

(Convenience translation into English of financial statements
originally issued in Turkish)

**Petkim Petrokimya Holding Anonim
Şirketi and Its Subsidiaries**

**Condensed Consolidated Interim Financial Statements
For The Period From January 1 To June 30, 2024
Together With Independent Auditor's Review Report**

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**(Convenience translation of a report and consolidated financial statements originally issued in
Turkish)**

Report on Review of Interim Consolidated Financial Statements

To The Board of Directors of Petkim Petrokimya Holding Anonim Şirketi

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Petkim Petrokimya Holding Anonim Şirketi (the Company) and its subsidiaries (the Group) as of June 30, 2024 and the interim consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Turkish Financial Reporting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

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 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 of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The consolidated financial statements of the Group which is prepared in accordance with Turkish Financial Reporting Standards issued by the Public Oversight Accounting and Auditing Standards Authority ('POAASA') as of December 31, 2023 were audited by another audit and whose consolidated audit report dated March 26, 2024 expressed an unqualified opinion. Interim condensed consolidated financial statements of the Group as of June 30, 2023, prepared in accordance with TAS 34 and excluding the effects of the adjustments related to the application of TAS 29 "Financial Reporting in Hyperinflationary Economies," as disclosed in Note 2.1, have been reviewed by the same audit firm whose review report dated August 10, 2023, expressed a conclusion that nothing has come to their attention that not compliance with TAS 34.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2024, and its consolidated financial performance and its consolidated cash flows for the six-month period then ended in accordance with Turkish Financial Reporting Standards.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Cem Uçalar, SMMM
Partner

August 29, 2024
İstanbul, Türkiye

(Convenience translation into English of financial statements originally issued in Turkish)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed consolidated interim balance sheets

as at June 30, 2024 and December 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2024 unless otherwise indicated.)

		Reviewed	Audited
	Notes	June 30, 2024	December 31, 2023
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	5.331.692	5.038.864
Financial investments	5	411.243	372.898
Trade receivables		9.409.098	9.412.490
- Trade receivables from related parties	20	2.197.381	1.990.208
- Trade receivables from third parties	7	7.211.717	7.422.282
Other receivables		42.789	153.082
- Other receivables from related parties	20	31.377	5.176
- Other receivables from third parties		11.412	147.906
Derivative financial instruments	24	81.835	75.069
Inventories	6	7.428.194	7.659.816
Prepaid expenses		1.042.945	963.853
- Prepaid expenses to related parties	20	339.812	170.316
- Prepaid expenses to third parties	11	703.133	793.537
Current income tax asset	14	21.905	50.959
Other current assets		1.103.460	1.636.631
-Other current assets from third parties	11	1.103.460	1.636.631
TOTAL CURRENT ASSETS		24.873.161	25.363.662
NON-CURRENT ASSETS			
Financial investments	5	82.511	82.511
Other receivables		23.678	23.331
- Other receivables from related parties	20	23.678	23.247
- Other receivables from third parties		-	84
Derivative financial instruments	24	80.953	51.300
Investments accounted by using equity method	25	28.556.497	29.971.011
Investments property	21	19.088.265	20.991.676
Property, plant and equipment	9	38.637.685	40.338.275
Right-of-use assets		952.977	1.093.921
Intangible assets		431.515	390.135
Prepaid expenses		399.607	473.521
- Prepaid expenses to related parties	20	26.248	42.757
- Prepaid expenses to third parties	11	373.359	430.764
Deferred tax assets	14	2.250.598	605.970
Other non-current assets		93.605	99.073
- Other non-current assets related to third parties		93.605	99.073
TOTAL NON - CURRENT ASSETS		90.597.891	94.120.724
TOTAL ASSETS		115.471.052	119.484.386

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

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed consolidated interim balance sheets

as at June 30, 2024 and December 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2024 unless otherwise indicated.)

