

**CONVENIENCE TRANSLATION OF CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**TÜRKİYE PETROL RAFİNERİLERİ A.Ş.**

**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS TOGETHER WITH  
AUDITOR'S REVIEW REPORT  
FOR THE PERIOD 1 JANUARY - 30 JUNE 2021**

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
INDEPENDENT AUDITOR’S REVIEW REPORT  
ORIGINALLY ISSUED IN TURKISH  
REPORT ON REVIEW OF CONDENSED CONSOLIDATED  
INTERIM FINANCIAL INFORMATION**

To the General Assembly of Türkiye Petrol Rafinerileri A.Ş.

*Introduction*

1. We have reviewed the accompanying condensed consolidated statement of financial position of Türkiye Petrol Rafinerileri A.Ş. (the “Company”) and its subsidiaries (collectively referred as the “Group”) as at 30 June 2021, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated cash flows and other explanatory notes for the six-month period then ended (“condensed consolidated interim financial information”). The management of the Group is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with Turkish Accounting Standard 34 (“TAS 34”) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

*Scope of review*

2. We conducted our review in accordance with the Standard on Review Engagements (“SRE”) 2410, “Review of interim financial information performed by the independent auditor of the entity”. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the condensed consolidated interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

3. Based on our review, nothing has come to our attention that causes us to conclude that the accompanying condensed consolidated interim financial information of Türkiye Petrol Rafinerileri A.Ş. is not prepared, in all material respects, in accordance with TAS 34.

PwC Bağımsız Denetim ve  
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Ediz Günsel, SMMM  
Partner

Istanbul, 11 August 2021

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

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# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

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

Assets	Notes	Reviewed	Audited
		30 June 2021	31 December 2020
<b>Current assets</b>		<b>43,652,956</b>	<b>30,663,146</b>
Cash and cash equivalents	4	19,365,360	19,825,292
Trade receivables	6	6,004,582	1,735,549
Due from related parties	6, 27	853,348	324,555
Trade receivables from third parties		5,151,234	1,410,994
Other receivables	7	21,106	18,690
Other receivables from third parties		21,106	18,690
Derivative Instruments	17	419,892	380,129
Inventories	8	15,064,903	7,700,630
Prepaid expenses	12	313,163	233,614
Other current assets	13	2,463,950	769,242
<b>Non-current assets</b>		<b>31,386,322</b>	<b>30,505,376</b>
Financial investments		4,096	3,696
Investments accounted for using the equity method	9	1,316,118	1,326,490
Property, plant and equipment	10	22,129,339	21,875,889
Right-of-use assets		198,336	199,005
Intangible assets	11	60,056	62,369
Other intangible assets		60,056	62,369
Derivative instruments	17	91,519	87,883
Prepaid expenses	12	101,084	134,786
Deferred tax assets	25	5,735,639	5,002,427
Other non-current assets	13	1,750,135	1,812,831
<b>Total assets</b>		<b>75,039,278</b>	<b>61,168,522</b>
<b>Liabilities</b>			
<b>Current liabilities</b>		<b>43,796,023</b>	<b>28,340,528</b>
Short-term financial liabilities	5	966,010	2,097,808
Current portion of long term financial liabilities	5	11,358,792	6,403,937
Trade payables	6	26,620,711	14,137,468
Due to related parties	6, 27	317,921	218,486
Trade payables, third parties		26,302,790	13,918,982
Liabilities for employee benefits	15	95,349	151,927
Other payables	16	42,440	64,113
Due to related parties	16, 27	-	30,763
Other payables to third parties		42,440	33,350
Derivative instruments	17	309,510	762,828
Deferred income		7,120	129,254
Current income tax liabilities	25	1,477	2,459
Provisions	14	241,937	142,088
Provisions for employee benefits		89,766	24,572
Other provisions		152,171	117,516
Other current liabilities	13	4,152,677	4,448,646
<b>Non-current liabilities</b>		<b>18,722,987</b>	<b>21,155,469</b>
Long-term financial liabilities	5	18,308,202	20,743,323
Provisions	14	359,823	356,405
Provisions for employee benefits		359,823	356,405
Deferred income		12,324	9,504
Derivative Instruments	17	41,927	45,490
Other non-current liabilities		711	747
<b>Total liabilities</b>		<b>62,519,010</b>	<b>49,495,997</b>
<b>Equity</b>		<b>12,520,268</b>	<b>11,672,525</b>
Share capital	19	250,419	250,419
Adjustment to share capital	19	1,344,243	1,344,243
Accumulated other comprehensive income/(expense) not to be reclassified to profit or loss		7,487,238	7,487,238
Gains/(losses) on revaluation and remeasurement		7,439,187	7,439,187
Gain on revaluation of properties		7,447,028	7,447,028
Actuarial gain/(loss) arising from defined benefit plans		(7,841)	(7,841)
Actuarial gain/(loss) arising from defined benefit plans using equity method that will not be reclassified to profit or loss		48,051	48,051
Accumulated other comprehensive income/(expense) to be reclassified to profit or loss		(2,027,138)	(1,923,330)
Currency translation differences		35,289	(9,822)
Hedging gains/(losses)		(2,400,744)	(2,243,649)
Cash flow hedge gains/(losses)		(2,400,744)	(2,243,649)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		338,317	330,141
Restricted reserves	19	503,343	503,343
Retained earnings		3,784,488	6,277,999
Net income		939,368	(2,493,511)
<b>Total equity attributable to equity holders of the parent</b>		<b>12,281,961</b>	<b>11,446,401</b>
<b>Non-controlling interests</b>		<b>238,307</b>	<b>226,124</b>
<b>Total equity and liabilities</b>		<b>75,039,278</b>	<b>61,168,522</b>

The condensed interim consolidated financial statements as of and for the period ended 30 June 2021 has been approved for issue by the Board of Directors on 11 August 2021.

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

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

	Notes	Reviewed		Reviewed	
		1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Revenue	20	53,508,708	33,687,718	26,219,118	9,279,581
Cost of sales (-)	20	(49,017,527)	(30,723,863)	(26,238,744)	(8,390,081)
<b>Gross profit/(loss)</b>		<b>4,491,181</b>	<b>2,963,855</b>	<b>(19,626)</b>	<b>889,500</b>
General administrative expenses (-)	21	(722,459)	(368,527)	(649,724)	(321,487)
Marketing, selling and distribution expenses (-)	21	(505,781)	(312,331)	(308,781)	(189,494)
Research and development expenses (-)	21	(19,366)	(9,654)	(18,700)	(8,605)
Other operating income	22	441,284	266,077	405,246	270,219
Other operating expenses (-)	22	(2,350,903)	(591,247)	(846,206)	(361,786)
<b>Operating profit / (loss)</b>		<b>1,333,956</b>	<b>1,948,173</b>	<b>(1,437,791)</b>	<b>278,347</b>
Income from investment activities	23	(1,274)	(1,496)	351	396
Income/(loss) from investments accounted by equity method	9	61,452	51,910	(226,034)	(57,602)
<b>Operating profit before financial income/(expense)</b>		<b>1,394,134</b>	<b>1,998,587</b>	<b>(1,663,474)</b>	<b>221,141</b>
Financial income	24	3,003,224	781,161	1,414,097	680,153
Financial expense (-)	24	(4,060,737)	(1,483,075)	(2,877,600)	(1,230,468)
<b>Profit/(loss) before tax from continued operations</b>		<b>336,621</b>	<b>1,296,673</b>	<b>(3,126,977)</b>	<b>(329,174)</b>
<b>Tax income / (expense)</b>		<b>644,725</b>	<b>425,743</b>	<b>715,601</b>	<b>166,883</b>
Taxes on income (-)		(8,298)	(2,945)	(4,116)	(1,756)
Deferred tax (expense)/income	25	653,023	428,688	719,717	168,639
<b>Net profit/(loss) from continued operations</b>		<b>981,346</b>	<b>1,722,416</b>	<b>(2,411,376)</b>	<b>(162,291)</b>
<b>Other comprehensive income:</b>					
<b>Items to be reclassified to profit or loss</b>		<b>(113,583)</b>	<b>70,173</b>	<b>(396,827)</b>	<b>(300,543)</b>
Currency translation differences		45,111	21,321	22,490	8,112
Share of other comprehensive income accounted for investment using equity method that will be reclassified to profit or loss		8,176	6,998	14,798	5,306
Gain/(loss) from translation of foreign currency of investments accounted for using equity method	9	8,176	6,998	14,798	5,306
Income/(expense) relating to avoidance of risk of cash flow		(247,059)	6,822	(517,108)	(374,776)
Income/(loss) of avoidance of risk of cash flow		(247,059)	6,822	(517,108)	(374,776)
Tax effect of other comprehensive income/(loss) to be reclassified to profit or loss	25	80,189	35,032	82,993	60,815
Deferred tax (expense)/income		80,189	35,032	82,993	60,815
<b>Other comprehensive income/(expense)</b>		<b>(113,583)</b>	<b>70,173</b>	<b>(396,827)</b>	<b>(300,543)</b>
<b>Total comprehensive income/(expense)</b>		<b>867,763</b>	<b>1,792,589</b>	<b>(2,808,203)</b>	<b>(462,834)</b>
<b>Distribution of income/(expense) for the period:</b>					
Non-controlling interests		41,978	22,553	38,473	22,548
Attributable to equity holders of the parent		939,368	1,699,863	(2,449,849)	(184,839)
<b>Distribution of total comprehensive income</b>					
Non-controlling interests		32,203	23,266	22,093	19,328
Attributable to equity holders of the parent		835,560	1,769,323	(2,830,296)	(482,162)
<b>Earnings (loss) per share from continued operations</b>					
Earnings/(loss) per share with nominal value kr. 1 each (kr.)	26	3.75	6.79	(9.78)	(0.74)

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

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

(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			Retained earnings					
	Gains/(losses) on valuation and remeasurement			Actuarial gains/(losses) arising from defined benefit plans	Share of other comprehensive income of investments accounted for using equity method that will be not classified to profit or loss	Currency translation differences	Hedge gains/(losses)		Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss	Restricted reserves	Retained earnings	Net income / (expense)	Equity holders of parent	Non controlling interest	Total equity
	Share capital	Adjustment to share capital	Gain on revaluation of properties (loss)				Cash flow hedge gains/ (losses)								
Reviewed															
1 January 2020	250,419	1,344,243	6,425,788	(6,897)	18,245	3,192	(2,100,116)	246,619	503,343	5,752,162	525,837	12,962,835	173,705	13,136,540	
Transfers	-	-	-	-	-	-	-	-	-	525,837	(525,837)	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	(2,265,010)	(2,265,010)	15,925	(2,249,085)	
- Other comprehensive income/(expense)	-	-	-	-	-	14,378	(106,994)	9,492	-	-	-	(83,124)	(13,160)	(96,284)	
Total comprehensive income/(expense)	-	-	-	-	-	14,378	(106,994)	9,492	-	-	(2,265,010)	(2,348,134)	2,765	(2,345,369)	
30 June 2020	250,419	1,344,243	6,425,788	(6,897)	18,245	17,570	(2,207,110)	256,111	503,343	6,277,999	(2,265,010)	10,614,701	176,470	10,791,171	
Reviewed															
1 January 2021	250,419	1,344,243	7,447,028	(7,841)	48,051	(9,822)	(2,243,649)	330,141	503,343	6,277,999	(2,493,511)	11,446,401	226,124	11,672,525	
Transfers	-	-	-	-	-	-	-	-	-	(2,493,511)	2,493,511	-	-	-	
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	(20,020)	(20,020)	
- Net profit/(loss) for the period	-	-	-	-	-	-	-	-	-	-	939,368	939,368	41,978	981,346	
- Other comprehensive income/(expense)	-	-	-	-	-	45,111	(157,095)	8,176	-	-	-	(103,808)	(9,775)	(113,583)	
Total comprehensive income/(expense)	-	-	-	-	-	45,111	(157,095)	8,176	-	-	939,368	835,560	32,203	867,763	
30 June 2021	250,419	1,344,243	7,447,028	(7,841)	48,051	35,289	(2,400,744)	338,317	503,343	3,784,488	939,368	12,281,961	238,307	12,520,268	

