion of long-term borrowings:</b>		
Short-term portion of long-term bank borrowings	8,990,996	9,230,404
Bonds issued	-	1,390,000
Interest accruals of bank borrowings	235,416	306,432
Interest accruals of bonds issued	273,070	148,354
Lease liabilities	60,344	55,983
<b>Total</b>	<b>9,559,826</b>	<b>11,131,173</b>
<b>Long-term borrowings:</b>		
Bonds issued	6,339,593	7,911,504
Long-term bank borrowings	13,402,200	13,088,810
Interest accruals of bank borrowings	175	2,455
Lease liabilities	290,763	271,690
<b>Total</b>	<b>20,032,731</b>	<b>21,274,459</b>
<b>Total borrowings</b>	<b>30,538,624</b>	<b>33,268,950</b>

Tüpraş has issued a bond on 3 February 2021 with a nominal value of TRY1,100 million, with a maturity of 728 days, coupon payment every 3 months and repayment of principal and coupon at maturity, with 140 bps additional yields on 3MTLREF reference rate. The said bond was redeemed and paid on 3 February 2023. Tüpraş has issued a bond on 21 January 2021 with a nominal value of TRY290 million, with a maturity of 728 days, coupon payment every 3 months and repayment of principal and coupon at maturity, with 140 bps additional yields. The said bond was redeemed and paid on 20 January 2023.

Tüpraş has issued a bond on 12 October 2017 with a nominal value of USD700 million, with a maturity of 7 years, coupon payment every 6 months and repayment of principal and coupon at maturity, with an annual interest rate of 4.5%, on the London Stock Exchange.

In 2011, Tüpraş has signed three loan agreements in order to finance Residuum Upgrading Project (“RUP”) and further to the agreements the loans amounting to USD1,998 million were utilized between 2011 and 2015 for credit insurance payments and capital expenditures. According to financing package loan was insured by SACE and CESCE have 12 years to maturity also there will be no principal and interest payment in first 4 years. The third loan has 7 years to maturity and there will be no principal payment in the first four years. The repayment of the loans has started in 2015 and as at 31 March 2023 the outstanding amount of the loans is USD193 millions (31 December 2022 – USD193 millions).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 7. FINANCIAL LIABILITIES (Continued)

Foreign currency balances and effective interest rates for the short and long-term financial liabilities as at 31 March 2023 and 31 December 2022 are as follows:

		31 March 2023	
	Effective interest rate (%)	Original currency	Thousand TRY
<b>Short-term borrowings:</b>			
TRY bank borrowings (*)	16.56	239,674,631	239,675
USD bank borrowing	4.09	34,856,837	667,369
			<b>907,044</b>
Interest accruals			39,023
<b>Total short-term financial liabilities</b>			<b>946,067</b>
<b>Short-term portion of long-term borrowings</b>			
TRY borrowings	17.44	3,672,975,489	3,672,976
USD bank borrowings	5.65	277,761,456	5,318,020
TRY lease liabilities	25.25	48,109,766	48,109
EUR lease liabilities	3.20	324,294	6,746
GBP lease liabilities	4.16	232,641	5,489
			<b>9,051,340</b>
Interest accruals			508,486
<b>Total short term portion of long-term borrowings</b>			<b>9,559,826</b>
<b>Long-term borrowings:</b>			
TRY borrowings	18.32	1,861,192,765	1,861,193
USD borrowings	6.21	233,907,996	4,478,400
USD bonds issued	4.50	700,000,000	13,402,200
TRY lease liabilities	27.43	162,356,780	162,357
EUR lease liabilities	3.23	6,172,742	128,406
			<b>20,032,556</b>
Interest accruals			175
<b>Total long-term borrowings</b>			<b>20,032,731</b>

(\*) Banks provide interest-free loans to the Group for the payment of SCT and Social Security debts amounting to TRY51,175 thousand as of 31 March 2023 (As of 31 December 2022, no interest-free loans were used to pay SCT, Customs and SGK debts).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 7. FINANCIAL LIABILITIES (Continued)

		31 December 2022	
	Effective interest rate (%)	Original currency	Thousand TRY
Short-term borrowings:			
TRY bank borrowings	17.02	186,000,000	186,000
USD bank borrowing	4.09	34,999,983	654,440
			840,440
Interest accruals			22,878
<b>Total short-term financial liabilities</b>			<b>863,318</b>
Short-term portion of long-term borrowings:			
TRY borrowings	17.12	4,163,003,794	4,163,004
TRY bonds issued	12.10	1,390,000,000	1,390,000
USD bank borrowings	5.36	271,008,642	5,067,401
TRY lease liabilities	24.38	42,369,551	42,370
EUR lease liabilities	3.04	332,733	6,633
GBP lease liabilities	4.16	310,327	6,979
			10,676,387
Interest accruals			454,786
<b>Total short term portion of long-term borrowings</b>			<b>11,131,173</b>
Long-term borrowings:			
TRY borrowings	18.47	2,696,099,203	2,696,099
USD borrowings	5.92	281,013,389	5,215,405
USD bonds issued	4.50	700,000,000	13,088,810
TRY lease liabilities	27.30	147,039,149	147,039
EUR lease liabilities	3.23	6,252,903	124,651
			21,272,004
Interest accruals			2,455
<b>Total long-term borrowings</b>			<b>21,274,459</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

### 7. FINANCIAL LIABILITIES (Continued)

As at 31 March 2023 and 31 December 2022, the redemption schedule of long-term bank borrowings is as follows:

	31 March 2023	31 December 2022
1-2 years	16,489,801	17,514,350
2-3 years	1,858,187	1,911,115
3-4 years	318,703	294,140
4-5 years	284,595	294,774
Over 5 years	1,081,445	1,260,080
<b>Total</b>	<b>20,032,731</b>	<b>21,274,459</b>

The movement of borrowings as of 31 March 2023 and 2022 is as follows:

	2023	2022
1 January	33,268,950	33,193,664
New financial borrowings	83,148	6,265,385
Principal payments	(3,454,068)	(7,211,401)
Increase due to lease liabilities	35,521	16,578
Decrease due to payment of lease liabilities	(18,838)	(23,323)
Changes in interest accruals	68,409	44,245
Changes in foreign exchange rates	555,502	1,874,089
<b>31 March</b>	<b>30,538,624</b>	<b>34,159,237</b>

### 8. TRADE RECEIVABLES AND PAYABLES

#### Short-term trade receivables:

	31 March 2023	31 December 2022
Trade receivables	14,274,685	18,311,455
Due from related parties (Note 27)	2,840,982	3,187,872
Doubtful trade receivables	5,622	5,622
Other trade receivables	1	6
Less: Unearned credit finance income	(48,660)	(81,813)
Less: Expected credit loss	(5,622)	(5,622)
<b>Total short-term trade receivables (net)</b>	<b>17,067,008</b>	<b>21,417,520</b>

Tüpraş discounts the domestic receivables by using domestic government bonds and foreign receivables by using monthly libor rates.

As of 31 March 2023, TRY4,130,000 thousand collected from factoring companies within the scope of irrevocable factoring has been deducted from trade receivables (December 31, 2022 - TRY6,211,000 thousand).

## TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

#### 8. TRADE RECEIVABLES AND PAYABLES (Continued)

Movement of the provision for doubtful receivables for the years ended 31 March 2023 and 2022 is as follows:

	2023	2022
1 January	5,622	5,625
Charge for the period	-	135
Payments during the period	-	-
<b>31 March</b>	<b>5,622</b>	<b>5,760</b>

#### Short-term trade payables:

	31 March 2023	31 December 2022
Trade payables	39,984,571	51,737,591
Due to related parties (Note 27)	798,995	1,156,421
Less: Unrealised credit finance charges trade payables	(160,392)	(195,248)
<b>Total short-term trade receivables (net)</b>	<b>40,623,174</b>	<b>52,698,764</b>

Tüpraş discounts short-term trade payables by using monthly libor rates.

#### 9. INVENTORIES

	31 March 2023	31 December 2022
Raw materials and supplies	5,708,198	7,151,989
Work-in-progress	7,884,764	9,174,496
Finished goods	8,559,764	8,824,262
Trade goods	1,667,137	1,497,384
Goods in transit	11,483,399	9,527,620
Other inventories	148,325	338,574
<b>Total</b>	<b>35,451,587</b>	<b>36,514,325</b>
Provision for impairment of inventory	(39,857)	(468,317)
<b>Total</b>	<b>35,411,730</b>	<b>36,046,008</b>

As of 31 March 2023 and 2022, movements of provision for inventory impairment are as follows:

	2023	2022
1 January	468,317	-
Changes in period	39,857	-
Provisions no longer required	(468,317)	-
<b>31 March</b>	<b>39,857</b>	<b>-</b>

As of 31 March 2023, sales prices are below costs as a result of the decrease in various product prices and TRY39,857 thousand provision for inventory impairment has been reserved (31 March 2022: None).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	31 March 2023		31 December 2022	
	Participation share (%)	Amount	Participation share (%)	Amount
OPET Petrolcülük A.Ş.	41.67	2,985,486	41.67	2,962,632
		<b>2,985,486</b>		<b>2,962,632</b>

Goodwill amounting to TRY189,073 thousand arising from the purchase of Opet shares on 28 December 2006 has been reclassified to investments accounted for using the equity method in the financial statements. On 8 December 2022, the shares corresponding to 1.67% of Opet's capital were purchased for a total cash price of TRY179,600 thousand and added to the participation value.