	Notes	Reviewed June 30, 2024	Audited December 31, 2023
LIABILITIES			
CURRENT LIABILITIES			
Short-term borrowings		15.886.927	16.584.040
- Short-term borrowings from related parties			
- Short term lease liabilities to related parties	20	76.206	152.682
- Short-term borrowings from third parties		15.810.721	16.431.358
- Bank borrowings	8	12.817.477	6.749.622
- Short term lease liabilities	8	52.720	47.458
- Other financial liabilities	8	2.940.524	9.634.278
Short-term portion of long-term borrowings			
- Short-term portion of long-term borrowings from third parties		6.329.010	4.453.657
- Bank borrowings	8	6.329.010	4.453.657
Trade payables		9.747.394	10.299.788
- Trade payables to related parties	20	7.478.571	5.586.913
- Trade payables to third parties	7	2.268.823	4.712.875
Payables related to employee benefits	12	211.635	147.243
Other payables		20.229	30.440
- Other payables to related parties	20	87	109
- Other payables to third parties		20.142	30.331
Derivative financial instruments	24	243.081	19.258
Deferred revenue		729.170	696.993
- Deferred revenue from related parties	20	176.829	81.532
- Deferred revenue from third parties	10	552.341	615.461
Short-term provisions		351.482	993.983
- Provision for employee benefits	12	348.849	990.744
- Other short-term provisions	23	2.633	3.239
Other current liabilities			
- Other current liabilities related to third parties		156.400	144.468
TOTAL CURRENT LIABILITIES		33.675.328	33.369.870
NON-CURRENT LIABILITIES			
Long-term financial liabilities		15.516.508	16.997.251
- Long-term borrowings from related parties			
- Long term lease liabilities to related parties	20	209.646	469.334
- Long-term borrowings from third parties		15.306.862	16.527.917
- Bank borrowings	8	15.103.711	16.318.594
- Long-term lease liabilities to third parties	8	203.151	209.323
Deferred revenue		1.374.696	1.572.742
- Deferred revenue from related parties	20	1.374.696	1.572.742
Long-term provisions		1.093.151	941.403
- Provision for employee termination benefits	12	1.093.151	941.403
Deferred income tax liabilities	14	2.143.604	2.504.140
TOTAL NON-CURRENT LIABILITIES		20.127.959	22.015.536
TOTAL LIABILITIES		53.803.287	55.385.406

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

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed consolidated interim balance sheets

as at June 30, 2024 and December 31, 2023

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2024 unless otherwise indicated.)

		Reviewed	Audited
	Notes	June 30, 2024	December 31, 2023
EQUITY			
Equity Attributable to Owners of the Parent Company		61.279.420	63.786.928
Share capital	13	2.534.400	2.534.400
Adjustment to share capital	13	35.411.924	35.411.924
Share premium		624.548	624.548
Other comprehensive (expense) not to be reclassified to profit or loss		(1.071.474)	(557.889)
- Actuarial (loss) arising from defined benefit plan		(1.057.159)	(558.968)
Share of other comprehensive income of investments accounted by using equity method that will not be reclassified to profit or loss		(14.315)	1.079
Other comprehensive income/(expense) to be reclassified to profit or loss		(6.183.857)	(1.553.734)
- Currency translation differences		(1.291.590)	(595.596)
- Gain/(loss) on cash flow hedges		(1.383.592)	(525.431)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		(3.508.675)	(432.707)
Restricted reserves		3.365.089	3.365.089
Retained earnings		23.962.590	14.744.675
Net profit for the period		2.636.200	9.217.915
Non-controlling interest		388.345	312.052
TOTAL EQUITY		61.667.765	64.098.980
TOTAL LIABILITIES AND EQUITY		115.471.052	119.484.386

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(Convenience translation into English of financial statements originally issued in Turkish)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for Six Month Period Ended at June 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2024 unless otherwise indicated.)