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

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

	Notes	Reviewed 1 January 30 June 2021	Reviewed 1 January 30 June 2020
<b>Cash flows from operating activities</b>		<b>416,355</b>	<b>(329,167)</b>
<b>Profit/(loss) for the period</b>		<b>981,346</b>	<b>(2,411,376)</b>
<b>Adjustment for reconciliation of profit/(loss)</b>		<b>1,581,098</b>	<b>1,558,786</b>
Adjustment for depreciation and amortisation expense	10, 11	389,674	375,498
Adjustment for provisions	14	127,555	118,699
Adjustment for interest (income) and expense	24	198,562	460,499
Adjustment for unrealized foreign currency translation differences		(1,993,698)	(999,890)
Adjustment for fair value (gain) or loss		738,863	43,183
Adjustment for income of investments accounted by equity method	9	(61,452)	226,034
Adjustment for tax expenses (income)		(644,725)	(715,601)
Adjustment for (gain) / loss on sales of property, plant and equipment	23	1,274	(351)
Adjustment for other items related with cash flow of investment or financial activities	24	2,709,257	1,983,578
Other adjustments for reconciliation of profit/(loss)		115,788	67,137
<b>Changes in working capital</b>		<b>(2,045,471)</b>	<b>573,202</b>
Adjustment for decrease/(increase) in trade receivables		(4,289,513)	3,075,701
Adjustment for decrease/(increase) in other receivables related with operations		(1,713,859)	1,455,549
Adjustment for decrease/(increase) in assets of derivative instruments		(43,399)	(456,000)
Adjustment for decrease/(increase) in inventories		(7,364,273)	3,965,110
Adjustment for increase/(decrease) in trade payables		12,481,086	(7,671,823)
Adjustment for increase/(decrease) in other payables related with operations		(658,632)	(138,171)
Adjustment for decrease/(increase) in liabilities of derivative instruments		(456,881)	342,836
<b>Cash flows from operating activities</b>		<b>516,973</b>	<b>(279,388)</b>
Tax returns/(payments)		(9,280)	(6,228)
Other cash inflow/(outflow)		(91,338)	(43,551)
<b>Cash flows from investing activities</b>		<b>(509,614)</b>	<b>(329,414)</b>
Cash inflows from the sales of property, plant and equipment and intangible assets		723	427
Cash outflows from the purchase of property, plant and equipment and intangible assets		(589,937)	(449,841)
Dividends received	9	80,000	120,000
Cash outflow from the purchase of shares in other business or funds		(400)	-
<b>Cash flow from financing activities</b>		<b>(2,537,736)</b>	<b>7,076,107</b>
Cash inflows from financial liabilities	5	11,650,265	26,822,732
Cash outflows from financial liabilities	5	(13,279,509)	(19,094,323)
Cash inflows from derivative instruments		420,390	136,898
Cash outflows from derivative instruments		(1,216,393)	(405,151)
Cash outflows from payments of rent agreements	5	(33,690)	(29,157)
Dividends paid		(20,020)	-
Interest paid		(1,123,052)	(676,391)
Interest received		1,064,273	321,499
<b>Net increase/(decrease) in cash and cash equivalents before the effect of foreign currency translation differences</b>		<b>(2,630,995)</b>	<b>6,417,526</b>
<b>Impact of foreign currency translation differences on cash and cash equivalents</b>	24	<b>1,992,781</b>	<b>999,890</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(638,214)</b>	<b>7,417,416</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>17,506,177</b>	<b>8,740,795</b>
<b>Cash and cash equivalents at end of period</b>	4	<b>16,867,963</b>	<b>16,158,211</b>

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

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

(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,
- To purchase, sell, import, export, store, market all kinds of petroleum products, LPG and natural gas, to establish marketing and distributing companies or similar partnerships with legal entities or real persons or to acquire, transfer or sell the shares of partnerships, when necessary.

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.

The Company is registered at the Capital Markets Board (“CMB”) of Turkey and its shares have been quoted at Borsa İstanbul A.Ş. (“BIST”) (previously known as Istanbul Stock Exchange (“ISE”)) since 1991. As at 30 June 2021, the shares quoted on the BIST are 49% of the total shares. As of 30 June 2021, the principal shareholders and their respective shareholdings in the Company are as follows (Note 19):

	(%)
Enerji Yatırımları A.Ş.	51.00
Publicly held	49.00
	<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 CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

(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:

<b>Subsidiaries</b>	<b>Country of Incorporation</b>	<b>Nature of business</b>
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

  

<b>Joint ventures</b>	<b>Country of Incorporation</b>	<b>Nature of business</b>
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 30 June 2021 is 5,955. (31 December 2020 – 6,129).

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

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

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

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### 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 15 April 2020 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.

#### 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 interim condensed consolidated financial statements are presented in TRY, which is the functional currency of Tüpraş and the presentation currency of the Group.

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

#### The new standards, amendments and interpretations

The accounting policies adopted in preparation of the interim condensed consolidated financial statements as at 30 June 2021 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 2021. The effects of these standards and interpretations on the Group’s financial position and performance have been disclosed in the related paragraphs.

#### *a. New standards in force as of 30 June 2021 and changes and comments on existing previous standards:*

- **Amendment to TFRS 16, ‘Leases’ – Covid-19 related rent concessions Extension of the Practical expedient;** as of March 2021, this amendment extended till June 2022 and effective from 1 April 2021. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

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### 2. Basis of presentation of consolidated financial statements (Continued)

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

- **Amendments to TFRS 7, TFRS 4 and TFRS 16 Interest Rate Benchmark Reform Phase 2;** It is effective from annual periods beginning on or after 1 January 2021. The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one.
- **Amendments TFRS 4, ‘Insurance contracts’, deferral of IFRS 9;** It is effective from annual periods beginning on or after 1 January 2021. These amendments change the fixed date of the temporary exemption in TFRS 4 from applying TFRS 9, Financial Instrument until 1 January 2023.

The mentioned amendments does not have a significant impact on the financial position and performance of the Group.

#### *b) Standards and changes that have been published as of 30 June 2021 but have not yet come into force:*

- **TFRS 17, "Insurance Contracts";** effective for annual reporting periods starting on or after 1 January 2023. This standard replaces TFRS 4, which currently allows a wide variety of applications. TFRS 17 will fundamentally change the accounting of all businesses that issue insurance contracts and investment contracts with discretionary participation.
- **TAS 1, "Presentation of financial statements" standard regarding the classification of liabilities;** effective for annual reporting periods starting on or after 1 January 2022. These narrow amendments to TAS 1, "Presentation of financial statements", explain that liabilities are classified as current or non-current depending on the rights existing at the end of the reporting period. The amendment also clarifies the meaning of “payment” of an obligation in TAS 1.
- **Narrow amendments in TFRS 3, TAS 16, TAS 17 and some annual improvements in TFRS 1, TFRS 9, TAS 41 and TFRS 16;** effective for annual reporting periods starting on or after 1 January 2022.
  - **Amendments to TFRS 3 'Business Combinations';** This amendment updates a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without changing the accounting requirements for business combinations.
  - **Amendments to TAS 16 'Tangible fixed assets';** prohibits a company from deducting the income from the sale of manufactured products from the amount of tangible fixed assets until the asset is ready for use. Instead, the company will reflect such sales revenue and related cost in profit or loss.
  - **Amendments to TAS 37, 'Provisions, Contingent Liabilities and Contingent Assets';** Annual improvements make minor changes to the explanatory examples of TFRS 1, 'First application of International Financial Reporting Standards' TFRS 9 'Financial Instruments', TAS 41 'Agricultural Activities' and TFRS 16.
- **Narrow scope amendments to TAS 1, Practice statement 2 and TAS 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 TAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

The mentioned amendments does not have a significant impact on the financial position and performance of the Group.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

(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 joint ventures operating in foreign countries

Financial statements of 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 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 “Gain/(loss) from translation of foreign currency of investments using equity method” under the other comprehensive income statement and shareholders’ equity.

##### 2.1.4 Principles of consolidation

- a) The condensed consolidated financial statements for the interim period ended 30 June 2021 have been prepared in accordance with principles stated on the consolidated financial statements for the year ended 31 December 2020 and include financial statements of Tüpraş, and its Subsidiaries.
- b) At 30 June 2021, there are no changes in voting rights or proportion of effective interest on subsidiaries and joint ventures that are subject to consolidation from the information stated on consolidated financial statements for the year ended 31 December 2020.

	30 June 2021		31 December 2020	
	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

The statement of financial position and statement of comprehensive income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company is eliminated against the related equity. Intercompany transactions and balances between the Company and its subsidiary are eliminated on consolidation. The cost of and the dividends arising from, shares held by the Company in its subsidiary are eliminated from equity and income for the year, respectively.

- 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 changes of the amount, not reflected on income or loss of the joint venture, on the equity of the joint venture can requisite an adjustment on the net book value of the joint venture in proportion of the Group’s share.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

(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 Principles of consolidation (Continued)

The table below shows the total interest of the Group in its joint ventures accounted by equity method as at 30 June 2021 and 31 December 2020:

	30 June 2021		31 December 2020	
	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	40.00	50.00	40.00
Opet International Limited (*)	50.00	40.00	50.00	40.00
Opet Trade B.V.(*)	50.00	40.00	50.00	40.00
Opet Trade Singapore (In liquidation)(*) (**)	50.00	40.00	50.00	40.00
Opet Market ve Akaryakıt İstasyon İşletmeciliği A.Ş. (*)	50.00	40.00	50.00	40.00
THY Opet Havacılık Yakıtları A.Ş.(*)	25.00	20.00	25.00	20.00
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş.(*)	25.00	20.00	25.00	20.00
Op Ay Akaryakıt Ticaret Ltd. Şti.(*)	25.00	20.00	25.00	20.00
Akdeniz Akaryakıt Depolama Nakliyat ve Tic. A.Ş.(*)	16.65	13.32	16.65	13.32
Opet Aygaz Gayrimenkul A.Ş.(*)	25.00	20.00	25.00	20.00

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

(\*\*) The company discontinued its activities as of 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 interest.