The movement in the investments accounted for using the equity method during the period ended 31 March 2023 and 2022 is as follows:

	2023	2022
1 January	2,962,632	2,150,156
Investments accounted for using the equity method;		
Shares in current period profit	257,200	208,662
Dividend payment	(250,020)	(240,000)
Currency translation differences	15,674	35,559
<b>31 March</b>	<b>2,985,486</b>	<b>2,154,377</b>

Consolidated summary financial statements of investments accounted for using the equity method (before Group's effective interest) are as follows:

	31 March 2023	31 December 2022
Current assets	24,572,443	22,749,707
Non-current assets	7,050,664	6,920,789
<b>Total assets</b>	<b>31,623,107</b>	<b>29,670,496</b>
Short term liabilities	21,812,525	18,460,825
Long term liabilities	3,530,732	4,724,773
Equity	6,279,850	6,484,898
<b>Total liabilities</b>	<b>31,623,107</b>	<b>29,670,496</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

	1 January - 31 March 2023	1 January - 31 March 2022
Sales (net)	38,413,520	27,002,843
Gross profit	1,559,787	1,410,954
Operating profit	703,874	905,660
Net (loss)/income for the period	617,235	521,655

With the decision of the Competition Board dated 27 August 2018; By determining the resale price of its dealers, an investigation was initiated against Opet to determine whether Article 4 of the Law on the Protection of Competition numbered 4054 was violated, and as a result of the investigation, the Authority sentenced Opet to a fine of TRY433,932. TRY 325,450, which is three-fourths of the administrative fine calculated within the framework of article 17 of the Misdemeanor Law No.5326, was paid by Opet to the Large Taxpayers Tax Office, without prejudice to all legal rights regarding the relevant decision. A lawsuit was filed by Opet for the annulment of the aforementioned decision, and a stay of execution decision was made in the aforementioned case. As a result of the trial, the Court decided to cancel the administrative fine and return it to Opet together with its legal interest. In September 2021, a penalty of TRY325,450 and legal interest of TRY22,550 were withdrawn. The Competition Authority's application, dated 13 September 2021, to the court of appeal for the annulment of the first instance court's annulment decision was unanimously rejected by the decision of the 8th Administrative Case Division of the Ankara Regional Administrative Court, dated 20 April 2022. The defendant administration appealed the decision of appeal on 30 May 2022 and the file is still under appeal.

### 11. PROPERTY, PLANT AND EQUIPMENT

The movements of property, plant and equipment and related accumulated depreciation for the period ended 31 March 2023 and 2022 is as follows:

	1 January 2023	Currency translation differences	Additions	Transfers	Disposals	31 March 2023
<b>Cost:</b>						
Lands	15,500,361	-	-	-	-	15,500,361
Land improvements	4,431,480	-	108,026	-	(1,360)	4,538,146
Buildings	1,096,789	-	30,048	-	(2)	1,126,835
Machinery and equipment	16,252,055	-	135,358	-	(1,898)	16,385,515
Motor vehicles	2,678,713	-	29,609	-	(139)	2,708,183
Furniture and fixtures	400,893	-	37,068	-	(2,537)	435,424
Construction in progress	2,080,539	-	1,578,221	(3,664)	-	3,655,096
Special costs	65,792	-	162	-	-	65,954
Other tangible assets	68,670	-	-	-	-	68,670
	<b>42,575,292</b>	<b>-</b>	<b>1,918,492</b>	<b>(3,664)</b>	<b>(5,936)</b>	<b>44,484,184</b>
<b>Accumulated depreciation:</b>						
Land improvements	(2,097,759)	-	(45,324)	-	569	(2,142,514)
Buildings	(302,029)	-	(5,579)	-	1	(307,607)
Machinery and equipment	(6,589,149)	(101)	(138,254)	-	1,357	(6,726,147)
Motor vehicles	(469,433)	-	(21,978)	-	139	(491,272)
Furniture and fixtures	(163,330)	(32)	(17,511)	-	2,278	(178,595)
Special costs	(26,776)	(119)	(3,456)	-	-	(30,351)
Other tangible assets	(22,501)	-	(3,397)	-	-	(25,898)
	<b>(9,670,977)</b>	<b>(252)</b>	<b>(235,499)</b>	<b>-</b>	<b>4,344</b>	<b>(9,902,384)</b>
<b>Net book value</b>	<b>32,904,315</b>					<b>34,581,800</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 11. PROPERTY, PLANT AND EQUIPMENT (Continued)

	1 January 2022	Currency translation differences	Additions	Transfers	Disposals	31 March 2022
Cost:						
Lands	12,257,773	-	-	-	-	12,257,773
Land improvements	4,256,802	-	139	-	-	4,256,941
Buildings	1,055,492	-	1,084	-	-	1,056,576
Machinery and equipment	15,854,944	205	10,084	-	-	15,865,233
Motor vehicles	2,251,927	-	127,871	-	(152)	2,379,646
Furniture and fixtures	226,286	104	2,169	-	(133)	228,426
Construction in progress	1,150,442	20	77,127	(1,061)	-	1,226,528
Special costs	63,845	478	-	-	-	64,323
Other tangible assets	36,531	-	10,036	1,009	(2,357)	45,219
	37,154,042	807	228,510	(52)	(2,642)	37,380,665
Accumulated depreciation:						
Land improvements	(1,930,097)	-	(41,836)	-	-	(1,971,933)
Buildings	(280,491)	-	(5,382)	-	-	(285,873)
Machinery and equipment	(6,081,573)	(20)	(129,267)	-	-	(6,210,860)
Motor vehicles	(395,470)	-	(24,047)	-	152	(419,365)
Furniture and fixtures	(125,267)	(8)	(8,319)	-	123	(133,471)
Special costs	(11,229)	(32)	(2,951)	-	-	(14,212)
Other tangible assets	(13,616)	-	(2,711)	-	2,096	(14,231)
	(8,837,743)	(60)	(214,513)	-	2,371	(9,049,945)
Net book value	28,316,299					28,330,720

Total depreciation expense amounting to TRY235,499 thousand (31 March 2022 – TRY214,513 thousand) related to tangible fixed assets in the comprehensive consolidated income statement for the period ended as of 31 March 2023 has been allocated to cost of goods sold amounting to TRY117,186 thousand (31 March 2022– TRY156,705 thousand), to general administration expenses amounting to TRY85,966 thousand (31 March 2022 – TRY31,760 thousand), to marketing, amounting to TRY25,820 thousand (31 March 2022– TRY22,539 thousand), to research and development expenses amounting to TRY6,527 thousand (31 March 2022– TRY3,509).

The depreciation expense related to right-of-use assets in the consolidated statement of comprehensive income for the period ended as of 31 March 2023 at TRY14,756 thousand (31 March 2022– TRY9,480 thousand), is classified to general administrative expenses amounting to TRY8,705 thousand (31 March 2022 – TRY 6,229 thousand), to marketing, amounting to TRY3,362 thousand (31 March 2022 TRY1,689), and to cost of goods sold amounting to TRY2,689 thousand (31 March 2022– TRY1,562).

As of 31 March 2023, there are no pledge on property, plant and equipment (31 December 2022: None).



# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 12. INTANGIBLE ASSETS

#### Other intangible assets:

The movements of intangible assets and related accumulated amortisation for the period ended 31 March 2023 and 2022 are as follows:

	1 January 2023	Additions	Transfers	Disposals	31 March 2023
<b>Cost:</b>					
Rights and software	162,587	9,806	-	(5,438)	166,955
Development expenses	127,242	38,893	-	-	166,135
Other intangible assets	572,016	1,688	3,664	8	577,376
	<b>861,845</b>	<b>50,387</b>	<b>3,664</b>	<b>(5,430)</b>	<b>910,466</b>
<b>Accumulated amortisation:</b>					
Rights and software	(109,379)	(6,059)	-	3,943	(111,495)
Development expenses	(103,213)	(4,076)	-	-	(107,289)
Other intangible assets	(93,222)	(4,768)	-	8	(97,982)
	<b>(305,814)</b>	<b>(14,903)</b>	<b>-</b>	<b>3,951</b>	<b>(316,766)</b>
<b>Net book value</b>	<b>556,031</b>				<b>593,700</b>
	1 January 2022	Additions	Transfers	Disposals	31 March 2022
<b>Cost:</b>					
Rights and software	128,623	(697)	-	-	127,926
Development expenses	124,603	3	-	-	124,606
Other intangible assets	571,039	1,155	52	-	572,246
	<b>824,265</b>	<b>461</b>	<b>52</b>	<b>-</b>	<b>824,778</b>
<b>Accumulated amortisation:</b>					
Rights and software	(93,657)	(3,451)	-	-	(97,108)
Development expenses	(92,749)	(2,680)	-	-	(95,429)
Other intangible assets	(75,673)	(4,352)	-	-	(80,025)
	<b>(262,079)</b>	<b>(10,483)</b>	<b>-</b>	<b>-</b>	<b>(272,562)</b>
<b>Net book value</b>	<b>562,186</b>				<b>552,216</b>

Total amortisation expenses amounting to TRY14,903 thousand (31 March 2022: TRY10,483 thousand) in the consolidated statement of comprehensive income for the period ended 31 March 2023 have been allocated to the general administration expenses amounting to TRY10,791 thousand (31 March 2022: TRY6,605 thousand) and the cost of sales amounting to TRY4,112 thousand (31 March 2022: TRY3,878 thousand).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 13. PREPAID EXPENSES