		Reviewed	Not Reviewed	Reviewed	Not Reviewed
		January 1 - June 30, 2024	April 1 - June 30, 2024	January 1 - June 30, 2023	April 1 - June 30, 2023
Notes					
PROFIT OR LOSS					
Revenue	15	36.668.214	18.707.713	36.783.954	19.060.581
Cost of sales (-)	15	(36.211.876)	(18.128.331)	(39.080.936)	(19.636.387)
GROSS PROFIT		456.338	579.382	(2.296.982)	(575.806)
General administrative expenses (-)	16	(1.650.767)	(801.221)	(1.764.964)	(965.407)
Selling, marketing and distribution expenses (-)		(627.671)	(331.778)	(699.414)	(368.138)
Other operating income	17	1.018.549	290.246	2.661.001	2.390.984
Other operating expense (-)	17	(905.126)	(238.216)	(2.053.424)	(1.742.956)
OPERATING PROFIT/(LOSS)		(1.708.677)	(501.587)	(4.153.783)	(1.261.323)
Income from investing activities	19	263.360	138.451	4.007.250	3.086.344
Expense from investing activities (-)	19	(1.903.620)	(1.903.516)	(417)	(391)
Income from investments accounted by equity method	25	1.731.114	1.007.075	-	-
OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)		(1.617.823)	(1.259.577)	(146.950)	1.824.630
Financial income	18	1.063.620	430.353	11.489.833	10.414.283
Financial expenses	18	(4.790.437)	(1.747.010)	(15.894.485)	(13.763.337)
Monetary gain (loss)		6.279.058	2.262.486	(250.533)	(167.843)
PROFIT BEFORE TAX FROM CONTINUED OPERATIONS		934.418	(313.748)	(4.802.135)	(1.692.267)
Tax expense from continuing operations		1.750.615	2.095.040	(980.194)	(459.554)
- Current tax (expense)/income	14	-	-	(25.290)	3.499
- Deferred tax (expense)/income	14	1.750.615	2.095.040	(954.904)	(463.053)
PROFIT FOR THE PERIOD FROM CONTINUED OPERATIONS		2.685.033	1.781.292	(5.782.329)	(2.151.821)
PROFIT FOR THE PERIOD		2.685.033	1.781.292	(5.782.329)	(2.151.821)
Distribution of Income for the Period:					
- Non-controlling interest		48.833	88.783	95.358	138.976
- Owners of the parent company		2.636.200	1.692.509	(5.877.687)	(2.290.797)
Earnings Per Share	22	1,0402	0,6678	(2,3192)	(0,9040)
- Earnings per Kr 1 number of shares from continued operations		1,0402	0,6678	(2,3192)	(0,9040)

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for Six Month Period Ended at June 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2024 unless otherwise indicated.)

	Reviewed	Not Reviewed	Reviewed	Not Reviewed
	January 1 -	April 1 -	January 1 -	April 1 -
	June 30,	June 30,	June 30,	June 30,
Notes	2024	2024	2023	2023
PROFIT FOR THE PERIOD	2.685.033	1.781.292	(5.782.329)	(2.151.821)
OTHER COMPREHENSIVE INCOME	(5.116.248)	(2.373.282)	457.394	157.620
Items that will not to be reclassified to profit or loss	(513.585)	83.841	96.201	96.201
Gains / (losses) on remeasurements of defined benefit plans	(647.001)	130.141	120.252	120.252
Deferred taxes relating to (loss)/gain on remeasurements of defined benefit plan	148.810	(29.933)	(24.051)	(24.051)
Gains (losses) on remeasurements of defined benefit plans from investments accounted by using equity method	(15.394)	(16.367)	-	-
Items to be reclassified to profit or loss	(4.602.663)	(2.457.123)	361.193	61.419
Currency translation differences	(669.118)	(288.403)	226.736	(89.638)
(Losses)/gains from cash flow hedges	(1.113.425)	(261.059)	168.071	188.821
Deferred taxes relating to (loss)/gain from cash flow hedges	255.848	60.228	(33.614)	(37.764)
Losses currency translation difference from investments accounted with using equity method	(5.917.285)	(4.837.888)	-	-
Gains on hedges from investments accounted with the equity method	2.841.317	2.869.999	-	-
OTHER COMPREHENSIVE EXPENSE	(5.116.248)	(2.373.282)	457.394	157.620
TOTAL COMPREHENSIVE INCOME	(2.431.215)	(591.990)	(5.324.935)	(1.994.201)
Attributable to:				
Non-controlling interests	76.293	92.846	135.973	186.565
Owners of the parent company	(2.507.508)	(684.836)	(5.460.908)	(2.180.766)

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(Convenience translation into English of financial statements originally issued in Turkish)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Changes in Equity for Six Months Interim Period January 1 – June 30, 2024
(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at June 30, 2024 unless otherwise indicated.)