### 2.2. Changes in accounting policies

#### 2.2.1 Comparative information

The consolidated financial statements of the Group are prepared in comparison with the previous period in order to enable the determination of financial status and performance trends.

As of 30 June 2021, the Group prepared the consolidated statement of financial position prepared as of 31 December 2020 and the consolidated statement of comprehensive income for the period ended 30 June 2021, cash flow statement and statement of changes in equity as of 30 June 2020. prepared comparatively with the consolidated financial statements of the interim period.

#### 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

Condensed consolidated financial statements for the period ended 30 June 2021, have been prepared in compliance with TAS 34, the TFRS standard on interim financial reporting. Furthermore, condensed consolidated financial statements as of 30 June 2021 have been prepared applying accounting policies which are consistent with the accounting policies used for the preparation of consolidated financial statements for the year ended 31 December 2020. Thus, these condensed consolidated financial statements must be evaluated together with the consolidated financial statements for the year ended 31 December 2020.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 3. Business Combinations

No business combinations occurred during the period 30 June 2021.

### 4. Cash and cash equivalents

	30 June 2021	31 December 2020
Cash at banks		
Demand deposits	625,045	141,440
Time deposit	16,132,917	17,354,252
Demand deposits (blocked)	110,001	10,485
Revenue share (blocked)	2,436,116	2,204,004
Time deposit interest accruals	61,281	115,111
<b>Total</b>	<b>19,365,360</b>	<b>19,825,292</b>

#### Revenue Share (blocked)

As required by the Petroleum Market License Regulation, the revenue share collected from the customers by the Group is held at banks and considered as blocked deposit in the Company’s books. The revenue share was invested as demand deposits with government debt securities interest rate and overnight interest rate as at 30 June 2021 and 31 December 2020 (Note 13).

There are blocked demand deposits of TRY110,001 thousand for additional banking transactions (31 December 2020 -TRY10,485).

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

As at 30 June 2021 and 31 December 2020, the maturity and the currency information of the time deposits, is as follows:

#### 30 June 2021

	Effective rate of interest (%)	Less than 1 month	1 - 3 months	Total
TRY	19.14	12,555,921	2,644,056	15,199,977
USD	1.76	912,217	20,258	932,475
EUR	0.05	465	-	465
<b>Time deposit</b>		<b>13,468,603</b>	<b>2,664,314</b>	<b>16,132,917</b>

#### 31 December 2020

	Effective rate of interest (%)	Less than 1 month	1 - 3 months	Total
TRY	17.78	13,287,465	3,393,695	16,681,160
USD	3.66	124,297	516,405	640,702
EUR	1.16	30,268	-	30,268
GBP	0.20	2,122	-	2,122
<b>Time deposit</b>		<b>13,444,152</b>	<b>3,910,100</b>	<b>17,354,252</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 4. Cash and cash equivalents (Continued)

Cash and cash equivalents included in the consolidated statements of cash flows for the periods ended 30 June 2021 and 30 June 2020 are as follows:

	30 June 2021	30 June 2020
Cash and cash equivalents	19,365,360	18,177,886
Less: Blocked deposits (Revenue share)	(2,436,116)	(1,996,298)
Less: Time deposit interest accruals	(61,281)	(23,377)
<b>Cash and cash equivalents</b>	<b>16,867,963</b>	<b>16,158,211</b>

### 5. Financial liabilities

	30 June 2021	31 December 2020
<b>Short-term financial liabilities:</b>		
Short-term bank borrowings	966,010	2,084,018
Interest accruals of bank borrowings	-	13,790
<b>Total</b>	<b>966,010</b>	<b>2,097,808</b>
<b>Short-term portion of long-term financial liabilities:</b>		
Short-term portion of long-term bank borrowings	10,915,381	5,423,700
Bonds issued	-	650,000
Interest accruals of bank borrowings	299,508	227,494
Interest accruals of bonds issued	108,788	72,909
Lease liabilities	35,115	29,834
<b>Total</b>	<b>11,358,792</b>	<b>6,403,937</b>
<b>Long-term financial liabilities:</b>		
Long-term bank borrowings	10,120,063	14,882,553
Bonds issued	7,983,640	5,638,350
Interest accruals of bank borrowings	-	23,364
Lease liabilities	204,499	199,056
<b>Total</b>	<b>18,308,202</b>	<b>20,743,323</b>
<b>Total financial liabilities</b>	<b>30,633,004</b>	<b>29,245,068</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

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### 5. Financial liabilities (Continued)

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.

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 on 3MTLREF reference rate.

Tüpraş has issued a bond on 30 November 2020 with a nominal value of TRY500 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.

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 30 June 2021 the outstanding amount of the loans is USD480 million (31 December 2020 – USD576 million).

Tüpraş has issued a bond on 8 February 2020 with a nominal value of TRY400 million, with a maturity of 728 days, coupon payment every 3 months and repayment of principal and coupon at maturity, with 75 bps additional yields on 3MTRLIBOR reference rate. The bond was paid and redeemed on 5 February 2021.

Tüpraş has issued a bond on 25 January 2020 with a nominal value of TRY250 million, with a maturity of 728 days, coupon payment every 3 months and repayment of principal and coupon at maturity, with 75 bps additional yields on 3MTRLIBOR reference rate. The bond was paid and redeemed on 22 January 2021.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 5. Financial liabilities (Continued)

Foreign currency balances and effective interest rates for the short and long-term financial liabilities as at 30 June 2021 and 31 December 2020 are as follows:

		30 June 2021	
	Effective interest rate (%)	Original Currency	Thousand TRY
<b>Short-term financial liabilities:</b>			
TRY borrowings (*)	-	25,847,997	25,848
USD borrowings	1.25	108,000,000	940,162
Interest accruals			966,010
<b>Total short-term financial liabilities</b>			<b>966,010</b>
<b>Short-term portion of long-term financial liabilities:</b>			
TRY borrowings	11.18	5,762,335,000	5,762,335
USD borrowings	2.16	586,677,670	5,107,147
EUR borrowings	3.31	4,428,500	45,899
TRY lease liabilities	19.95	27,484,315	27,484
EUR lease liabilities	2.94	391,624	4,059
GBP lease liabilities	4.16	296,826	3,572
			10,950,496
Interest accruals			408,296
<b>Total short-term portion of long-term financial liabilities:</b>			<b>11,358,792</b>
<b>Long-term financial liabilities:</b>			
TRY borrowings	16.60	5,732,432,501	5,732,433
TRY bonds issued	21.39	1,890,000,000	1,890,000
USD borrowings	2.49	504,023,945	4,387,630
USD bonds issued	4.50	700,000,000	6,093,640
TRY lease liabilities	20.76	128,847,521	128,848
EUR lease liabilities	3.22	6,761,059	70,075
GBP lease liabilities	4.20	463,330	5,576
			18,308,202
Interest accruals			-
<b>Total long-term financial liabilities</b>			<b>18,308,202</b>

(\*) Banks provide interest-free loans to the Group for the payment of SCT, Customs and Social Security debts amounting to TRY25,848 thousand as of 30 June 2021 (31 December 2020 – TRY17,839 thousand).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 5. Financial liabilities (Continued)

		31 December 2020	
	Effective interest rate (%)	Original Currency	Thousand TRY
Short-term financial liabilities:			
TRY borrowings (*)	8.79	1,217,838,682	1,217,839
USD borrowings	0.65	118,000,000	866,179
			2,084,018
Interest accruals			13,790
<b>Total short-term financial liabilities</b>			<b>2,097,808</b>
Short-term portion of long-term financial liabilities			
TRY borrowings	9.89	2,715,300,000	2,715,300
TRY bonds issued	16.57	650,000,000	650,000
USD borrowings	2.34	293,917,846	2,157,504
EUR borrowings	2.11	61,157,000	550,896
TRY lease liabilities	18.32	22,677,599	22,678
EUR lease liabilities	3.27	473,363	4,264
GBP lease liabilities	4.16	290,824	2,892
			6,103,534
Interest accruals			300,403
<b>Total short-term portion long-term financial liabilities</b>			<b>6,403,937</b>
Long-term financial liabilities:			
TRY borrowings	12.31	7,899,098,000	7,899,098
TRY bonds issued	18.07	500,000,000	500,000
USD borrowings	2.34	951,359,581	6,983,455
USD bonds issued	4.50	700,000,000	5,138,350
TRY lease liabilities	20.92	130,433,740	130,434
EUR lease liabilities	3.23	6,941,129	62,524
GBP lease liabilities	4.20	613,248	6,098
			20,719,959
Interest accruals			23,364
<b>Total long-term financial liabilities</b>			<b>20,743,323</b>

As at 30 June 2021 and 31 December 2020, the redemption schedule of long-term bank borrowings is as follows:

	30 June 2021	31 December 2020
1-2 years	9,758,423	12,424,887
2-3 years	1,737,346	2,247,467
3-4 years	6,465,997	5,714,105
4-5 years	66,100	100,516
Over 5 years	280,336	256,348
<b>Total</b>	<b>18,308,202</b>	<b>20,743,323</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 5. Financial liabilities (Continued)

The movement of borrowings as of 30 June 2021 and 30 June 2020 is as follows:

	2021	2020
1 January	29,245,068	19,075,794
New financial borrowings	11,650,265	26,822,732
Principal payments	(13,279,509)	(19,094,323)
Increase due to lease liabilities	17,698	10,445
Decrease due to payment of lease liabilities	(33,690)	(29,157)
Changes in interest accruals	85,953	79,018
Changes in foreign exchange rates	2,947,219	2,284,750
<b>30 June</b>	<b>30,633,004</b>	<b>29,149,259</b>

### 6. Trade receivables and payables

#### Short-term trade receivables:

	30 June 2021	31 December 2020
Trade receivables	5,181,820	1,421,103
Due from related parties (Note 27)	853,348	324,555
Doubtful trade receivables	5,136	5,264
Other trade receivables	3	7
Less: Unearned credit finance income	(30,589)	(10,116)
Less: Provision for doubtful receivables	(5,136)	(5,264)
<b>Total short-term trade receivables (net)</b>	<b>6,004,582</b>	<b>1,735,549</b>

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

As at 30 June 2021, Tüpraş has offsetted TRY2,547,414 thousand (31 December 2020 - TRY2,976,335 thousand) from trade receivables that are collected from factoring companies as part of the irrevocable factoring and TRY947,674 thousand (31 December 2020 – 1,127,270) deducted supplier financing transaction from trade receivables.

Movement of the provision for doubtful receivables for the periods ended 30 June 2021 and 2020 is as follows:

	2021	2020
1 January	5,264	5,243
Charge for the period	7	235
Payments during the period	(135)	(148)
<b>30 June</b>	<b>5,136</b>	<b>5,330</b>

#### Short-term trade payables:

	30 June 2021	31 December 2020
Trade payables	26,306,233	13,924,582
Due to related parties (Note 27)	317,921	218,486
Less: Unrealised credit finance charges	(3,443)	(5,600)
<b>Total short term trade payables (net)</b>	<b>26,620,711</b>	<b>14,137,468</b>

Tüpraş discounts short-term trade payables by using domestic government bonds rates.

## TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

#### 7. Other receivables and payables

##### Other short-term receivables:

	30 June 2021	31 December 2020
Receivable from personnel	15,939	14,284
Deposits and guarantees given	4,494	3,404
Other doubtful receivables	1,389	1,389
Receivable from insurance recoveries	673	1,002
Less: Provision for other doubtful receivables	(1,389)	(1,389)
<b>Total</b>	<b>21,106</b>	<b>18,690</b>

#### 8. Inventories

	30 June 2021	31 December 2020
Raw materials and supplies	1,578,931	969,551
Work-in-progress	2,533,681	1,706,414
Finished goods	3,283,223	2,468,321
Trade goods	267,989	75,071
Goods in transit	7,311,367	2,414,477
Other	89,712	66,796
	<b>15,064,903</b>	<b>7,700,630</b>

Movement of the provision for inventories for the periods ended 30 June 2021 and 2020 is as follows:

	2021	2020
1 January	-	-
Charge for the period	-	1,003,880
Provisions no longer required	-	(1,003,880)
<b>30 June</b>	<b>-</b>	<b>-</b>

The sudden drop in crude oil price between 1 January and 31 March 2020 caused inventory sales prices to remain below unit cost; However, after 31 March 2020, as a result of the increase in crude oil prices reflected on product prices, the provision for inventories was canceled on 30 June 2020.

#### 9. Investments accounted for using the equity method

	30 June 2021		31 December 2020	
	Participation share (%)	Amount	Participation share (%)	Amount
OPET Petrolcülük A.Ş.	40.00	1,316,118	40.00	1,326,490
		<b>1,316,118</b>		<b>1,326,490</b>

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

### 9. Investments accounted for using the equity method (Continued)

The goodwill amounting to TRY189,073 thousand arising from the purchase of Opet shares on 28 December 2006 were classified on the investments accounted for using the equity method in the financial statements.

The movement in the investments accounted for using the equity method during the period ended 30 June 2021 and 2020 is as follows:

	2021	2020
1 January	1,326,490	1,362,777
Investments accounted for using the equity method;		
Shares in current year profit	61,452	(226,034)
Dividend payment	(80,000)	(120,000)
Currency translation differences	8,176	14,798
<b>30 June</b>	<b>1,316,118</b>	<b>1,031,541</b>

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

	30 June 2021	31 December 2020
Current assets	6,971,079	5,059,935
Non-current assets	3,653,356	3,701,575
<b>Total assets</b>	<b>10,624,435</b>	<b>8,761,510</b>
Short term liabilities	4,913,048	2,829,607
Long term liabilities	2,893,776	3,088,361
Equity	2,817,613	2,843,542
<b>Total liabilities</b>	<b>10,624,437</b>	<b>8,761,510</b>

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Sales (net)	20,910,034	11,326,715	16,068,978	7,340,653
Gross profit	1,170,144	586,474	638,292	291,116
Operating profit	540,838	265,195	111,778	40,596
Net income for the period	153,631	129,776	(565,085)	(144,004)

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 and penalty in 2020. A lawsuit has been filed by Opet with the request for annulment of the aforementioned decision, and a stay of execution decision has been made in the lawsuit and the trial is still ongoing.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 10. Property, plant and equipment

The movements in property, plant and equipment and related depreciation expenses as of 30 June 2021 and 2020 are as follows:

	1 January 2021	Currency translation differences	Additions	Transfers	Disposals	30 June 2021
<b>Cost:</b>						
Lands	8,341,191	-	-	-	-	8,341,191
Land improvements	3,903,485	-	3,995	-	(134)	3,907,346
Buildings	903,443	-	31,471	-	(1,195)	933,719
Machinery and equipment	13,273,886	994	30,257	1,536	(1,249)	13,305,424
Motor vehicles	2,093,006	-	16,639	-	-	2,109,645
Furniture and fixtures	166,378	-	22,488	-	(779)	188,087
Construction in progress	1,050,655	-	454,635	-	-	1,505,290
Special costs	3,730	-	52,552	-	-	56,282
Other tangible assets	2,835	-	-	-	-	2,835
	<b>29,738,609</b>	<b>994</b>	<b>612,037</b>	<b>1,536</b>	<b>(3,357)</b>	<b>30,349,819</b>
<b>Accumulated depreciation:</b>						
Land improvements	(1,745,480)	-	(78,628)	-	134	(1,823,974)
Buildings	(244,257)	-	(9,507)	-	938	(252,826)
Machinery and equipment	(5,435,214)	(77)	(212,512)	(333)	891	(5,647,245)
Motor vehicles	(339,551)	-	(41,517)	-	-	(381,068)
Furniture and fixtures	(95,267)	-	(12,828)	-	671	(107,424)
Special costs	(672)	-	(4,856)	-	-	(5,528)
Other tangible assets	(2,279)	-	(136)	-	-	(2,415)
	<b>(7,862,720)</b>	<b>(77)</b>	<b>(359,984)</b>	<b>(333)</b>	<b>2,634</b>	<b>(8,220,480)</b>
<b>Net book value</b>	<b>21,875,889</b>					<b>22,129,339</b>

	1 January 2020	Currency translation differences	Additions	Transfers	Disposals	30 June 2020
<b>Cost:</b>						
Lands	7,206,553	-	-	-	-	7,206,553
Land improvements	3,793,487	-	22,565	-	(21,655)	3,794,397
Buildings	839,908	-	-	-	12,498	852,406
Machinery and equipment	12,936,688	166	119,757	-	(6,616)	13,049,995
Motor vehicles	1,993,137	-	103,782	-	(20,956)	2,075,963
Furniture and fixtures	135,217	100	10,055	-	(390)	144,982
Construction in progress	651,346	-	226,483	-	2	877,831
Special costs	4,131	464	-	-	-	4,595
Other tangible assets	2,794	-	-	-	(2)	2,792
	<b>27,563,261</b>	<b>730</b>	<b>482,642</b>	<b>-</b>	<b>(37,119)</b>	<b>28,009,514</b>
<b>Accumulated depreciation:</b>						
Land improvements	(1,612,017)	-	(77,155)	-	21,652	(1,667,520)
Buildings	(227,940)	-	(8,899)	-	(12,517)	(249,356)
Machinery and equipment	(5,025,154)	(30)	(209,321)	-	6,646	(5,227,859)
Motor vehicles	(281,918)	-	(42,864)	-	20,892	(303,890)
Furniture and fixtures	(78,701)	(19)	(9,164)	-	369	(87,515)
Special costs	(818)	(86)	(459)	-	-	(1,363)
Other tangible assets	(1,998)	-	(144)	-	1	(2,141)
	<b>(7,228,546)</b>	<b>(135)</b>	<b>(348,006)</b>	<b>-</b>	<b>37,043</b>	<b>(7,539,644)</b>
<b>Net book value</b>	<b>20,334,715</b>					<b>20,469,870</b>

Total depreciation expense amounting to TRY359,984 thousand (30 June 2020 – TRY348,006 thousand) related to tangible fixed assets in the comprehensive consolidated income statement for the interim period ended as of 30 June 2021 has been allocated to cost of sales amounting to TRY277,108 thousand (30 June 2020 – TRY260,613 thousand), to marketing, amounting to TRY42,463 thousand (30 June 2020 - TRY46,511 thousand), to general administration expenses amounting to TRY 33,207 thousand (30 June 2020 – TRY34,599 thousand), to research and development expenses amounting to TRY7,206 thousand (30 June 2020 – 6,283 thousand).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 10. Property, plant and equipment (Continued)

The depreciation expense related to right-of-use assets in the consolidated statement of comprehensive income for the interim period ended as of 30 June 2021 at TRY18,370 thousand (30 June 2020 – TRY16,788 thousand), is classified to general administrative expenses amounting to TRY12,918 thousand (30 June 2020 – TRY13,058 thousand) to marketing, amounting to TRY2,974 thousand (30 June 2020 – TRY2,479 thousand), and to cost of sales amounting to TRY2,478 thousand (30 June 2020 - TRY1,251 thousand).

As of 30 June 2021, there are no mortgage on property, plant and equipment (31 December 2020 : None). The Group has revaluated all of the lands to their fair values which assets’ cost value is amounting to TRY66,782 thousand in accordance with TAS 16, Property, Plant and Equipment as of 31 December 2020 and included the revaluation increase amounting to TRY8,274,409 thousand in consolidated financial statements (31 December 2020: TRY8,274,409 thousand).

### 11. Intangible assets

#### Other intangible assets:

The movements of intangible assets and related accumulated amortisation for the period ended 30 June 2021 and 2020 are as follows:

	1 January 2021	Additions	Transfers	Disposals	30 June 2021
<b>Cost:</b>					
Rights and software	109,460	9,366	(1,536)	-	117,290
Development expenses	115,194	844	-	-	116,038
	224,654	10,210	(1,536)	-	233,328
<b>Accumulated amortisation:</b>					
Rights and software	(79,919)	(6,043)	-	-	(85,962)
Development expenses	(82,366)	(5,277)	333	-	(87,310)
	(162,285)	(11,320)	333	-	(173,272)
<b>Net book value</b>	62,369				60,056
	1 January 2020	Additions	Transfers	Disposals	30 June 2020
<b>Cost:</b>					
Rights and software	99,713	1,584	-	-	101,297
Development expenses	92,498	10,910	-	-	103,408
	192,211	12,494	-	-	204,705
<b>Accumulated amortisation:</b>					
Rights and software	(67,510)	(6,242)	-	-	(73,752)
Development expenses	(72,957)	(4,462)	-	-	(77,419)
	(140,467)	(10,704)	-	-	(151,171)
<b>Net book value</b>	51,744				53,534

Total amortisation expenses amounting to TRY11,320 thousand (30 June 2020: TRY10,704 thousand) in the consolidated statement of comprehensive income for the period ended 30 June 2021 have been allocated to the general administration expenses amounting to TRY11,288 thousand (30 June 2020: TRY10,704 thousand) and the cost of sales amounting to TRY32 thousand (30 June 2020: None).

## TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

#### 12. Prepaid expenses

##### Short term prepaid expenses:

	30 June 2021	31 December 2020
Insurance and other expenses	287,634	132,483
Advances given	25,529	101,131
<b>Total</b>	<b>313,163</b>	<b>233,614</b>

##### Long term prepaid expenses:

	30 June 2021	31 December 2020
Advances given to third parties for property, plant and equipment	96,655	130,621
Advances given to related parties for property, plant and equipment (Note 27)	2,508	2,126
Other prepaid expenses	1,921	2,039
<b>Total</b>	<b>101,084</b>	<b>134,786</b>

#### 13. Other assets and liabilities

##### Other current assets:

	30 June 2021	31 December 2020
Deferred VAT	1,305,855	41,516
Deferred Value Added Tax (“VAT”)	734,851	382,032
Deferred Special Consumption Tax (“SCT”)	195,913	123,601
Taxes and funds to be offsetted	97,118	74,547
Spare parts and material stocks	76,377	89,655
Income accruals	21,744	16,793
Income accruals from commodity hedge (*)	-	22,746
Other current assets	32,092	18,352
<b>Total</b>	<b>2,463,950</b>	<b>769,242</b>

(\*) As of 31 December 2020, income accruals of derivatives transactions consist of swap transactions for inventory of Tüpraş which are exposed to commodity price risk and zero cost corridor transaction expense accruals. The income accruals recognition made as of 31 December 2020 is recognized under cost of goods sold and collected as of 8 January 2021.

##### Other non-current assets:

	30 June 2021	31 December 2020
Spare parts and material stocks	1,744,422	1,763,686
Other	5,713	49,145
<b>Total</b>	<b>1,750,135</b>	<b>1,812,831</b>

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 13. Other assets and liabilities (Continued)

#### Other current liabilities:

	30 June 2021	31 December 2020
Revenue share	2,445,329	2,210,451
Deferred Value Added Tax (“VAT”)	734,851	382,032
SCT payable	691,286	1,090,914
Deferred Special Consumption Tax (“SCT”)	195,913	123,601
Other taxes and liabilities	37,046	79,550
VAT payable	23,641	269,314
Expense accruals from commodity hedge (*)	-	247,432
Other	24,611	45,352
<b>Total</b>	<b>4,152,677</b>	<b>4,448,646</b>

(\*) As of 31 December 2020, expense accruals consist of commodity derivatives transactions for inventory of Tüpraş which are exposed to commodity price risk. The expense accruals recognition made as of 31 December 2020 is recognized under cost of goods sold and collected as of 8 January 2021.

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 TRY2,445,329 thousand accumulated as at 30 June 2021 (31 December 2020: TRY2,210,451 thousand) which is not recognized in the comprehensive income statement, has been classified as “Revenue Share” within “Other short-term liabilities”. TRY2,436,116 thousand is (31 December 2020: TRY2,204,004 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 4).

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### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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#### 14. Provisions

##### Provision for employee benefits:

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

	30 June 2021	31 December 2020
Personnel bonus accruals	80,117	13,067
Seniority incentive bonus provision	9,649	11,505
<b>Total</b>	<b>89,766</b>	<b>24,572</b>

##### Long-term employee benefits:

	30 June 2021	31 December 2020
Provision for employment termination benefits	276,275	271,661
Provision for unused vacation	69,404	72,866
Seniority incentive bonus provision	14,144	11,878
<b>Total</b>	<b>359,823</b>	<b>356,405</b>

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

The Group has an employee benefit plan called “Seniority Incentive Bonus”, which is paid to the employees with a certain level of seniority.

Seniority incentive bonus is paid to personnel 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:

	2021	2020
1 January	23,383	20,600
Charge for the period	5,843	6,693
Payments during the period	(5,433)	(3,500)
<b>30 June</b>	<b>23,793</b>	<b>23,793</b>

##### *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.

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 14. Provisions (Continued)

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:

	30 June 2021	31 December 2020
Discount rate (%)	4.63	4.63
Turnover rate to estimate probability of retirement (%)	99.37	99.38

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 TRY8,248.51 which is effective as at 1 July 2020 (31 December 2020: TRY7,638.96).

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

	2021	2020
1 January	271,661	232,075
Interest rate	16,339	14,012
Increase during the period	19,705	11,882
Payments during the period	(31,430)	(17,421)
<b>30 June</b>	<b>276,275</b>	<b>240,548</b>

#### *Provision for unused vacation:*

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

	2021	2020
1 January	72,866	71,754
Increase during the period	1,983	12,964
Payments during the period	(5,445)	(4,073)
<b>30 June</b>	<b>69,404</b>	<b>80,645</b>

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

	30 June 2021	31 December 2020
EMRA participation share (*)	46,734	41,458
Provision for demurrage	36,104	48,820
Provisions for pending claims and law suits	24,581	21,981
Provisions for cost	14,758	1,135
Other	29,994	4,122
<b>Total</b>	<b>152,171</b>	<b>117,516</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.

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 14. Provisions (Continued)

#### Other short term provisions (Continued)

Movement of the short-term provisions for the period ended 30 June 2021 and 2020 are as follow:

	Provision for pending claims and lawsuits	EMRA participation share	Provision for demurrage	Provision for cost	Other	Total
<b>1 January 2021</b>	<b>21,981</b>	<b>41,458</b>	<b>48,820</b>	<b>1,135</b>	<b>4,122</b>	<b>117,516</b>
Changes for the period, net	3,190	20,939	20,061	13,623	25,872	83,685
Payments during the period, net	(590)	(15,663)	(32,777)	-	-	(49,030)
<b>30 June 2021</b>	<b>24,581</b>	<b>46,734</b>	<b>36,104</b>	<b>14,758</b>	<b>29,994</b>	<b>152,171</b>
<b>1 January 2020</b>	<b>21,195</b>	<b>37,054</b>	<b>41,924</b>	<b>1,010</b>	<b>192</b>	<b>101,375</b>
Changes for the period, net	(350)	17,617	24,382	17,667	13,832	73,148
Payments during the period, net	(30)	(18,527)	-	-	-	(18,557)
<b>30 June 2020</b>	<b>20,815</b>	<b>36,144</b>	<b>66,306</b>	<b>18,677</b>	<b>14,024</b>	<b>155,966</b>

### 15. Liabilities for employee benefits

	<b>30 June 2021</b>	31 December 2020
Due to the personnel	<b>55,378</b>	113,713
Social security withholdings payment	<b>39,971</b>	38,214
<b>Total</b>	<b>95,349</b>	151,927

### 16. Other payables

	<b>30 June 2021</b>	31 December 2020
Deposits and guarantees received	<b>42,440</b>	33,350
Other payables to related parties (Note 27)	-	30,763
<b>Total</b>	<b>42,440</b>	64,113

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 17. Derivative instruments

	30 June 2021				31 December 2020			
	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	816,409	816,409	36,045	49,400	729,500	729,500	-	46,563
Cross currency swap	156,657	77,814	137,417	12,144	885,015	613,238	318,377	18,222
Commodity derivative	-	-	-	-	51,015	51,017	20,939	32,067
<i>Derivatives held for trading</i>								
Currency forwards	19,995,842	19,936,170	246,430	23,647	15,125,099	16,070,341	40,366	665,976
Commodity derivative	1,637,923	1,637,923	-	224,319	-	-	-	-
Interest rate swap	-	-	-	-	-	-	447	-
<b>Short term derivative financial instruments</b>			<b>419,892</b>	<b>309,510</b>			<b>380,129</b>	<b>762,828</b>
<i>Cash flow hedg</i>								
Interest rate swap	3,105,394	3,105,394	14,173	41,927	2,126,201	2,126,201	-	45,490
Cross currency swap	153,808	40,991	77,346	-	172,928	54,654	87,313	-
<i>Derivatives held for trading</i>								
Interest rate swap	-	-	-	-	750,000	750,000	570	-
<b>Long term derivative financial instruments</b>			<b>91,519</b>	<b>41,927</b>			<b>87,883</b>	<b>45,490</b>
<b>Total</b>			<b>511,411</b>	<b>351,437</b>			<b>468,012</b>	<b>808,318</b>

As of 30 June 2021, forward foreign exchange transactions consist of forward and currency swap transactions which generate a sales obligation of TRY19,936,170 thousand in exchange of USD2,297,000 thousand which will expire in 2021. (As of 31 December 2020, forward, swap, futures and options market transactions consist of forward transactions which generate a sales obligation of TRY16,070,341 thousand in exchange of USD2,060,500 thousand which has expired on in January 2021).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 17. Derivative instruments (Continued)

As of 30 June 2021, interest rate swap consists of exchange of floating rate instalment payments of long term borrowings and bonds amounting to USD245,539 thousand (31 December 2020: USD289,615 thousand), EUR4,429 thousand (31 December 2020: EUR8,857) and TRY1,740,000 (31 December 2020: TRY750,000 thousand) thousand with fixed rate instalment payments for cash flow hedging.

As of 30 June 2021, cross currency swap transactions consist of swaps with fixed interest rate transaction of foreign currency indexed floating interest rate USD29,448 thousand (31 December 2020: USD66,837) and fixed interest rate long-term borrowings amounting to TRY68,318 thousand (31 December 2020: TRY253,690) and indexed to Turkish Lira, swap of foreign currency indexed floating interest long-term borrowing of EUR2,214 thousand (31 December 2020: EUR4,429 thousand) and fixed interest rate long-term borrowings amounting to TRY8,215 thousand (31 December 2020: 16,429) and indexed to Turkish Lira fixed interest payments amounting to TRY8,215 thousand (31 December 2020: TRY16,429 thousand) with fixed interest payments with total of USD2,334 thousand (31 December 2020: USD4,668 thousand), and swap transaction of EUR2,214 thousand (31 December 2020: EUR4,429) foreign currency indexed fixed interest rate of long-term borrowing and USD2,522 thousand (31 December 2020: USD5,043 thousand) USD indexed fixed interest payments.

Commodity future purchase and sales transactions consist of transactions of crack margin fixing and swap transactions as of 30 June 2021 and commodity derivative transactions as of 31 December 2020. Swap transactions for crude oil stocks are 3,000 thousand barrels in total and the weighted average fixed price of these transactions is USD 62.7/barrel (31 December 2020 - None).

### 18. Commitments and contingent assets and liabilities

	30 June 2021		31 December 2020	
Guarantees received:	Original currency(*):	TRY amount:	Original currency:	TRY amount:
Letter of guarantess received		1,221,154		1,329,871
- Letter of guarantess in TRY	591,075	591,075	658,781	658,781
- Letter of guarantess in USD	25,150	218,937	36,186	265,624
- Letter of guarantess in EUR	39,500	409,393	44,517	401,005
- Letter of guarantess in other currencies	-	1,749	-	4,461
Guarantee notes received		679		679
- Guarantee notes in TRY	679	679	679	679
Guarantee letters received		493,700		417,926
- Guarantee letters received in TRY	50,000	50,000	50,000	50,000
- Guarantee letters received in USD	50,851	442,664	50,000	367,025
- Guarantee letters received in EUR	100	1,036	100	901
Guarantee letters of credit		208,925		205,520
- Letters of credit in USD	24,000	208,925	27,998	205,520
Direct debiting limits		569,248		407,475
- TRY direct debiting limits	569,248	569,248	407,475	407,475
<b>Total guarantees received</b>		<b>2,493,706</b>		<b>2,361,471</b>
<b>Guarantees given:</b>				
Letter of credits given		8,610,254		3,953,337
- Letter of credits in USD	988,210	8,602,566	535,781	3,932,903
- Letter of credits in EUR	742	7,688	2,268	20,434
- Letter of credits in other currencies			-	-
Letter of guarantess given		1,450,212		1,423,999
- Letter of guarantess in TRY	1,266,593	1,266,593	1,264,460	1,264,460
- Letter of guarantess in USD	20,200	175,846	20,200	148,279
- Letter of guarantess in EUR	750	7,773	1,250	11,260
Letters of guarantee given to customs offices		644,074		897,796
- Letter of guarantess in TRY	581,887	581,887	843,749	843,749
- Letter of guarantess in EUR	6,000	62,187	6,000	54,047
Letters of guarantee given to banks		708,771		753,762
- Letter of guarantess in USD	74,936	652,336	89,322	655,667
- Letter of guarantess in EUR	5,445	56,435	10,890	98,095
<b>Total guarantees given</b>		<b>11,413,311</b>		<b>7,028,894</b>

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

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 18. Commitments and contingent assets and liabilities (Continued)

As of 30 June 2021 and 31 December 2020, letter of guarantees received are composed of guarantees from customers and suppliers, Guarantees given are mainly composed of guarantees given to government entities and customs offices, As of 30 June 2021, letters of guarantee given to banks are given for loans which were used by Companies within scope of consolidation amounting to TRY657,734 thousand (31 December 2020: TRY695,723 thousand) and for derivative financial instruments amounting to TRY51,037 thousand (31 December 2020: TRY 58,039 thousand).