#### Short term prepaid expenses

	31 March 2023	31 December 2022
Insurance and other expenses	183,888	457,313
Advances given	176,168	291,474
<b>Total</b>	<b>360,056</b>	<b>748,787</b>

#### Long term prepaid expenses:

	31 March 2023	31 December 2022
Advances given to third parties for property, plant and equipment	630,404	603,734
Advances given to related parties for property, plant and equipment (Note 27)	-	291
Other prepaid expenses	11,586	14,359
<b>Total</b>	<b>641,990</b>	<b>618,384</b>

### 14. OTHER ASSETS AND LIABILITIES

#### Other current assets:

	31 March 2023	31 December 2022
Deferred Value Added Tax (“VAT”)	3,631,434	2,370,747
Deferred VAT	1,259,385	2,677,230
Deferred Special Consumption Tax (“SCT”)	821,180	737,222
Taxes and funds to be offsetted	185,571	1,793,142
Spare parts and material stocks	138,198	84,131
Income accruals	64,019	74,677
Income accruals from commodity hedge (*)	-	288,075
Other current assets	259,532	65,176
<b>Total</b>	<b>6,359,319</b>	<b>8,090,400</b>

(\*) As of 31 December 2022, income accruals from forward purchases and sales transactions consist of income accruals from derivative transactions made by Tüpraş for hedging purposes. These income accruals were accounted for in the cost of goods sold account and were fully collected on 9 January 2023.

#### Other non-current assets:

	31 March 2023	31 December 2022
Spare parts and material stocks	2,781,712	2,595,286
Other	2,516	5,867
<b>Total</b>	<b>2,784,228</b>	<b>2,601,153</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 14. OTHER ASSETS AND LIABILITIES (Continued)

#### Other short-term liabilities:

	31 March 2023	31 December 2022
Revenue share	3,646,122	3,383,851
Deferred Value Added Tax (“VAT”)	3,631,434	2,370,747
SCT payable	1,750,280	2,010,561
Taxes and liabilities payable	1,416,865	1,953,306
Deferred Special Consumption Tax (“SCT”)	821,180	737,222
VAT payable	119,301	181,802
Expense accruals	15,653	80,133
Expense accruals for commodity hedge (*)	-	79,045
Other	176,468	128,902
	<b>11,577,303</b>	<b>10,925,569</b>

(\*) As of 31 December 2022, expense accruals consist of commodity derivative transactions for inventory of Tüpraş which are exposed to commodity price risk. The expense accruals recognized under cost of goods sold and paid on January 9, 2023.

Deferred VAT and SCT include VAT and SCT amounts related to export committed sales and are classified within “Other current assets” under assets and within “Other current liabilities” under liabilities. Such SCT and VAT amounts are offset when the export transaction is certified and the related taxes are cancelled by the tax office.

According to the Petroleum Market Law, financing needs of refinery owners to maintain the National Petroleum Stock are supplied by the revenue share, which is a surplus added to the sales price, limited to a ceiling of USD 10/ton as determined by Energy Market Regulatory Authority (“EMRA”). In the case of importation of petroleum products, the revenue share is to be paid to the refinery owner by the importer.

The Group has been collecting the revenue share over the sales of petroleum products and non-refinery imports of petroleum products since 1 January 2005, the date the relevant article of the regulation came into force.

The Group has been collecting revenue share for LPG sales since 16 September 2005 in addition to the revenue share collected for petroleum products, in accordance with the Liquefied Petroleum Gas (“LPG”) Market Regulation.

It has been decided by the National Petroleum Reserves Commission that the investment management of the revenue share collected will be conducted by the General Directorate of Tüpraş, and the collected amount will be invested in overnight reverse repurchase agreements.

As a result of these regulations, the revenue share amounting to TRY3,646,122 thousand accumulated as at 31 March 2023 (31 December 2022: TRY3,383,851 thousand) which is not recognized in the comprehensive income statement, has been classified as “Revenue Share” within “Other short-term liabilities”. TRY3,621,219 thousand is (31 December 2022: TRY3,621,219 thousand) blocked in banks as demand deposits with government debt securities interest rate and overnight interest rate related to the calculated revenue share has been classified as Revenue share “Blocked” within “Cash and cash equivalents” (Note 5).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 15. PROVISIONS

#### Provision for employee benefits:

##### Short-term provision for employee benefits:

	31 March 2023	31 December 2022
Seniority incentive bonus provision	151,471	10,198
Personnel bonus accruals	29,030	37,406
<b>Total</b>	<b>180,501</b>	<b>47,604</b>

##### Long-term employee benefits:

	31 March 2023	31 December 2022
Provision for employment termination benefits	1,078,240	1,052,351
Provision for unused vacation	180,773	124,011
Seniority incentive bonus provision	29,268	13,754
<b>Total</b>	<b>1,288,281</b>	<b>1,190,116</b>

##### *Seniority incentive bonus provision:*

Seniority incentive bonus is paid to hourly paid worker together with their monthly salary when certain seniority levels are reached. The bonus amounts to 45 days of salary for 5 years of seniority level, 55 days of salary for 10 years of seniority level, 70 days of salary for 15 years of seniority level, 80 days of salary for 20 years of seniority level, 90 days of salary for 25 years of seniority level, 100 days of salary for 30 years of seniority level, 105 days of salary for 35 years of seniority level and 110 days of salary for 40 years of seniority level, paid once for each seniority level.

The movements in the provision for seniority incentive bonus during the period are as follows:

	2023	2022
1 January	51,160	27,894
Charge for the period	24,299	17,592
Payments during the period	(17,161)	(3,964)
<b>31 March</b>	<b>58,298</b>	<b>41,522</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 15. PROVISIONS (Continued)

#### *Provision for employment termination benefits:*

Under the Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men), Since the legislation was changed on 23 May 2002, there are certain transitional provisions relating to length of service prior to retirement.

The liability is not funded, as there is no funding requirement.

The provision has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

TAS 19 requires that actuarial valuation methods to be developed to estimate the Group’s employment termination benefit provision. The following actuarial assumptions have been used in the calculation of the total provision:

	31 March 2023	31 December 2022
Discount rate (%)	0.55%	0.55%
Turnover rate to estimate probability of retirement (%)	99.25%	99.24%

The principal assumption is that maximum liability of employment termination benefits for each year of service will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. Employment termination benefits of the joint ventures of the Group, which are registered in Turkey are calculated from the maximum amount of TRY19,982.83 which is effective as at 1 January 2023 (31 December 2022: TRY19.982,83).

The movement in the provision for employment termination benefits during the period is as follows:

	2023	2022
1 January	1,052,351	371,235
Interest expense	105,906	12,724
Increase during the period	24,807	13,702
Payments during the period	(104,824)	(15,793)
<b>31 March</b>	<b>1,078,240</b>	<b>381,868</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

### 15. PROVISIONS (Continued)

#### *Provision for unused vacation:*

The movement in the provision for unused vacation during the period is as follows:

	2023	2022
1 January	124,011	68,699
Charge for the period	72,420	37,401
Payments during the period	(15,658)	(2,674)
<b>31 March</b>	<b>180,773</b>	<b>103,426</b>

#### **Other short term provisions:**

	31 March 2023	31 December 2022
Provisions for donations	287,498	-
Provision for demurrage	235,681	268,254
EMRA participation share (*)	150,422	120,172
Provisions for pending claims and law suits	25,223	33,818
Other	295,253	60,680
	<b>994,077</b>	<b>482,924</b>

(\*) EMRA participation share is the participation fee that is paid by the refinery license owners in accordance with the Petroleum Market License Regulation, calculated by multiplying net sales with the participation share rate determined by EMRA.

Movement of the short-term provisions for the period ended 31 March 2023 and 2022 are as follow:

	Provision for pending claims and lawsuits	EMRA participation share	Provision for demurrage	Provision for cost	Other	Total
<b>1 January 2023</b>	33,817	120,172	268,254	-	60,680	482,923
Changes for the period, net	(8,497)	108,419	67,696	287,498	234,573	689,689
Payments during the period, net	(97)	(78,169)	(100,269)	-	-	(178,535)
<b>31 March 2023</b>	<b>25,223</b>	<b>150,422</b>	<b>235,681</b>	<b>287,498</b>	<b>295,253</b>	<b>994,077</b>
1 January 2022	20,978	78,170	72,961	-	27,670	199,779
Changes for the period, net	2,206	22,647	28,457	8,500	9,034	70,844
Payments during the period, net	-	-	-	-	-	-
<b>31 March 2022</b>	<b>23,184</b>	<b>100,817</b>	<b>101,418</b>	<b>8,500</b>	<b>36,704</b>	<b>270,623</b>

### 16. LIABILITIES FOR EMPLOYEE BENEFITS

	31 March 2023	31 December 2022
Due to the personnel	209,086	253,084
Social security withholdings payment	121,019	164,563
<b>Total</b>	<b>330,105</b>	<b>417,647</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 17. DERIVATIVE INSTRUMENTS