			Other comprehensive income/(expense) not to be reclassified to profit or loss	Other comprehensive (expense) / income to be reclassified to profit or loss										
	Share capital	Adjustment to Share capiat	Actuarial loss arising from defined benefit plan	Share of other comprehensive income of investments accounted by using equity method that will not be reclassified to profit or loss	(Loss) / gain on cash flow hedges	Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss	Currency translation differences	Share premium	Restricted reserves	Net profit (loss) for the period	Retained earnings	Equity attributable to owners of the parent company	non Controlling interests	Total equity
January 1, 2023	2.534.400	35.411.764	(522.535)	-	73.342	-	(885.954)	624.546	3.359.052	(1.597.278)	16.485.065	55.482.402	71.772	55.554.174
Transfers	-	-	-	-	-	-	-	-	-	1.597.278	(1.597.278)	-	-	-
Total Comprehensive income/(expense)	-	-	96.201	-	123.495	-	197.083	-	-	(5.877.687)	-	(5.460.908)	135.973	(5.324.935)
- Other Comprahensive income/(expnese)	-	-	96.201	-	123.495	-	197.083	-	-	-	-	416.779	40.615	457.394
- Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	(5.877.687)	-	(5.877.687)	95.358	(5.782.329)
June 30, 2023	2.534.400	35.411.764	(426.334)	-	196.837	-	(688.871)	624.546	3.359.052	(5.877.687)	14.887.787	50.021.494	207.745	50.229.239
January 1, 2024	2.534.400	35.411.924	(558.968)	1.079	(525.431)	(432.707)	(595.596)	624.548	3.365.089	9.217.915	14.744.675	63.786.928	312.052	64.098.980
Transfers	-	-	-	-	-	-	-	-	-	(9.217.915)	9.217.915	-	-	-
Total Comprehensive income/(expense)	-	-	(498.191)	(15.394)	(858.161)	(3.075.968)	(695.994)	-	-	2.636.200	-	(2.507.508)	76.293	(2.431.215)
- Other Comprehensive income/(expense)	-	-	(498.191)	(15.394)	(858.161)	(3.075.968)	(695.994)	-	-	-	-	(5.143.708)	27.460	(5.116.248)
- Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	2.636.200	-	2.636.200	48.833	2.685.033
June 30, 2024	2.534.400	35.411.924	(1.057.159)	(14.315)	(1.383.592)	(3.508.675)	(1.291.590)	624.548	3.365.089	2.636.200	23.962.590	61.279.420	388.345	61.667.765

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(Convenience translation into English of financial statements originally issued in Turkish)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Cash Flow

for Six Month Period Ended At June 30, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2024 unless otherwise indicated.)