Collaterals, pledges, mortgages given by the Group as of 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	31 December 2020
A. CPMs given for companies in the name of its own legal personality	10,704,540	6,275,132
- TRY	1,848,480	2,108,209
- USD	8,778,412	4,081,182
- EUR	77,648	85,741
- Other	-	-
B. CPMs given on behalf of the fully consolidated companies	708,771	753,762
- USD	652,336	655,667
- EUR	56,435	98,095
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>11,413,311</b>	<b>7,028,894</b>

### 19. Equity

The Company’s shareholders and their shareholding percentages as at 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	Share (%)	31 December 2020	Share (%)
Enerji Yatırımları A.Ş.	127,714	51	127,714	51
Publicly owned	122,705	49	122,705	49
<b>Total</b>	<b>250,419</b>	<b>100</b>	<b>250,419</b>	<b>100</b>
Adjustment to share capital	1,344,243		1,344,243	
<b>Total paid-in capital</b>	<b>1,594,662</b>		<b>1,594,662</b>	

Adjustment to share capital represents the difference between the inflation adjusted amounts of cash and cash equivalents of the paid-in capital and the amounts before the inflation adjustment.

Registered capital of the Company is TRY500,000 thousand and is divided into 50,000,000,000 shares with a registered nominal value of 1 Kuruş (“Kr”) (31 December 2020: 1Kr) each, The authorised and paid-in share capital of the Company comprises 25,041,919,999 Group A shares with a registered nominal value of 1Kr and one Group C share with privileges belonging to the Privatisation Administration.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

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### 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 30 June 2021, the restricted reserves of the Company amount to TRY503,343 thousand (31 December 2020 - TRY503,343 thousand).

#### *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 interim 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.

At the Ordinary General Assembly Meeting dated 31 March 2021, in the financial statements prepared in accordance with the Tax Procedural Law records; due to loss of amounting TRY3,070,278 thousand in the last year-ended result, it was decided to dividends will not be distributed and transfer the net period loss amounting to TRY2,493,511 thousand attributable to equity holders of the parent to the retained earnings in the related financial statements.

At the Ordinary General Assembly Meeting dated 1 April 2020, in the financial statements prepared in accordance with the Tax Procedural Law records; due to loss of amounting TRY1,139,413 thousand in the previous year-ended result, it was decided to dividends will not be distributed and transfer the net period profit amounting to TRY525,837 thousand attributable to equity holders of the parent to the retained earnings in the related financial statements.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 20. Revenue and cost of sales

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Domestic revenue	42,771,768	25,604,483	20,641,926	7,626,591
Export revenue	11,316,981	8,421,340	5,986,309	1,850,986
<b>Gross sales</b>	<b>54,088,749</b>	<b>34,025,823</b>	26,628,235	9,477,577
Less: Sales discounts	(538,380)	(317,986)	(301,069)	(136,320)
Eksi: Sales returns	(41,661)	(20,119)	(108,048)	(61,676)
<b>Sales (net)</b>	<b>53,508,708</b>	<b>33,687,718</b>	26,219,118	9,279,581
Cost of goods sold	(49,017,527)	(30,723,863)	(26,238,744)	(8,390,081)
<b>Gross profit</b>	<b>4,491,181</b>	<b>2,963,855</b>	(19,626)	889,500

### Cost of Sales:

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Raw material, manufactured and consumable material	41,201,358	26,665,547	22,824,417	6,542,258
Cost of goods sold	5,312,240	2,740,164	1,166,107	913,939
Energy expenses	1,049,429	582,024	985,361	356,934
Personnel expenses	519,383	268,135	469,388	227,995
Depreciation and amortization (Note 11)	279,618	140,632	261,864	132,648
Other production expenses	655,499	327,361	531,607	216,307
<b>Cost of sales</b>	<b>49,017,527</b>	<b>30,723,863</b>	26,238,744	8,390,081

### 21. General administrative expenses, marketing expenses and research and development expenses

#### General administrative expenses:

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Personnel expenses	321,079	156,519	264,027	125,688
Insurance expenses	121,355	67,518	95,389	54,335
Depreciation and amortization (Note 10-11)	57,413	29,733	58,361	26,635
Tax duties and fees	54,330	27,344	70,672	37,130
Outsourced services	46,721	25,351	44,472	21,580
Subscription fees	29,907	15,916	19,624	9,640
Office expenses	28,314	14,410	26,755	12,090
Lawsuit and consultancy expenses	14,115	7,709	16,167	7,206
Donations	10,600	5,211	26,683	16,113
Transportation and travel expenses	1,608	936	2,608	746
Other	37,017	17,880	24,966	10,324
<b>Total general administrative expenses</b>	<b>722,459</b>	<b>368,527</b>	649,724	321,487

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

(Amount 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 - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Transportation, storage and insurance expenses	292,992	199,561	119,707	98,240
Personnel expenses	87,242	46,047	77,352	38,106
Depreciation and amortization (Note 10)	45,437	22,773	48,990	26,546
Outsourced services	17,735	6,943	11,698	3,147
Advertising expenses	13,646	9,238	13,800	8,160
Energy expenses	11,129	5,612	11,565	4,679
Other	37,600	22,157	25,669	10,616
<b>Total marketing expenses</b>	<b>505,781</b>	<b>312,331</b>	<b>308,781</b>	<b>189,494</b>

#### Research and development expenses:

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Personnel expenses	9,289	4,226	8,426	3,118
Depreciation and amortization (Not 10)	7,206	3,602	6,283	3,504
Lawsuit and consultancy expenses	685	645	314	265
Outsourced services	384	171	451	154
Licence expenses	52	-	2,211	1,133
Other	1,750	1,010	1,015	431
<b>Total research and development expenses</b>	<b>19,366</b>	<b>9,654</b>	<b>18,700</b>	<b>8,605</b>

### 22. Other operating income/(expenses)

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
<b>Other operating income:</b>				
Credit finance gains	279,170	176,037	284,391	244,843
Foreign exchange gain from trade receivables	112,566	54,607	30,848	14,154
Provisions no longer required	432	-	75	-
Other	49,116	35,433	89,932	11,222
<b>Total other operating income</b>	<b>441,284</b>	<b>266,077</b>	<b>405,246</b>	<b>270,219</b>
<b>Other operating expense:</b>				
Foreign exchange loss from trade payables	(2,232,653)	(508,711)	(437,989)	(248,020)
Credit finance charges	(55,705)	(36,818)	(351,414)	(77,424)
Other	(62,545)	(45,718)	(56,803)	(36,342)
<b>Total other operating expense</b>	<b>(2,350,903)</b>	<b>(591,247)</b>	<b>(846,206)</b>	<b>(361,786)</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 23. Income/(expense) from investment activities

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Gain/(loss) on sales of property plant and equipment and intangible assets	(1,274)	(1,496)	351	396
<b>Total income/(expense) from investment activities</b>	<b>(1,274)</b>	<b>(1,496)</b>	<b>351</b>	<b>396</b>

### 24. Financial income/(expenses)

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
<b>Financial income:</b>				
Foreign exchange gains on deposits	1,992,781	1,927,900	999,890	504,185
Interest income on deposits	1,010,443	457,873	294,910	157,835
Foreign exchange gains on derivative instruments	-	(1,604,612)	119,297	18,133
<b>Total financial income</b>	<b>3,003,224</b>	<b>781,161</b>	<b>1,414,097</b>	<b>680,153</b>
<b>Financial expenses:</b>				
Foreign exchange losses on borrowings	(2,709,257)	(773,176)	(1,983,578)	(755,874)
Interest expenses	(1,209,005)	(602,155)	(755,409)	(415,033)
Foreign exchange losses on derivative instruments	(140,614)	(106,898)	(136,242)	(61,972)
Other	(1,861)	(846)	(2,371)	2,411
<b>Total financial expenses</b>	<b>(4,060,737)</b>	<b>(1,483,075)</b>	<b>(2,877,600)</b>	<b>(1,230,468)</b>

### 25. Tax assets and liabilities

#### i) Corporate tax:

	30 June 2021	31 December 2020
Current period corporate tax provision	8,298	13,310
Current year tax assets	(6,821)	(10,851)
<b>Corporation tax provision</b>	<b>1,477</b>	<b>2,459</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.

The corporation tax rate for the fiscal year 2021 is 25% (2020: 22%). 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).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 25. Tax assets and liabilities (Continued)

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 30 June 2021 and 31 December 2020 using the enacted tax rates are as follows:

	Cumulative temporary differences		Deferred tax (liability)/asset	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Investment incentive income(*)	(35,189,394)	(29,724,926)	5,388,860	4,546,105
Accumulated deductible financial losses(**)	(3,799,183)	(4,176,390)	759,837	835,278
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	(1,451,420)	(1,290,035)	290,284	258,007
Employment termination benefits and seniority incentive bonus provision	(291,910)	(268,153)	58,382	53,631
Inventory	(187,843)	(185,705)	46,961	37,141
Provision for unused vacation liability	(58,965)	(62,013)	11,793	12,403
Deferred financial income/(expense), (net)	(32,352)	(22,500)	8,088	4,500
Provisions for pending claims and lawsuits	(24,581)	(21,981)	6,145	4,396
Cash capital incentives	(23,790)	(31,400)	5,948	6,280
Prepaid expenses	13,745	19,630	(3,436)	(3,926)
Fair value difference of derivative instruments	187,513	(313,375)	(46,878)	62,675
Gain on revaluation of property	8,274,475	8,274,475	(827,448)	(827,448)
Other	(129,495)	(129,275)	37,103	13,385
<b>Deferred tax asset – net</b>			<b>5,735,639</b>	<b>5,002,427</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%. 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.