	31 March 2023				31 December 2022			
	Fair values				Fair values			
	Purchase contract amount	Sales contract amount	Assets	Liabilities	Purchase contract amount	Sales contract amount	Assets	Liabilities
<i>Cash flow hedge</i>								
Interest rate swap	1,694,637	1,694,637	77,944	-	2,175,174	2,175,174	51,350	8,368
Cross currency swap	429,803	491,178	220,194	309,753	231,290	51,634	229,188	-
Commodity derivative	45,407,638	45,502,692	2,111,664	392,854	42,836,125	42,836,125	3,239,526	700,087
<i>Derivatives held for trading</i>								
Currency forwards	1,141,108	1,146,920	-	3,771	5,570,109	5,582,094	-	208,553
Commodity derivative	1,848,640	2,398,682	-	7,684	369,401	482,831	76,969	77,504
<b>Short term derivative instruments</b>			<b>2,409,802</b>	<b>714,062</b>			<b>3,597,033</b>	<b>994,512</b>
<i>Cash flow hedge</i>								
Interest rate swap	846,840	846,840	17,921	-	1,068,431	1,068,431	-	57,048
Cross currency swap	-	-	-	-	198,760	437,540	-	298,200
<b>Long term derivative instruments</b>			<b>17,921</b>	<b>-</b>			<b>57,048</b>	<b>298,200</b>
<b>Total derivative instruments</b>			<b>2,427,723</b>	<b>714,062</b>			<b>3,654,081</b>	<b>1,292,712</b>

As of 31 March 2023, forward foreign exchange transactions consist of forward and currency swap transactions which generate a sales obligation of TRY1,146,920 thousand in exchange of USD59,600 thousand. (As of 31 December 2022, forward foreign exchange transactions consist of forward and currency swap transactions which generate a sales obligation of TRY5,582,094 thousand in exchange of USD297,894 thousand).

As of 31 March 2023, interest rate swap consists of exchange of floating rate instalment payments of long term borrowings and bonds amounting to USD109,792 thousand (31 December 2022: USD147,265 thousand) and TRY439,379 thousand (31 December 2022: TRY490,000 thousand) with fixed rate installment payments for cash flow hedging.

## TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

---

#### 17. DERIVATIVE INSTRUMENTS (Continued)

As of 31 March 2023, cross currency swap transactions consist of swaps with fixed interest rate transaction of foreign currency indexed floating interest rate USD 22,449 thousand (31 December 2022: USD22,999 thousand) and fixed interest rate long-term borrowings amounting to TRY491,179 thousand (31 December 2022 TRY489,174).

As of 31 March 2023 and 31 December 2022, it consists of forward goods purchase and sale transactions and product crack margin fixing transactions. Fixing the product crack margin of the future sales was made for the 2nd quarter of 2023 and a total of 2,250 thousand barrels (31 December 2022 – None). Goods purchase and sale transactions consist of 57,994 thousand barrels (31 December 2022 – 97,742 thousand barrels) crude oil purchase and sale transactions realized in various maturities in order to hedge the risk of crude oil price changes in the Group's highly probable future sales.

There is no ineffective portion of these derivative instrument transactions.



# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 18. COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES

	31 March 2023		31 December 2022	
	Original currency(*):	TRY amount:	Original currency(*):	TRY amount:
<b>Guarantees received:</b>				
Letter of guarantees received		<b>4,419,584</b>		5,419,947
- Letter of guarantees in TRY	2,311,086	2,311,086	3,456,913	3,456,913
- Letter of guarantees in USD	81,316	1,556,872	80,355	1,502,511
- Letter of guarantees in EUR	25,269	525,645	21,692	432,427
- Letter of guarantees in other currencies	-	25,981	-	28,096
Guarantee notes received		<b>3,161</b>		423
- Guarantee notes in TRY	423	423	423	423
- Guarantee notes in USD	143	2,738	-	-
Guarantee letters received		<b>1,023,584</b>		1,000,818
- Guarantee letters received in TRY	50,000	50,000	50,000	50,000
- Guarantee letters received in USD	50,851	973,584	50,851	950,818
- Guarantee letters received in EUR	-	-	-	-
Guarantee letters of credit		<b>3,458,256</b>		323,985
- Letters of credit in USD	180,625	3,458,256	17,327	323,985
Direct debiting limits		<b>910,654</b>		899,939
- TRY direct debiting limits	910,654	910,654	899,939	899,939
<b>Total guarantees received</b>		<b>9,815,240</b>		7,645,114
<b>Guarantees given:</b>				
Letter of credits given		<b>12,375,439</b>		9,782,951
- Letter of credits in USD	641,486	12,281,884	523,200	9,782,951
- Letter of credits in EUR	431	8,969	-	-
- Letter of credits in other currencies	5,870	84,587	-	-
Letter of guarantees given		<b>9,994,012</b>		8,425,157
- Letter of guarantees in TRY	9,990,180	9,990,180	8,421,415	8,421,415
- Letter of guarantees in USD	200	3,832	200	3,742
Letters of guarantee given to customs offices		<b>1,773,276</b>		1,768,072
- Letter of guarantees in TRY	1,648,463	1,648,463	1,648,463	1,648,463
- Letter of guarantees in EUR	6,000	124,813	6,000	119,609
Guarantee bond		<b>13,399</b>		22,087
- Guarantee bond in TRY	533	533	1,626	1,626
- Guarantee bond in USD	599	11,468	1,094	20,462
- Guarantee bond in EUR	67	1,398	-	-
Letters of guarantee given to banks		<b>833,729</b>		870,962
- Letter of guarantees in USD	43,546	833,729	46,580	870,962
Guarantess in USD	100,800	1,929,917	104,000	1,944,623
<b>Total guarantees given</b>		<b>26,919,771</b>		22,813,853

(\*) Original balance amounts are expressed in thousands of currencies

As at 31 March 2023 and 31 December 2022, letter of guarantees received are composed of guarantees from customers and suppliers. Guarantees given are composed letter of credit with of guarantees given to government entities and customs offices. As at 31 March 2023, letters of guarantee given to banks are given for loans which were used by Companies within scope of consolidation amounting to TRY782,992 thousand (31 December 2022: TRY817,272) and for derivative financial instruments amounting to TRY50,737 thousand (31 December 2022: TRY53,691 thousand).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

### 18. COMMITMENTS AND CONTINGENT ASSETS AND LIABILITIES (Continued)

Collaterals, pledges, mortgages given by the Group as at 31 March 2023, 31 December are as follows:

	31 March 2023	31 December 2022
A. CPMs given for companies in the name of its own legal personality	24,156,125	19,998,267
- TRY	11,639,176	10,071,503
- USD	12,297,183	9,807,154
- EUR	135,179	119,609
- Other	84,587	-
B. CPMs given on behalf of the fully consolidated companies	2,763,645	2,815,586
- USD	2,763,645	2,815,586
- EUR	-	-
C. CPMs given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPMs	-	-
i) Total amount of CPMs given on behalf of the majority shareholder	-	-
ii) Total amount of CPMs given to on behalf of other Group companies which are not in scope of B and C.	-	-
iii) Total amount of CPMs given on behalf of third parties which are not in scope of C.	-	-
<b>Total</b>	<b>26,919,771</b>	<b>22,813,853</b>

### 19. EQUITY

The Company's shareholders and their shareholding percentages as at 31 March 2023, 31 December 2022 are as follows:

	31 March 2023	Share (%)	31 December 2022	Share (%)
Enerji Yatırımları A.Ş.	127,714	46,40	127,714	46,40
Koç Holding A.Ş.	17,471	6,35	17,471	6,35
Koç Family Members and Companies owned by Koç Family Members	1,308	0,47	1,308	0,47
Publicly held	128,764	46,78	128,764	46,78
<b>Paid-in Capital</b>	<b>275,257</b>	<b>100,00</b>	<b>275,257</b>	<b>100,00</b>
Adjustments to share capital	1,344,243		1,344,243	
<b>Total Capital</b>	<b>1,619,500</b>		<b>1,619,500</b>	

It was decided at the Board of Directors meeting dated February 14, 2023 that the capital of the company, amounting to TL 275,257 thousand, would be increased by TL 1,651,539 thousand to TL 1,926,796 thousand, fully covered by internal resources. The application regarding the capital increase was approved by the CMB, the announcement regarding this approval was published in the CMB bulletin numbered 2023/21, dated March 30, 2023, and the right to receive bonus shares was set as April 4, 2023. The amendment of Article 6 titled "Capital" of our Company's Articles of Association was registered by the Istanbul Trade Registry on April 14, 2023.

Capital adjustment differences represent the difference between the inflation-adjusted total amounts of cash and cash-like additions to paid-in capital and the amounts before inflation adjustment.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

---

### 19. EQUITY (Continued)

As per the articles of association of the Company, one member of the Board of Directors should be nominated by the Group C shareholders. Board of Directors’ decisions on the supply needs of petroleum products of the Turkish Military Forces requires the consent of the member representing the Group C shareholders.

Retained earnings, as per the statutory financial statements other than legal reserves, are available for distribution, subject to the legal reserve requirement referred to below.

#### *Restricted reserves*

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code (“TCC”). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum until the total reserve reaches 20% of the Company’s paid-in share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the paid-in share capital. Under the TCC, the legal reserves can only be used to offset loss and are not available for any other usage unless the reserve exceeds 50% of paid-in share capital

In accordance with Turkish Financial Reporting Standards the aforementioned amounts should be classified under “Restricted Reserves”. At 31 March 2023, the restricted reserves of the Company amount to TRY1,669,316 thousand (31 December 2022 - TRY503,343).

#### *Dividend distribution*

Listed companies distribute dividend in accordance with the Communiqué No. II-19.1 issued by the CMB which is effective from 1 February 2014.