		Reviewed January 1 - June 30, 2024	Reviewed January 1 - June 30, 2023
	Notes		
A. Cash flows from operating activities:		(666.020)	1.620.531
Net profit / (loss) for the year (I)		2.685.033	(5.782.329)
Adjustments related to reconciliation of (II) net profit for the year:		(2.558.867)	11.106.614
Adjustments for tax income / (expense)	14	(1.750.615)	980.194
Adjustments for depreciation and amortization		2.400.206	2.548.365
Adjustments for impairments / (reversals)			
- Adjustments for impairment of inventories	6	(46.224)	(110.620)
Adjustments for provisions			
- Adjustments for provision employment termination benefits		734.676	758.216
Adjustments for interest income/(expense)			
- Adjustments for interest income	18	(265.381)	(287.435)
- Adjustments for interest expense	18	1.846.875	2.262.828
Adjustments for unrealized foreign currency translation differences		1.158.142	14.279.861
Adjustments for fair value			
- Adjustments for fair value increase in financial investment	19	(133.862)	(167.271)
- Adjustments for fair value increase in investment property	21	1.903.411	(3.658.235)
- Undistributed income of investments accounted for using equity method adjustments regarding profits	25	(1.731.114)	-
Adjustments for monetary (gain)/loss		(6.673.919)	(5.497.625)
Adjustments to revenues from government grants		(1.062)	(1.664)
Changes in working capital (III)		84.686	(2.862.370)
Adjustments related to (increase)/decrease in trade receivables		3.393	(1.448)
Adjustments related to (increase)/decrease in other receivables		109.944	(85.637)
Adjustments related to (increase)/decrease in inventory		356.057	1.438.164
Adjustments related to (increase)/decrease in prepaid expenses		(36.623)	(6.776.483)
Adjustments for (decrease)/increase in trade payable		(551.332)	1.772.604
Adjustments for (decrease)/increase in other payable		(10.211)	(269.345)
Change in derivative financial instruments		187.404	(843.479)
Increase/(decrease) in payables to employees		(358.646)	125.559
Adjustments for increase/(decrease) in deferred revenue		(165.869)	2.045.407
Adjustments for other increase/(decrease) in working capital		550.569	(267.712)
Cash flows from operating activities (I+II+III)		210.852	2.461.915
Employee termination benefits paid		(876.872)	(778.312)
Income taxes paid		-	(63.072)
B. Cash flows from investing activities		(1.558.436)	(1.491.987)
Cash outflows from purchases of tangible and intangible assets		(1.539.862)	(2.576.491)
Other advances given and payables		31.445	(124.649)
Other cash inflows/(outflows)		(50.019)	1.209.153
C. Cash flows from financing activities		3.461.905	(9.492.116)
Proceeds from borrowings	8	18.444.987	19.287.689
Repayments of borrowings	8	(8.314.875)	(2.754.668)
Proceeds from other financial liabilities	8	2.955.885	6.249.635
Repayments of other financial liabilities	8	(7.996.875)	(16.668.607)
Repayments of bond issued	8	-	(17.283.630)
Proceeds other payables to related parties		-	3.728.659
Cash outflows for lease payments		(75.877)	(116.941)
Interest received		265.381	287.435
Interest paid		(1.816.721)	(2.221.688)
D. Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)		1.237.449	(9.363.572)
E. Effect of currency translation differences on cash and cash equivalents		(1.046.954)	(2.891.445)
F. Effect of currency translation differences on cash and cash equivalents		102.333	3.057.476
Net increase/(decrease) in cash and cash equivalents (D+E)		292.828	(9.197.541)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	5.038.864	27.236.012
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	5.331.692	18.038.471

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

**Notes to the Condensed Consolidated Interim Financial Statements
for The Period Between January 1 and June 30, 2024**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2024 unless otherwise indicated.)

1. Group's Organisation and nature of operations

Petkim Petrokimya Holding A.Ş. ('Petkim' or 'the Company') was established on 3 April 1965. The Company started its investment activities in İzmit-Yarımca and initially established the Ethylene, Polyethylene, Chlorine Alkali, VCM and PVC plants in 1970 in the Yarımca Complex and in the following years, construction of other plants continued. In 1985, Aliğa Petrochemical Complex was established with advance technology and optimum capacity. The Company has 14 main plants, 1 bag production unit and 1 solid waste incineration facility. The Company operates its facilities in the petrochemical sector in Turkey.

The major operations of the Company and its subsidiaries are as follows:

- To establish and to operate factories, plants in Turkey home or abroad in relation to the petro-chemistry, chemistry and such other industrial sectors,
- To process and to treat the raw materials and supplementary/auxiliary substances, materials and chemicals necessary for the production of petrochemicals, chemicals and such other materials/substances by procuring such materials/substances either from Turkey or abroad, to produce such materials/substances, and to carry out and to perform the domestic and international trading thereof,
- In accordance with the Law 4628 on the Electricity Market, and the related legislation thereto, to establish power plants as per the auto-producer's license in order to meet its own need for electricity and heat/thermal energy at first, to generate electricity and heat/thermal energy, to sell the generated electricity and heat/thermal energy and/or the capacity to other legal persons holding the requisite licenses or to the eligible consumers as per the mentioned legislation in case of any surplus production, and to carry out and to perform the activities in relation to the obtainment of any and all kinds of equipment and fuel in relation to the electricity power/generating plant provided that such activities are not of commercial nature,
- To carry out and to perform the activities in relation to the importation or purchase from domestic resources, of natural gas on wholesale and retail basis, utilization, storage of natural gas imported and purchased, in accordance with the legislation thereto,
- To carry out and to perform pilotage, trailer and mooring activities, to operate ports, cruise ports, passenger terminals, seaports, docks, harbors, berths, liquid fuel/liquefied petroleum pipeline and buoy systems, and such other similar onshore facilities/plants, and to be involved in port management activities, to offer port, agency, provision, bunkering services, and to provide that such services are offered by third parties either by way of leasing or such other methods when required, and to purchase, to have built and to lease, to sell the necessary vessels/naval platforms, and to establish either domestic or international partnerships in relation thereto, to operate warehouses, and to offer warehousing services,
- To support and to donate to the foundations, associations, educational institutions, which have been established for social purposes, and to such other persons, institutions and organizations in accordance with the principles prescribed by the Capital Markets Board.

The 'Share Sales Agreement', with respect to the sale of 51% of shares of Petkim Petrokimya Holding A.Ş. (which has been in the privatization process for several years) to SOCAR & Turcas Petrokimya A.Ş. ('STPAŞ'), 44% of which previously owned by the Republic of Turkey Ministry Privatization Administration ('Administration') and 7% State Pension Fund ('Emekli Sandığı Genel Müdürlüğü') transferred to Republic of Turkey Social Security Institution, was signed on May 30, 2008.

On June 22, 2012, the public shares amounting to 10.32% of the Company capital which belonged to Prime Ministry Privatization Administration was sold to SOCAR İzmir Petrokimya A.Ş. ('SİPAŞ') which is the subsidiary of the Company's main shareholder, SOCAR Turkey Enerji A.Ş. ('STEAS')

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2024 unless otherwise indicated.)

1. Group's Organisation and nature of operations (Continued)

On September 22, 2014, the listed shares of 10.32% in the Company, which belonged to Prime Ministry Privatisation Administration, was sold to SOCAR İzmir Petrokimya A.Ş. ('SİPAŞ'), the subsidiary of the Company's main shareholder, SOCAR Turkey Enerji A.Ş. ('STEAS'). STEAS and SİPAŞ merged on September 22, 2014 under STEAS.

As of June 30, 2024 and December 31, 2023 the ultimate shareholder of the Company is State Oil Company of Azerbaijan Republic ('SOCAR').

The Group is registered at the Capital Markets Board ('CMB') and have been quoted in Borsa İstanbul ('BIST') since 9 July 1990.

The consolidated financial statements were approved for publication by the decision of the Board of Directors dated August 29, 2024 and signed by General Manager Mr. Kenan Mirzayev and Deputy Chairman of Financial Affairs Mr. Ahmet Gülhan on behalf of the Board of Directors. The general assembly and certain regulatory bodies have the authority to make changes to the statutory financial statements after they are published.

The registered address of the Company as of the date of preparation of the condensed consolidated interim financial statements is as follows:

Siteler Mahallesi Necmettin Giritlioğlu Cad.
SOCAR Türkiye Aliağa Yönetim Binası No 6/1 Aliağa/İZMİR

As of June 30, 2024, the Company's subsidiaries ('subsidiaries') the Company and its subsidiaries (hereinafter collectively referred to as the 'Group') and their respective operating segments are as follows:

	Nature of operations	Business segment
1. Petlim Limancılık Ticaret A.Ş. ("Petlim")	Port operations	Port
2. Petkim Specialities Mühendislik Plastikleri Sanayi ve Ticaret A.Ş.	Plastic Processing	Petrochemistry

The number of personnel in the Group is 2.398 as of June 30, 2024 (December 31, 2023: 2.416). The details of the employees as of June 30, 2024 and December 31, 2023 are as follows:

	June 30, 2024	December 31, 2023
Union (*)	1.723	1.718
Non-union (**)	694	665
	2.417	2.383

(*) Indicates the personnel who are members of Petrol İş Union.