(\*\*) The Group's financial losses amounting to TRY3,799,183 thousand are deferred tax assets of TRY759,837 thousand to be used in the next 5 years. (31 December 2020: TRY835,278 thousand)

The movement of deferred taxes is as follows:

	2021	2020
<b>Deferred tax asset/(liability), net</b>		
1 January	5,002,427	3,767,503
Charge for the period	653,023	719,717
Charge to equity:		
- Hedging cash flow gains/(losses)	80,189	82,993
- Revaluation of property gains/(losses)		-
<b>30 June</b>	<b>5,735,639</b>	<b>4,570,213</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 26. Earnings per share

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Profit for the year attributable to shareholders of the Company	939,368	1,699,863	(2,449,849)	(184,839)
Weighted average number of Shares with nominal value of Kr1 each	25,041,920,000	25,041,920,000	25,041,920,000	25,041,920,000
<b>Basic and diluted earnings per share in Kr</b>	<b>3.75</b>	<b>6.79</b>	<b>(9.78)</b>	<b>(0.74)</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:

	30 June 2021	31 December 2020
Yapı ve Kredi Bankası A.Ş. (2)	6,362,280	6,253,361
<b>Total</b>	<b>6,362,280</b>	<b>6,253,361</b>

#### b) Trade receivables:

	30 June 2021	31 December 2020
Opet Petrolcülük A.Ş. (1)	745,156	226,065
THY OPET Havacılık Yakıtları A.Ş. (1)	64,954	51,113
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. (1)	26,027	19,093
Aygaz A.Ş. (2)	11,065	24,516
Other (2)	6,146	3,768
<b>Total</b>	<b>853,348</b>	<b>324,555</b>

As of 30 June 2021, Tüpraş has offset TRY191,000 thousand (31 December 2020: TRY250,000 thousand) from its trade receivables due from related parties that are collected from factoring companies as a part of irrevocable factoring agreements and TRY474,881 thousand supplier financing (31 December 2020 - TRY507,000 thousand) has been deducted from trade receivables from related parties.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 27. Related party transactions (Continued)

#### c) Trade payables:

	30 June 2021	31 December 2020
RAM Sigorta Aracılık Hizmetleri A.Ş. (2)	245,911	14,269
Koç Sistem Bilgi ve İletişim A.Ş. (2)	18,983	22,479
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	17,324	16,368
Aygaz A.Ş. (2)	12,584	8,104
Opet Petrolcülük A.Ş. (1)	10,973	16,910
Ark İnşaat A.Ş. (2)	4,630	44,880
Otokoç Otomotiv Tic. ve San. A.Ş. (2)	4,589	4,922
THY OPET Havacılık Yakıtları A.Ş. (1)	254	1,137
Setur Servis Turistik A.Ş. (2)	159	2,996
Aygaz Doğalgaz Toptan Satış A.Ş. (2)	-	75,733
Other (2)	2,514	10,688
<b>Total</b>	<b>317,921</b>	<b>218,486</b>

#### d) Other payables:

	30 June 2021	31 December 2020
Koç Holding A.Ş. (3)	-	30,763
<b>Total</b>	<b>-</b>	<b>30,763</b>

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

	30 June 2021	31 December 2020
Ark İnşaat A.Ş. (2)	2,502	2,126
Other (2)	6	-
<b>Total</b>	<b>2,508</b>	<b>2,126</b>

#### f) Bank loans:

	30 June 2021	31 December 2020
Yapı ve Kredi Bankası A.Ş. (2)	883,648	821,310
<b>Total</b>	<b>883,648</b>	<b>821,310</b>

#### g) Lease liabilities:

	30 June 2021	31 December 2020
Koç Ailesi (3)	70,243	63,286
Otokoç Otomotiv Tic. ve San. A.Ş. (2)	22,157	22,477
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	25	31
<b>Total</b>	<b>92,425</b>	<b>85,794</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 27. Related party transactions (Continued)

#### h) Product and service sales:

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Opet Petrolcülük A.Ş. (1)	7,897,726	4,633,510	4,285,599	1,586,400
THY OPET Havacılık Yakıtları A.Ş. (1)	1,080,557	649,877	760,301	262,154
Aygaz A.Ş. (2)	523,449	319,308	240,555	72,554
Opet Fuchs Madeni Yağ San. ve Tic. A.Ş. (1)	62,302	38,909	20,199	9,934
Other (2)	25,973	14,969	5,362	2,175
<b>Total</b>	<b>9,590,007</b>	<b>5,656,573</b>	<b>5,312,016</b>	<b>1,933,217</b>

#### i) Product and service purchases:

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Ram Sigorta Aracılık Hizmetleri A.Ş. (2) (**)	272,837	272,442	217,185	214,615
Aygaz Doğalgaz Toptan Satış A.Ş. (2)	196,625	16,075	299,201	68,560
Opet Petrolcülük A.Ş. (1)	99,769	61,503	60,516	25,121
Zer Merkezi Hizmetler ve Ticaret A.Ş. (2)	52,668	25,703	47,635	25,872
Aygaz A.Ş. (2)	52,240	28,412	38,569	18,691
Koç Holding A.Ş. (3) (*)	18,788	11,424	16,246	8,123
Koç Sistem Bilgi ve İletişim A.Ş. (2)	17,328	8,660	15,736	8,156
Otokoç Otomotiv Tic. ve San. A.Ş. (2)	11,770	5,849	10,804	6,543
THY OPET Havacılık Yakıtları A.Ş. (1)	14	-	5,502	2,970
Other (2)	20,927	11,845	21,794	11,382
<b>Total</b>	<b>742,966</b>	<b>441,913</b>	<b>733,188</b>	<b>390,033</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.

(\*\*) Includes paid and accrued insurance premiums in the periods ended 30 June 2021 and 2020 in connection with insurance policies signed with insurance companies through RAM Sigorta Aracılık Hizmetleri A.Ş. acting as an intermediary insurance agent.

#### j) Fixed asset purchases:

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Ark İnşaat A.Ş. (2)	54,500	26,296	40,311	16,703
RMK Marine Gemi Yapım Sanayii ve Deniz Taşımacılığı İşletmesi A.Ş. (2)	-	-	103,595	-
Other (2)	2,919	2,636	6,689	3,734
<b>Total</b>	<b>57,419</b>	<b>28,932</b>	<b>150,595</b>	<b>20,437</b>

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

The senior management of the Company is determined as members and chair of the Board of Directors and General Manager and General Manager Deputies, The total amount of benefits provided to senior management is TRY9,536 thousand as of period ending on 30 June 2021 (30 June 2020 – TRY8,102 thousand). All of this amount consists of short term benefits. (30 June 2020 - All of this amount consists of short term benefit).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 27. Related party transactions (Continued)

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

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Yapı ve Kredi Bankası A.Ş. (2)	45,782	23,965	20,479	11,912
Yapı Kredi Faktoring A.Ş. (2)	2,606	550	1,520	1,292
Yapı Kredi Bank N.V.(2)	-	-	834	421
<b>Total</b>	<b>48,388</b>	<b>24,515</b>	<b>22,833</b>	<b>13,625</b>

#### m) Time deposit interest income:

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
Yapı ve Kredi Bankası A.Ş. (2)	437,280	186,293	94,254	67,834
<b>Total</b>	<b>437,280</b>	<b>186,293</b>	<b>94,254</b>	<b>67,834</b>

#### n) Donations:

As of 30 June 2021, total donation in cash is amounting to TRY134 thousand (30 June 2020 – TRY7,115 thousand).

### 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 30 June 2021 and 31 December 2020 are as follows:

30 June 2021	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>	853,348	5,151,234	-	21,106	19,365,360	511,411	-
<b>- Secured portion of the maximum credit risk by guarantees, etc.</b>	-	476,857	-	-	-	-	-
A. Net book value of financial asset either are not due or not impaired	853,348	4,968,937	-	21,106	19,365,360	511,411	-
B. Net book value of overdue but not impaired financial assets	-	182,297	-	-	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-	-	-
- Overdue(gross book value)	-	5,136	-	1,389	-	-	-
- Impairment (-)	-	(5,136)	-	(1,389)	-	-	-
- 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 CONDENSED INTERIM  
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(Amount expressed in thousands of Turkish Lira (“TRY”) unless otherwise indicated.)

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# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 28. Financial instruments and financial risk management (Continued)

#### Credit risk (Continued):

31 December 2020	Receivables				Bank deposits	Derivative instruments	Other
	Trade Receivables		Other Receivables				
	Related parties	Other parties	Related parties	Other parties			
Maximum exposed credit risk as of reporting date	324,555	1,410,994	-	18,690	19,825,292	468,012	-
- Secured portion of the maximum credit risk by guarantees, etc.	-	367,278	-	-	-	-	-
A. Net book value of financial asset either are not due or not impaired	324,555	1,221,413	-	18,690	19,825,292	468,012	-
B. Net book value of overdue but not impaired financial assets	-	189,581	-	-	-	-	-
C. Net book value of the impaired assets	-	-	-	-	-	-	-
- Overdue(gross book value)	-	5,264	-	1,389	-	-	-
- Impairment (-)	-	(5,264)	-	(1,389)	-	-	-
- 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	-	-	-	-	-	-	-

30 June 2021	Receivables		Bank deposits	Derivative instruments	Other Trade receivables
	Trade receivables	Other Receivables			
Overdue (1-30 days)	159,645	-	-	-	-
Overdue (1-3 months)	8,196	-	-	-	-
Overdue (3-12 months)	10,665	-	-	-	-
Overdue (1-5 years)	3,791	-	-	-	-

  

31 December 2020	Receivables		Bank deposits	Derivative instruments	Other Trade receivables
	Trade receivables	Other Receivables			
Overdue (1-30 days)	150,374	-	-	-	-
Overdue (1-3 months)	22,675	-	-	-	-
Overdue (3-12 months)	11,475	-	-	-	-
Overdue (1-5 years)	5,057	-	-	-	-

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 TRY67,283 thousand (31 December 2020: TRY89,116 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.

#### *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 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	31 December 2020
Group 1	24,454	-
Group 2	1,933,112	589,771
Group 3	3,630,606	783,457
Group 4	234,113	172,740
<b>Total</b>	<b>5,822,285</b>	<b>1,545,968</b>

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

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

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### 28. Financial instruments and financial risk management (Continued)

#### *Credit risk (Continued):*

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 constituted 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 margin*

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.