Companies distribute dividends in accordance with their dividend payment policies settled and dividend payment decision taken in general assembly and also in conformity with relevant legislations. The communiqué does not constitute a minimum dividend rate. Companies distribute dividend in accordance with the method defined in their dividend policy or articles of incorporation. In addition, dividend can be distributed by fixed or variable instalments and advance dividend can be paid in accordance with profit on year end financial statements of the Company.

In accordance with the Turkish Commercial Code (TCC), unless the required reserves and the dividend for shareholders as determined in the article of association or in the dividend distribution policy of the company are set aside, no decision may be made to set aside other reserves, to transfer profits to the subsequent year or to distribute dividends to the holders of usufruct right certificates, to the members of the board of directors or to the employees; and no dividend can be distributed to these persons unless the determined dividend for shareholders is paid in cash.

In the interim period ending on March 31, 2023, the entire remaining balance of the net distributable profit for the year 2022, after the first and second legal funds are set aside, and a total of TRY12,500,000 thousand from the second order reserves, as a cash dividend, is committed. and fully paid. While the relevant distribution is being made, one share with a nominal value of TRY1.00 and 4.541.22% is given to full-fledged corporations and limited taxpayer partners who receive dividends through a workplace or permanent representative in Turkey. TRY45,412 gross, TRY45,412 net dividend payment to other shareholders at a rate of 4.541,22% and a cash dividend of TRY45,412 gross and TRY40,871 net cash dividend was paid for one share with a nominal value of TRY1.00.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 20. REVENUE AND COST OF SALES

	1 January - 31 March 2023	1 January - 31 March 2022
Domestic revenue	81,063,498	59,507,456
Export revenue	13,237,543	19,234,228
<b>Gross revenue</b>	<b>94,301,041</b>	<b>78,741,684</b>
Less: Sales discounts	(1,312,957)	(1,055,129)
Less: Sales returns	(161,709)	(40,877)
<b>Sales (net)</b>	<b>92,826,375</b>	<b>77,645,678</b>
Cost of goods sold	(78,829,121)	(71,950,399)
<b>Gross profit</b>	<b>13,997,254</b>	<b>5,695,279</b>
<b>Cost of sales:</b>		
	1 January - 31 March 2023	1 January - 31 March 2022
Raw material, manufactured and consumable material	72,382,820	68,424,015
Energy expenses	3,770,203	2,212,065
Personnel expenses	743,387	455,190
Depreciation and amortization (Note 10-11)	123,987	162,145
Other production expenses	1,808,724	696,984
<b>Cost of sales</b>	<b>78,829,121</b>	<b>71,950,399</b>

### 21. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES

#### General administrative expenses:

	1 January - 31 March 2023	1 January - 31 March 2022
Personnel expenses	450,468	292,294
Insurance expenses	131,852	68,596
Tax duties and fees	102,822	53,627
Depreciation and amortization (Note 10-11)	105,462	44,594
Outsourced services	125,026	46,153
Office expenses	76,344	40,080
Subscription fees	34,217	24,897
Lawsuit and consultancy expenses	27,627	19,123
Donations (*)	347,812	10,502
Transportation and travel expenses	9,555	2,575
Other	67,594	20,565
<b>Total general administrative expenses</b>	<b>1,478,779</b>	<b>623,006</b>

(\*) Donations and aids include the donations and aid expenditure amounts to the earthquake area and the provision amounts for donations and aids to be made within this scope.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 21. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES AND RESEARCH AND DEVELOPMENT EXPENSES (Continued)

#### Marketing expenses:

	1 January - 31 March 2023	1 January - 31 March 2022
Transportation, storage and insurance expenses	337,746	266,422
Personnel expenses	176,556	70,121
Outsourced services	30,467	24,616
Depreciation and amortization (Note 11)	29,182	24,228
Energy expenses	44,360	23,984
Advertising expenses	32,206	10,862
Other	43,631	23,184
<b>Total marketing expenses</b>	<b>694,148</b>	<b>443,417</b>

#### Research and development expenses:

	1 January - 31 March 2023	1 January - 31 March 2022
Personnel expenses	24,253	7,934
Depreciation and amortization (Not 11)	6,527	3,509
Licence expenses	443	30
Other	1,672	2,982
<b>Total research and development expenses</b>	<b>32,895</b>	<b>14,455</b>

### 22. OTHER OPERATING INCOME/(EXPENSES)

	1 January - 31 March 2023	1 January - 31 March 2022
<b>Other operating income:</b>		
Credit finance gains	399,528	533,562
Foreign exchange gain from trade receivables	112,731	244,628
Rent expenses	4,858	2,374
Other	38,957	26,398
<b>Total other operating income</b>	<b>556,074</b>	<b>806,962</b>

	1 January - 31 March 2023	1 January - 31 March 2022
<b>Other operating expense:</b>		
Foreign exchange loss from trade payables	(668,552)	(2,132,644)
Credit finance charges	(285,844)	(135,780)
Other	(222,020)	(61,010)
<b>Total other operating expense</b>	<b>(1,176,416)</b>	<b>(2,329,434)</b>

## TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

#### 23. INCOME/(EXPENSE) FROM INVESTMENT ACTIVITIES

	1 January - 31 March 2023	1 January - 31 March 2022
Gain/(loss) on sales of property plant and equipment and intangible assets	(2,505)	2,173
Financial investments fair value change	11,836	-
Dividend income	-	60
<b>Total income/(expense) from investment activities</b>	<b>9,331</b>	<b>2,233</b>

#### 24. FINANCIAL INCOME/(EXPENSES)

	1 January - 31 March 2023	1 January - 31 March 2022
<b>Financial income:</b>		
Foreign exchange gains on deposits	331,279	2,340,510
Interest income on deposits	1,330,321	172,076
Interest income on derivative instruments	12,763	-
<b>Total financial income</b>	<b>1,674,363</b>	<b>2,512,586</b>
<b>Financial expense:</b>		
Foreign exchange losses on borrowings	(1,369,691)	(1,949,191)
Interest expenses	(789,155)	(724,041)
Losses on derivative instruments	(236,658)	(1,765,506)
Other	(30,849)	(45,022)
<b>Total financial expense</b>	<b>(2,426,353)</b>	<b>(4,483,760)</b>

Gains and losses arising from derivative instruments include gains and losses on forward foreign currency transactions and interest rate swap transactions.

#### 25. TAX ASSETS AND LIABILITIES

	31 March 2023	31 December 2022
Current period corporate tax provision	3,037,426	2,714,126
Current year tax assets	(46,857)	(1,758,871)
	<b>2,990,569</b>	<b>955,255</b>

Turkish tax legislation does not permit a parent company, its subsidiaries and its joint ventures to file a consolidated tax return. Therefore, provisions for taxes, as reflected in these consolidated financial statements, have been calculated on an individual-entity basis.

(\*) In accordance with the Law No. 7440 on the “Restructuring of Certain Receivables and Amending Certain Laws” published in the Official Gazette on 12 March 2023, the exemption and deduction subject to corporate income deduction in accordance with the regulations in the laws, by being shown in the corporate tax return for the year 2022. An additional tax of 10% should be calculated over the deduction amounts and tax bases subject to reduced corporate tax, without being associated with the period's income, and 5% over the exempted earnings. As of 31 March 2023, the amount accrued by the Company for the related tax in addition to the corporate tax is TL 2.482.366 thousand, and the payment for the said tax will be made in two installments in 2023.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 25. TAX ASSETS AND LIABILITIES (Continued)

The corporation tax rate for the fiscal year 2023 is 20% (2022: %23). The corporate tax rate for the 2023 year has been determined as 20%. Corporation tax is payable on the total income of the companies after adjusting for certain disallowable expenses, corporate income tax exemptions (participation exemption, investment allowance, etc.) and allowances (as research and development expenditures deduction).

The analysis of cumulative temporary differences and the related deferred tax assets and liabilities in respect of items for which deferred income tax has been provided as at 31 March 2023, 31 December 2022 using the enacted tax rates are as follows:

	Cumulative temporary differences		Deferred tax (liability)/asset	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
Investment incentives(*)	(42,130,555)	(48,706,750)	8,426,111	9,741,350
Accumulated deductible financial losses (**)	(51,498)	(184,517)	10,300	36,904
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	(7,019,392)	(7,426,682)	1,375,553	1,429,862
Employment termination benefits	(710,307)	(686,501)	142,463	137,493
Inventories	511,394	1,466,052	(102,279)	(293,210)
Provision for unused vacation liability	(126,137)	(99,863)	25,227	20,059
Deferred financial income (expense), net	(353,877)	(108,067)	77,253	28,090
Provision lawsuits	(23,540)	(33,818)	4,708	6,814
Fair value difference of derivative instruments	1,723,628	2,586,950	(345,687)	(508,507)
Gain on revaluation of tangibles	15,341,907	15,341,907	(1,534,191)	(1,534,191)
	(23,790)	(23,790)	4,758	4,758
Other	(1,316,387)	(669,617)	231,076	81,726
			<b>8,315,292</b>	<b>9,151,148</b>

(\*) In the first quarter of 2011, within the scope of the decree of the Council of Ministers dated 14 July 2009 and numbered 2009/15199, the Company was granted a Large-Scaled Investment Incentive Certificate for Residuum Upgrading Project (RUP). Investment expenditures made within the scope of this certificate are subject to 30% contribution from the government, where the contribution is provided as a reduction in corporate tax payable by 50%. As of 7 October 2013, Residuum Upgrading Project was granted Strategic Investment Incentive by Incentive Implementation and Foreign Investment Department of Ministry of Economy of Republic of Turkey which became applicable after 19 October 2012. Expenditures made within the scope of Strategic Investment Incentive Certificate are subject to 50% contribution from the government, where the contribution is provided as a reduction in corporate tax payable by 90%. The company has performed the revaluation of the unutilized investment incentives for both certificates by using the 122.93% revaluation rate, which was announced for the second provisional tax period of 2021 by the Ministry of Finance. In addition to the government contribution within the scope of Strategic Investment Incentive, the Company benefits from VAT exemption, VAT refund, customs duty exemption, incentive for employer share of insurance premium and interest incentive from this certificate.

There are two priority and one regional comprehensive incentive certificates for the expansion investments made by Körfez, one of the company's subsidiaries. Within the scope of these 3 incentive certificates, in order to continue its main activities, investment expenditures were made for technical machinery as well as locomotives and wagon investments. With these documents, the company benefits from a 40% investment contribution rate, 80% corporate tax reduction, VAT exemption, customs tax exemption, employer's insurance premium support and interest support incentives

(\*\*) The deferred tax effect of deductible tax losses is calculated separately for each company included in the consolidation. of the group Deferred tax assets amounting to TRY 10,300 thousand (December 31, 2022 - TRY 36,904 thousand) to be used within the next 5 years are formed from the deductible tax losses of TRY 51,498 thousand (31 December 2022 - TRY 184,517 thousand) realized on 31 March 2023.

## TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

#### 25. TAX ASSETS AND LIABILITIES (Continued)

The company has assessed that the necessary taxable profit will arise in the following periods, the deferred tax asset has been recognised in the current period.

The movement of deferred taxes is as follows:

	2023	2022
<b>Deferred tax asset/(liability), net</b>		
1 January	9,151,148	6,280,930
Charge for the period	(855,548)	(145,168)
Charge to equity:		
- Hedging cash flow gains/(losses)	19,692	1,039,762
	<b>8,315,292</b>	<b>7,175,524</b>

#### 26. EARNINGS PER SHARE

	1 January - 31 March 2023	1 January - 31 March 2022
(Loss) profit for the year attributable to shareholders of the Group	6,748,073	1,102,729
Weighted average number of Shares with nominal value of Kr1 each	27,525,651,400	27,525,651,400
<b>Basic and diluted (loss) earnings per share in Kr</b>	<b>24,52</b>	<b>4,01</b>

#### 27. RELATED PARTY TRANSACTIONS

Related party transactions were classified according to the following groups and contain all descriptions in this footnote,

- (1) Joint ventures
- (2) Koç Holding group companies
- (3) Parent, ultimate parent

##### a) Deposits:

	31 March 2023	31 December 2022
Yapı ve Kredi Bankası A.Ş. (2)	2,543,976	10,785,491
<b>Total</b>	<b>2,543,976</b>	<b>10,785,491</b>



## TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

#### 27. RELATED PARTY TRANSACTIONS (Continued)

##### b Due from related parties:

	31 March 2023	31 December 2022
Opet Petrolcülük A.Ş. (1)	2,362,520	2,666,239
THY OPET Havacılık Yakıtları A.Ş. (1)	431,478	252,453
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. (1)	16,603	23,502
Aygaz A.Ş. (2)	11,738	108,337
Demir Export (2)	1,531	18,692
Other (2)	17,112	118,649
<b>Total</b>	<b>2,840,982</b>	<b>3,187,872</b>

As of March 31, 2023, Tüpraş deducted TRY 680,000 thousand collected from factoring companies from trade receivables from related parties (31 December 2022 - TRY 1,385,000 thousand).

##### c) Trade payables:

	31 March 2023	31 December 2022
Opet Petrolcülük A.Ş. (1)	455,828	899,130
Aygaz A.Ş. (2)	129,433	15,639
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	68,921	66,168
RAM Sigorta Aracılık Hizmetleri A.Ş. (2)	46,548	807
Koç Sistem Bilgi ve İletişim A.Ş. (2)	38,051	90,151
Arçelik A.Ş. (2)	33,447	31
Otokoç Otomotiv Tic. ve San. A.Ş. (2)	6,176	7,163
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. (1)	6,043	7,938
Setur Servis Turistik A.Ş. (2)	2,845	10,879
Other (2)	11,703	58,515
<b>Total</b>	<b>798,995</b>	<b>1,156,421</b>

##### d) Other payables:

	31 March 2023	31 December 2022
Koç Holding A.Ş. (3)	-	169,841
<b>Total</b>	<b>-</b>	<b>169,841</b>

##### e) Advances given for property, plant and equipment

	31 March 2023	31 December 2022
Ark İnşaat A.Ş. (2)	-	291
<b>Total</b>	<b>-</b>	<b>291</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 27. RELATED PARTY TRANSACTIONS (Continued)

#### f) Lease liabilities:

	31 March 2023	31 December 2022
Otokoç Otomotiv Tic. ve San. A.Ş. (2)	90,462	82,583
Koç Ailesi (3)	13,980	18,549
Temel Ticaret ve Yatırım A.Ş. (3)	7,226	7,226
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	701	-
<b>Total</b>	<b>112,369</b>	<b>108,358</b>

#### g) Product and service sales:

	1 January - 31 March 2023	1 January - 31 March 2022
Opet Petrolcülük A.Ş. (1)	20,182,741	14,572,361
THY OPET Havacılık Yakıtları A.Ş. (1)	2,098,838	659,911
Aygaz A.Ş. (2)	519,601	1,114,287
Opet Fuchs Madeni Yağ A.Ş. (1)	40,673	62,147
Other (2)	17,031	158,827
<b>Total</b>	<b>22,858,884</b>	<b>16,567,533</b>

#### h) Product and service purchases:

	1 January - 31 March 2023	1 January - 31 March 2022
Opet Petrolcülük A.Ş. (1)	1,550,087	721,964
Aygaz A.Ş. (2)	325,980	89,548
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	112,301	50,045
Koç Sistem Bilgi ve İletişim A.Ş. (2)	67,182	17,709
Arçelik A.Ş.	33,465	-
Koç Holding A.Ş. (3) (*)	28,471	12,275
THY OPET Havacılık Yakıtları A.Ş. (1)	19,942	7,135
Otokoç Otomotiv Tic. ve San. A.Ş. (2)	15,342	6,993
Opet Fuchs Madeni Yağ A.Ş. (1)	11,571	120,570
Other (2)	40,318	11,236
<b>Total</b>	<b>2,204,659</b>	<b>1,037,475</b>

(\*) Consists of the Group’s share of invoices issued by Koç Holding, the ultimate parent of Tüpraş in accordance with the “11-Intra-group Services” of General Communique numbered 1 on Distribution of Hidden Income through Transfer Pricing which represents the services provided for financing, legal, tax and remuneration of senior management by the ultimate parent to its group companies.

## TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

#### 27. RELATED PARTY TRANSACTIONS (Continued)

##### i) Fixed asset purchases:

	1 January - 31 March 2023	1 January- 31 March 2022
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	386	99
Koç Sistem Bilgi ve İletişim A.Ş. (2)	12,253	12,342
Ark İnşaat A.Ş. (2)	184	24,073
Other (2)	20	12
<b>Total</b>	<b>12,843</b>	<b>36,526</b>

##### j) Remuneration of board of directors and executive management:

The Company's senior executives have been determined as the Chairman and Members of the Board of Directors, the General Manager, Assistant General Managers and Directors directly reporting to the General Manager. For the period ending on March 31, 2023, the total amount of benefits provided to the Company's top executives is TRY13,512 thousand (March 31, 2022 - TRY6,678 thousand). TRY1,700 thousand (31 March 2022 - None) of this amount is related to the payments made due to leaving the job, and the remaining part consists of short-term benefits.

##### k) Financial expenses paid to related parties:

	1 January - 31 March 2023	1 January- 31 March 2022
Yapı ve Kredi Bankası A.Ş. (2)	-	25,161
Yapı Kredi Faktoring A.Ş. (2)	16,303	4,788
<b>Total</b>	<b>16,303</b>	<b>29,949</b>

##### l) Time deposit interest income:

	1 January - 31 March 2023	1 January- 31 March 2022
Yapı ve Kredi Bankası A.Ş. (2)	390,415	79,488
<b>Total</b>	<b>390,415</b>	<b>79,488</b>

##### m) Donations:

As of 31 March 2023, total donation amount paid to related parties is TRY1,090 thousand (31 March 2022 – TRY1,131 thousand).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Group’s activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group.

#### *Credit risk:*

The Group is subject to credit risk arising from trade receivables related to credit sales, deposits at banks. These risks are managed by limiting the aggregate risk from any individual counterparty and obtaining sufficient collateral where necessary and making only cash based sales to customers considered as having a higher risk. Collectability of trade receivables are evaluated by management depending on their past experiences and current economic condition, and are presented in the consolidated financial statements net of adequate doubtful provision.