#### *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.

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 28. Financial instruments and financial risk management (Continued)

#### Foreign exchange risk (Devamı)

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 30 June 2021 and 31 December 2020:

	30 June 2021		31 December 2020	
	TRY	USD(*)	TRY.	USD (*)
Monetary assets	2,916,712	335,054	1,173,619	159,883
Monetary liabilities	(42,647,328)	(4,899,064)	(29,337,009)	(3,996,595)
<b>Monetary assets / (liabilities) foreign currency position</b>	<b>(39,730,616)</b>	<b>(4,564,010)</b>	<b>(28,163,390)</b>	<b>(3,836,712)</b>
Non-monetary assets	31,994	3,675	105,732	14,404
Net foreign currency position of derivative financial instruments	20,255,821	2,326,865	16,095,327	2,192,674
<b>Net foreign currency asset / (liability) position</b>	<b>(19,442,801)</b>	<b>(2,233,470)</b>	<b>(11,962,331)</b>	<b>(1,629,634)</b>
Cash flow hedging (**)	4,265,422	489,985	4,360,123	593,982
<b>Net foreign currency position after cash flow hedging</b>	<b>(15,177,379)</b>	<b>(1,743,485)</b>	<b>(7,602,208)</b>	<b>(1,035,652)</b>
Inventory in natural hedge scope (***)	15,119,133	1,736,793	7,220,776	983,690
<b>Net foreign currency position after cash flow hedging and natural hedge</b>	<b>(58,246)</b>	<b>(6,692)</b>	<b>(381,432)</b>	<b>(51,962)</b>

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

(\*\*) The Group uses investment loans amounting to USD489,985 thousand, which is equivalent to TRY4,265,422 thousand (USD593,982 thousand / TRY4,360,123 thousand in 31 December 2020) as prevention against USD/TRY spot foreign exchange risk of USD denominated export revenue, which is highly probable to be realized. Based on the outcome of effectiveness test performed on related process, the Group has considered that the process is fully effective and therefore applied cash flow hedge accounting. As of 30 June 2021, TRY2,926,776 (31 December 2020 - TRY2,736,854 thousand) thousand of foreign exchange loss that arose from investment loans is classified under equity “Cash flow hedge gains (losses)” which has no effect on current year income statement. As of 30 June 2021, the foreign exchange loss amounting to TRY626,562 thousand corresponding to the export income of investment loans denominated in USD has been transferred to the foreign exchange loss in the income statement from “Cash flow hedge gains (losses)” account under equity. Moreover, as of 30 June 2021, foreign exchange loss of these loans in 2021 amounting to TRY816,483 were added to the “Cash flow hedge gains (losses)” account under equity.

(\*\*\*) The Group manages its foreign currency risk arising from foreign currency denominated financial liabilities and trade payables by regularly considering and reflecting the foreign exchange rate changes in the determination of petroleum product prices. As at 30 June 2021, the Group has crude oil and petroleum products inventories amounting to TRY15,119,133 thousand (31 December 2020: TRY7,220,776 thousand).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 28. Financial instruments and financial risk management (Continued)

	Foreign exchange position table									
	30 June 2021					31 December 2020				
	TRY equivalent (In terms of functional currency)	USD	EUR	GBP	Other	TRY equivalent (In terms of functional currency)	USD	EUR	GBP	Other
Trade receivables	1,234,126	141,720	41	-	-	358,951	45,743	2,568	1	40
Monetary financial assets (including cash, banks)	1,682,586	190,425	1,688	615	-	814,668	105,636	3,962	357	-
Other	28,815	2,452	449	234	-	103,077	13,540	255	139	-
<b>Current assets</b>	<b>2,945,527</b>	<b>334,597</b>	<b>2,177</b>	<b>849</b>	<b>-</b>	<b>1,276,696</b>	<b>164,919</b>	<b>6,785</b>	<b>497</b>	<b>40</b>
Monetary financial assets	-	-	-	-	-	-	-	-	-	-
Other	3,179	-	-	264	-	2,655	-	-	267	-
<b>Non-current assets</b>	<b>3,179</b>	<b>-</b>	<b>-</b>	<b>264</b>	<b>-</b>	<b>2,655</b>	<b>-</b>	<b>-</b>	<b>267</b>	<b>-</b>
<b>Total assets</b>	<b>2,948,706</b>	<b>334,597</b>	<b>2,177</b>	<b>1,113</b>	<b>-</b>	<b>1,279,351</b>	<b>164,919</b>	<b>6,785</b>	<b>764</b>	<b>40</b>
Trade payables	25,483,507	2,914,679	8,901	130	16,832	13,026,055	1,759,069	12,127	74	3,642
Financial liabilities	6,233,715	709,916	4,842	297	-	3,676,865	424,446	61,982	291	-
Other monetary liabilities	338,495	37,620	120	811	-	379,918	50,265	36	1,068	-
<b>Current liabilities</b>	<b>32,055,717</b>	<b>3,662,215</b>	<b>13,863</b>	<b>1,238</b>	<b>16,832</b>	<b>17,082,838</b>	<b>2,233,780</b>	<b>74,145</b>	<b>1,433</b>	<b>3,642</b>
Financial liabilities	10,556,921	1,204,024	6,761	463	-	12,208,681	1,653,846	6,941	613	-
Other monetary liabilities	34,690	3,985	-	-	-	45,490	6,197	-	-	-
<b>Non-current liabilities</b>	<b>10,591,611</b>	<b>1,208,009</b>	<b>6,761</b>	<b>463</b>	<b>-</b>	<b>12,254,171</b>	<b>1,660,043</b>	<b>6,941</b>	<b>613</b>	<b>-</b>
<b>Total liabilities</b>	<b>42,647,328</b>	<b>4,870,224</b>	<b>20,624</b>	<b>1,701</b>	<b>16,832</b>	<b>29,337,009</b>	<b>3,893,823</b>	<b>81,086</b>	<b>2,046</b>	<b>3,642</b>
<b>Net asset/(liability) position of off-balance sheet foreign currency derivatives</b>	<b>20,255,821</b>	<b>2,321,592</b>	<b>4,429</b>	<b>-</b>	<b>-</b>	<b>16,095,327</b>	<b>2,117,625</b>	<b>61,157</b>	<b>-</b>	<b>-</b>
Total amount of off-balance sheet derivative financial assets	23,600,248	2,705,779	4,429	-	-	17,901,631	2,363,699	61,157	-	-
Total amount of off-balance sheet derivative financial liabilities	(3,344,427)	(384,187)	-	-	-	(1,806,304)	(246,074)	-	-	-
<b>Net foreign currency asset/(liability) position</b>	<b>(19,442,801)</b>	<b>(2,214,035)</b>	<b>(14,018)</b>	<b>(588)</b>	<b>(16,832)</b>	<b>(11,962,331)</b>	<b>(1,611,279)</b>	<b>(13,144)</b>	<b>(1,282)</b>	<b>(3,602)</b>
<b>Cash flow hedging</b>	<b>4,265,422</b>	<b>489,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,360,123</b>	<b>593,982</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net foreign currency position after cash flow hedging</b>	<b>(15,177,379)</b>	<b>(1,724,050)</b>	<b>(14,018)</b>	<b>(588)</b>	<b>(16,832)</b>	<b>(7,602,208)</b>	<b>(1,017,297)</b>	<b>(13,144)</b>	<b>(1,282)</b>	<b>(3,602)</b>
<b>Net monetary foreign currency asset/(liability) position</b>	<b>(39,730,616)</b>	<b>(4,538,079)</b>	<b>(18,896)</b>	<b>(1,086)</b>	<b>(16,832)</b>	<b>(28,163,390)</b>	<b>(3,742,444)</b>	<b>(74,556)</b>	<b>(1,688)</b>	<b>(3,602)</b>
<b>Fair value of derivative instruments Used for hedging</b>	<b>425,402</b>	<b>48,868</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(238,142)</b>	<b>(32,442)</b>	<b>-</b>	<b>-</b>	<b>-</b>

As at 30 June 2021, the Group has TRY58,246 thousand as net foreign currency deficit after natural hedging (31 December 2020: TRY381,432 thousand net foreign currency surplus).

# TÜRKİYE PETROL RAFİNERİLERİ A.Ş.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

(Amount 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 30 June 2021 and 31 December 2020.

Statement of foreign currency risk sensitivity				
30 June 2021				
	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	(3,950,489)	3,950,489	(411,946)	411,946
Amount hedged for USD risk (-)	2,432,938	(2,432,938)	-	-
<b>USD net effect</b>	<b>(1,517,551)</b>	<b>1,517,551</b>	<b>(411,946)</b>	<b>411,946</b>
<b>10% change in EUR rate:</b>				
Euro net assets/ liabilities	(19,585)	19,585	-	-
Amount hedged for Euro risk (-)	4,590	(4,590)	-	-
<b>EUR net effect</b>	<b>(14,995)</b>	<b>14,995</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(1,532,546)</b>	<b>1,532,546</b>	<b>(411,946)</b>	<b>411,946</b>
31 December 2020				
	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	(2,747,141)	2,747,141	(420,058)	420,058
Amount hedged for USD risk (-)	1,974,501	(1,974,501)	-	-
<b>USD net effect</b>	<b>(772,640)</b>	<b>772,640</b>	<b>(420,058)</b>	<b>420,058</b>
<b>10% change in EUR rate:</b>				
Euro net assets/ liabilities	(67,159)	67,159	-	-
Amount hedged for Euro risk (-)	55,090	(55,090)	-	-
<b>EUR net effect</b>	<b>(12,069)</b>	<b>12,069</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>(784,709)</b>	<b>784,709</b>	<b>(420,058)</b>	<b>420,058</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.

### Export and import

	1 January - 30 June 2021	1 April - 30 June 2021	1 January - 30 June 2020	1 April - 30 June 2020
<b>Export</b>				
USD (equivalent of thousand TRY)	10,146,415	7,219,144	5,985,585	1,850,262
<b>Total</b>	<b>10,146,415</b>	<b>7,219,144</b>	<b>5,985,585</b>	<b>1,850,262</b>
<b>Import</b>				
USD (equivalent of thousand TRY)	40,210,231	24,160,740	19,009,064	6,384,920
<b>Total</b>	<b>40,210,231</b>	<b>24,160,740</b>	<b>19,009,064</b>	<b>6,384,920</b>

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2021

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

### 28, Financial instruments and financial risk management (Continued)

#### *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 30 June 2021 and 31 December 2020 are as follows:

	30 June 2021	31 December 2020
Total financial liabilities (Note 5)	30,633,004	29,245,068
Less: Cash and cash equivalents (Note 4)	(16,929,244)	(17,621,288)
Net financial liabilities	13,703,760	11,623,780
Total shareholders’ equity	12,520,268	11,672,525
<b>Total capital invested</b>	<b>26,224,028</b>	<b>23,296,305</b>
<b>Gearing ratio</b>	<b>52.26%</b>	<b>49.90%</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.

Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

#### *Financial assets*

The carrying amounts of foreign currency denominated monetary assets which are translated at year end exchange rates are considered to approximate their fair values.

The carrying values of cash and cash equivalents are estimated to be their fair values since they are short term.

The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values since they are short term.

#### *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.

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTH INTERIM PERIOD ENDED 30 JUNE 2020

(Amount 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: Other valuation techniques includes direct or indirect observable inputs

Level 3: Valuation techniques does not contains observable market inputs

Fair value hierarchy table as at 30 June 2021 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	-	511,411	-
<b>Financial liabilities at fair value in statement of financial position</b>			
Derivative financial liabilities	-	351,437	-

Fair value hierarchy table as at 31 December 2020 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	-	468,012	-
<b>Financial liabilities at fair value in statement of financial position</b>			
Derivative financial liabilities	-	808,318	-

### 29. Subsequent events

None.

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