Credit risks of the Group for each financial instrument type as at 31 March 2023 and 31 December 2022 are as follows:

31 March 2023	Receivables				Bank deposits	Derivative instruments	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
<b>Maximum exposed credit risk as of reporting date</b>	<b>2,840,982</b>	<b>14,226,026</b>	-	<b>63,249</b>	<b>38,905,040</b>	<b>2,427,723</b>	-
- Secured portion of the maximum credit risk by guarantees, etc.	-	<b>1,649,941</b>	-	-	-	-	-
A. Net book value of financial asset either are not due or not impaired	<b>2,840,982</b>	<b>13,756,517</b>	-	<b>63,249</b>	<b>38,905,040</b>	<b>2,427,723</b>	-
B. Net book value of overdue but not impaired financial assets	-	<b>469,509</b>	-	-	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-	-	-
- Overdue(gross book value)	-	<b>5,622</b>	-	<b>3,224</b>	-	-	-
- Impairment (-)	-	<b>(5,622)</b>	-	<b>(3,224)</b>	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-	-	-
- Not due yet (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-	-	-
D. Components which are including credit risk except financial statement	-	-	-	-	-	-	-

31 December 2022	Receivables				Bank deposits	Derivative instruments	Other
	Trade Receivables		Other Receivables				
	Related Parties	Other Parties	Related Parties	Other Parties			
<b>Maximum exposed credit risk as of reporting date</b>	<b>3,187,872</b>	<b>18,229,648</b>	-	<b>40,622</b>	<b>47,635,158</b>	<b>3,654,081</b>	-
- Secured portion of the maximum credit risk by guarantees, etc.	-	<b>2,906,682</b>	-	-	-	-	-
A. Net book value of financial asset either are not due or not impaired	<b>3,187,872</b>	<b>18,079,489</b>	-	<b>40,622</b>	<b>47,635,158</b>	<b>3,654,081</b>	-
B. Net book value of overdue but not impaired financial assets	-	<b>150,159</b>	-	-	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-	-	-
- Overdue(gross book value)	-	<b>5,622</b>	-	<b>2,612</b>	-	-	-
- Impairment (-)	-	<b>(5,622)</b>	-	<b>(2,612)</b>	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-	-	-
- Not due yet (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Secured portion of the net value by guarantees, etc.	-	-	-	-	-	-	-
D. Components which are including credit risk except financial statement	-	-	-	-	-	-	-

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### *Maturity analysis of past due and not impaired trade receivables*

31 March 2023	Receivables		Bank deposits	Derivative instruments	Other
	Trade Receivables	Other Receivables			
Overdue (1-30 days)	398,449	-	-	-	-
Overdue (1-3 months)	66,291	-	-	-	-
Overdue (3-12 months)	3,669	-	-	-	-
Overdue (1-5 years)	1,100	-	-	-	-
Overdue (5+ years)	-	-	-	-	-

31 December 2022	Receivables		Bank deposits	Derivative instruments	Other
	Trade Receivables	Other Receivables			
Overdue (1-30 days)	78,972	-	-	-	-
Overdue (1-3 months)	66,297	-	-	-	-
Overdue (3-12 months)	3,175	-	-	-	-
Overdue (1-5 years)	1,715	-	-	-	-
Overdue (5+ years)	-	-	-	-	-

During the impairment test of financial assets, the Group has considered the indicators regarding uncollectibility of receivables that are due. The Group has guarantees received amounting to TRY353,245 thousand (31 December 2022: TRY29,097 thousand) for trade receivables overdue but not impaired, Major part of receivables without guarantees are from government entities which regularly made sales, any collection risk is not projected.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

### 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

#### *The credit quality of trade receivables that are neither past due nor impaired*

The Group categorizes the details of credit quality of trade receivables that are neither past due nor impaired or receivables whose conditions are examined under four groups. The details of credit quality of such trade receivables as at 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 December 2022
Group 1	-	2,488
Group 2	3,203,356	4,503,595
Group 3	12,408,728	16,273,084
Group 4	985,415	488,194
<b>Total</b>	<b>16,597,499</b>	<b>21,267,361</b>

Group 1 - New customers (less than three months)

Group 2 - State owned enterprises

Group 3 - Existing customers with no payment defaults in previous periods (have been customers by more than three months)

Group 4 - Customers with previous record of collection delays but from which all receivables due are collected (Excluding Group 1 and 2)

#### **Market risk:**

Tüpraş identifies commodity price, interest rate and currency risk as major components of market risk, Foreign exchange and interest risk are evaluated separately based on portfolio and product.

#### *Commodity price risk*

The Company is exposed to effects of fluctuation in oil prices related to its crude oil inventory held for production, For the elimination of commodity price risk, the management regularly reviews the amount of stocks.

Sales prices' of Tüpraş's products, are determined based on Mediterranean product prices, which is described as the "closest accessible free market formation in the world" by the Turkish Petroleum Market Law N, 5015, and USD selling rates. Within the framework of legal definitions, changes of prices in Mediterranean petroleum products market and changes in USD exchange rate are assessed daily by the management and the new selling price based on these two factors is updated when it differs significantly upwards or downwards from the current sales price.

Since instability in crude oil prices may cause unwanted and unexpected fluctuations in net profit and cash flows, the Company has consulted hedging policy in order to eliminate this risk, Within this framework, short and long term hedging transactions are made by using various derivative instruments (Note 17).

#### *Product crack risk*

Besides the fluctuations in crude oil prices, in order to eliminate fluctuation risk in product prices profit margins of the products (crack) can be fixed by using various derivative instruments (hedging). Therefore, a hedging policy has been created by comparing historical price levels and by hedging a certain percentage of the total sales volume at certain crack levels (Note 17).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

#### Foreign exchange risk

The Group is exposed to foreign exchange risk due to operations in foreign currency. These risks are managed by analysis of the foreign currency monetary assets and liabilities in the consolidated financial statements, by a comprehensive risk tracking system which includes natural hedging and similar practices.

The table below summarizes the net balance sheet foreign currency position risk and components that are managed within the risk tracking system of the Group as at 31 March 2023 and 31 December 2022.

	31 March 2023		31 December 2022	
	TRY	USD(*)	TRY	USD(*)
Monetary assets	28,327,571	1,479,556	24,961,804	1,334,977
Monetary liabilities	(60,568,186)	(3,163,490)	(70,242,219)	(3,756,610)
<b>Monetary assets / (liabilities) foreign currency position</b>	<b>(32,240,615)</b>	<b>(1,683,935)</b>	<b>(45,280,415)</b>	<b>(2,421,633)</b>
Non-monetary assets	92,749	4,844	434,631	23,244
Net foreign currency position of derivative financial instruments	352,736	18,423	5,215,079	278,907
<b>Net foreign currency asset / (liability) position</b>	<b>(31,795,130)</b>	<b>(1,660,667)</b>	<b>(39,630,705)</b>	<b>(2,119,482)</b>
Cash flow hedging (**)	2,860,708	149,415	3,833,336	205,010
<b>Net foreign currency position after cash flow hedging</b>	<b>(28,934,422)</b>	<b>(1,511,252)</b>	<b>(35,797,369)</b>	<b>(1,914,472)</b>
Inventory in natural hedge scope (***)	35,504,382	1,854,402	35,834,819	1,916,475
<b>Net foreign currency position after cash flow hedging and natural hedge</b>	<b>6,569,960</b>	<b>343,150</b>	<b>37,450</b>	<b>2,003</b>

(\*) Dollar equivalent amounts are determined through dividing total TRY equivalent positions to exchange rate of dollar as at balance sheet date.

(\*\*) The Group is exposed to USD/TRY spot currency risk due to the highly probable estimated USD denominated issuance income of investment loans amounting to USD149,415 thousand equivalent to TRY2,860,708 thousand (31 December 2022 - USD205,010 thousand equivalent to TRY3,833,336 thousand). used as a means of protection. As a result of the effectiveness test carried out in this context, the Group determined that the entire transaction was effective and applied cash flow hedge accounting. As of 31 March 2023, foreign exchange expense of investment loans amounting to TRY2,366,249 thousand (31 December 2022 - TRY3,153,308 thousand) is recognized in “Hedging gains (losses)” under equity until the cash flows of the related hedged item are realized. does not have an impact on the current period income statement. In the period ended as of 31 March 2023, foreign exchange loss amounting to TRY755,196 thousand, corresponding to the USD denominated issuance income of the said loans, has been transferred from the “Hedging gains (losses)” account under shareholders' equity to foreign exchange losses in the income statement. In addition, as of March 31, 2023, foreign exchange gain of TRY31,864 thousand, which was created in 2023, is added to the account of “Hedging gains (losses) from hedging” under shareholders' equity.

(\*\*\*) The Group limits the exchange rate risk arising from net foreign currency financial liabilities and trade payables by reflecting the exchange rate changes on product sales prices. In accordance with the risk management policies of the Group, the US dollar equivalent of the stock value is followed over the historical stock costs. As of March 31, 2023, the total amount of crude oil and petroleum product stocks owned by the Group is TRY35.504.382 thousand (December 31, 2022 - TRY35.834.819 thousand).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Foreign exchange position table										
	31 March 2023					31 December 2022				
	TRY equivalent (In terms of functional currency)	USD	EUR	GBP	Other	TRY equivalent (In terms of functional currency)	USD	EUR	GBP	Other
Trade receivables	955,759	49,881	36	-	-	684,274	36,498	79	-	252
Monetary financial assets (including cash, banks)	27,364,586	1,426,640	2,412	(2)	-	24,269,419	1,293,278	3,090	1,144	-
Other	81,148	2,223	531	1,167	-	-	-	-	-	-
<b>Current assets</b>	<b>28,401,493</b>	<b>1,478,744</b>	<b>2,979</b>	<b>1,165</b>	<b>-</b>	<b>25,381,495</b>	<b>1,351,496</b>	<b>3,696</b>	<b>1,641</b>	<b>252</b>
Monetary financial assets	7,226	377	-	-	-	8,111	434	-	-	-
Other	11,601	606	-	-	-	6,829	-	-	304	-
<b>Non-current assets</b>	<b>18,827</b>	<b>983</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,940</b>	<b>434</b>	<b>-</b>	<b>304</b>	<b>-</b>
<b>Total assets</b>	<b>28,420,320</b>	<b>1,479,727</b>	<b>2,979</b>	<b>1,165</b>	<b>-</b>	<b>25,396,435</b>	<b>1,351,930</b>	<b>3,696</b>	<b>1,945</b>	<b>252</b>
Trade payables	21,946,697	1,122,260	21,764	304	-	44,483,940	2,352,258	24,753	324	-
Financial liabilities	6,446,049	336,040	324	233	-	6,095,967	325,289	333	310	-
Other monetary liabilities	14,104,168	736,848	149	(281)	-	1,173,502	56,707	637	4,467	-
Other payables	62,112	3,119	107	7	-	57,488	2,892	154	16	-
<b>Current liabilities</b>	<b>42,559,026</b>	<b>2,198,267</b>	<b>22,344</b>	<b>263</b>	<b>-</b>	<b>51,810,897</b>	<b>2,737,146</b>	<b>25,877</b>	<b>5,117</b>	<b>-</b>
Financial liabilities	18,009,160	933,916	6,173	-	-	18,431,322	979,055	6,253	-	-
<b>Non-current liabilities</b>	<b>18,009,160</b>	<b>933,916</b>	<b>6,173</b>	<b>-</b>	<b>-</b>	<b>18,431,322</b>	<b>979,055</b>	<b>6,253</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>60,568,186</b>	<b>3,132,183</b>	<b>28,517</b>	<b>263</b>	<b>-</b>	<b>70,242,219</b>	<b>3,716,201</b>	<b>32,130</b>	<b>5,117</b>	<b>-</b>
<b>Net asset/(liability) position of off-balance sheet foreign currency derivatives</b>	<b>352,736</b>	<b>18,424</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,215,079</b>	<b>278,906</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total amount of off-balance sheet derivative financial assets	50,664,831	2,646,236	-	-	-	50,864,265	2,720,261	-	-	-
Total amount of off-balance sheet derivative financial liabilities	(50,312,095)	(2,627,812)	-	-	-	(45,649,186)	(2,441,355)	-	-	-
<b>Net foreign currency asset/(liability) position</b>	<b>(31,795,130)</b>	<b>(1,634,032)</b>	<b>(25,538)</b>	<b>902</b>	<b>-</b>	<b>(39,630,705)</b>	<b>(2,085,365)</b>	<b>(28,434)</b>	<b>(3,172)</b>	<b>252</b>
<b>Cash flow hedging</b>	<b>2,860,708</b>	<b>149,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,833,336</b>	<b>205,010</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency position after cash flow hedging</b>	<b>(28,934,422)</b>	<b>(1,484,617)</b>	<b>(25,538)</b>	<b>902</b>	<b>-</b>	<b>(35,797,369)</b>	<b>(1,880,355)</b>	<b>(28,434)</b>	<b>(3,172)</b>	<b>252</b>
<b>Net monetary foreign currency asset/(liability) position</b>	<b>(32,178,503)</b>	<b>(1,652,166)</b>	<b>(25,962)</b>	<b>(258)</b>	<b>-</b>	<b>(45,222,927)</b>	<b>(2,383,099)</b>	<b>(28,807)</b>	<b>(3,957)</b>	<b>252</b>
<b>Fair value of derivative instruments Used for hedging</b>	<b>(93,330)</b>	<b>(4,875)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(277,565)</b>	<b>(14,844)</b>	<b>-</b>	<b>-</b>	<b>-</b>



# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

The table below summarizes the effect of foreign currency rate changes on net balance sheet foreign currency position of the Group as at 31 March 2023, 31 December 2022.

Statement of foreign currency risk sensitivity				
31 March 2023				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>10% change in USD rate:</b>				
USD net assets/ liabilities	(3,163,237)	3,163,237	(317,013)	317,013
Amount hedged for USD risk (-)	324,349	(324,349)	-	-
<b>USD net effect</b>	<b>(2,838,888)</b>	<b>2,838,888</b>	<b>(317,013)</b>	<b>317,013</b>
<b>10% change in EUR rate</b>				
Euro net assets/ liabilities	(49,707)	49,707	-	-
Amount hedged for Euro risk (-)	-	-	-	-
<b>EUR net effect</b>	<b>(49,707)</b>	<b>49,707</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>(2,888,595)</b>	<b>2,888,595</b>	<b>(317,013)</b>	<b>317,013</b>

Statement of foreign currency risk sensitivity				
31 December 2022				
	Profit/Loss		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>10% change in USD rate:</b>				
USD net assets/ liabilities	(4,455,990)	4,455,990	(399,352)	399,352
Amount hedged for USD risk (-)	897,647	(897,647)	-	-
<b>USD net effect</b>	<b>(3,558,343)</b>	<b>3,558,343</b>	<b>(399,352)</b>	<b>399,352</b>
<b>10% change in EUR rate</b>				
Euro net assets/ liabilities	(53,864)	53,864	-	-
Amount hedged for Euro risk (-)	-	-	-	-
<b>EUR net effect</b>	<b>(53,864)</b>	<b>53,864</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>(3,612,207)</b>	<b>3,612,207</b>	<b>(399,352)</b>	<b>399,352</b>

The Group accounted investment loans in scope of cash flow hedge accounting and foreign exchange income / expense arising from these loans are recognised in equity. 10% increase and decrease effect of foreign exchange rates are calculated with the same method and the calculated foreign exchange gains / losses are presented as hedged portion in the foreign exchange sensitivity table. Furthermore, the hedged portion of foreign exchange gains / losses via forwards and cross currency swap transactions is classified as the amount hedged against US dollar in the statement of exchange rate sensitivity analysis.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in thousands of Turkish Lira (“TRY”), unless otherwise indicated.)

### 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

#### Export and import

	1 January - 31 March 2023	1 January - 31 March 2022
<b>Export</b>		
USD (equivalent of thousand TRY)	16,525,060	37,355,604
EUR (equivalent of thousand TRY)	1,344	-
<b>Total</b>	<b>16,526,404</b>	<b>37,355,604</b>
<b>Import</b>		
USD (equivalent of thousand TRY)	57,856,073	60,671,530
<b>Total</b>	<b>57,856,073</b>	<b>60,671,530</b>

#### Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The gearing ratios as at 31 March 2023, 31 December:

### 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

	31 March 2022	31 December 2022
Total financial liabilities (Note 7)	30,538,624	33,268,950
Less: Cash and cash equivalents (Note 5)	(34,489,226)	(41,558,369)
Less: Financial investments (Note 6)	(241,616)	(2,135,177)
Net financial liabilities	(4,192,218)	(10,424,596)
Total shareholders’ equity	61,493,223	67,185,772
<b>Total capital invested</b>	<b>57,301,005</b>	<b>57,761,176</b>
<b>Gearing ratio</b>	<b>-%7.32</b>	<b>-%18.37</b>

#### Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies, However, judgment is necessarily required to interpret market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Group could realise in a current market exchange.

#### Financial liabilities

The fair values of short-term financial liabilities and other financial liabilities are estimated to be their fair values since they are short term. The fair values of long-term bank borrowings with variable interest are considered to approximate their respective carrying values, since the initial rates applied to bank borrowings are updated periodically by the lender to reflect active market price quotations.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

(Amounts expressed in thousands of Turkish Lira ("TRY"), unless otherwise indicated.)

### 28. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

#### Fair value hierarchy table:

The Group classifies the fair value measurement of each class of financial instruments according to the source, using the three-level hierarchy, as follows:

Level 1: Market price valuation techniques for the determined financial instruments traded in markets (unadjusted)

Level 2: The fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other variables used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

Level 3: Valuation techniques does not contains observable market inputs

Fair value hierarchy table as at 31 March 2023 is as follows:

<b>Financial assets at fair value in statement of financial position</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Derivative financial assets	-	2,427,723	-
Financial investments		241,616	
<b>Financial liabilities at fair value in statement of financial position</b>			
Derivative financial liabilities	-	714,062	-

Fair value hierarchy table as at 31 December 2022 is as follows:

<b>Financial assets at fair value in statement of financial position</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Derivative financial assets	-	3,654,081	-
Financial investments		2,135,177	
<b>Financial liabilities at fair value in statement of financial position</b>			
Derivative financial liabilities	-	1,292,712	-

### 29. SUBSEQUENT EVENTS

As stated in Note 19, it was decided at the Board of Directors meeting on February 14, 2023 to increase the Company's capital of TL 275,257 thousand by TL 1,651,539 thousand to TL 1,926,796 thousand, fully covered by internal resources. The company's application for capital increase was approved by the CMB, and the announcement regarding the approval of the share issuance by the CMB was published in the CMB bulletin numbered 2023/21, dated March 30, 2023, and the right to receive bonus shares was set as April 4, 2023. The amendment of Article 6 titled "Capital" of our Company's Articles of Association was registered by the Istanbul Trade Registry on April 14, 2023.