(**) Indicates the personnel who are not members of Petrol İş Union.

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2. Basis of presentation of condensed consolidated interim financial statement

2.1 Basis of Presentation

The consolidated financial statements are prepared in accordance with the Communiqué Serial II, No: 14.1, 'Principals of Financial Reporting in Capital Markets' published in the Official Gazette numbered 28676 on 13 June 2013. According to the article 5 of the Communiqué, consolidated financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ('TFRS') and its addendum and interpretations ('IFRIC') issued by the Public Oversight Accounting and Auditing Standards Authority ('POAASA') Turkish Accounting Standards Board.

Consolidated financial statements are presented in accordance with the formats determined in the "Announcement on TFRS Taxonomy" published by the POA on July 3, 2024 and in the Financial Statement Samples and User Guide published by the CMB.

The Group prepared its condensed consolidated interim financial statements for the period ended June 30, 2024 in accordance with ('TAS') 34 'Interim Financial Reporting' in the framework of the Communiqué Serial II, No: 14.1, and its related announcement. The condensed consolidated interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information.

The Group's interim condensed consolidated financial statements do not contain all of the disclosures and footnotes that are required to include the year-end financial statements, and therefore should be read together with the Group's consolidated financial statements dated December 31, 2023 and the public announcements made by the Group during the year.

The Group maintains its accounting records and prepares its statutory financial statements in accordance with the Turkish Commercial Code ("TCC"), tax legislation and the uniform chart of account issued by the Ministry of Finance.

Consolidated financial statements have been prepared on the historical cost basis in terms of purchasing power as of June 30, 2024, except for financial assets and liabilities carried at their fair values, investment properties and derivative instruments, and have been prepared by reflecting the necessary corrections and classifications in order to ensure correct presentation in legal records in accordance with TFRS.

According to CMB Communiqué No:14.1 and announcements made by the CMB, it is obligatory for the foreign exchange position table of the companies preparing the summary financial statements in interim periods to present the hedging ratio of the total foreign exchange liability and the total export and total import amounts in the footnotes of the financial statements (Note 24).

The Group's financial statements in the interim condensed consolidated financial statements do not have any effect on the seasonality of the Group's operations.

Going concern basis

The accompanying consolidated financial statements are prepared going concern basis.

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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2. Basis of presentation of condensed consolidated interim financial statement (Continued)

2.1 Basis of Presentation of Financial Statements (Continued)

Financial reporting in hyperinflationary economy

Based on the announcement made and published by the KGK on November 23, 2023 with the decision of the CMB dated December 28, 2023 and numbered 81/1820 and the "Implementation Guide on Financial Reporting in High Inflation Economies", issuers subject to financial reporting regulations applying Turkish Accounting/Financial Reporting Standards and It has been decided that capital market institutions will apply inflation accounting by applying the provisions of TMS 29, starting from their annual financial reports for the accounting periods ending as of December 31, 2023.

As of June 30, 2024, adjustments have been made in accordance with the requirements of TAS 29 ("Financial Reporting in Hyperinflation Economies") regarding the changes in the general purchasing power of the Turkish Lira. TMS 29 requirements require that financial statements prepared in the currency in circulation in the economy with high inflation be presented at the purchasing power of this currency at the balance sheet date and that the amounts in previous periods are rearranged in the same way. One of the requirements that requires the application of TMS 29 is a three-year compound inflation rate approaching or exceeding 100%. The indexing process was carried out using the coefficient obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). The indices and correction coefficients used in the correction of the financial statements of the current and previous periods since January 1, 2005 are as follows

Date	Index	Conversion Factor	Three Year Inflation Rate
June 30, 2024	2.319,20	1	324%
December 31, 2023	1.859,38	1,24735	268%
June 30, 2023	1.351,59	1,71597	190%

The main elements of the Group's adjustment process for financial reporting in hyperinflationary economies are as follows:

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the monetary gain/loss account in the consolidated income statement.

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2. Basis of presentation of condensed consolidated interim financial statement (Continued)

2.2 Summary of Significant Accounting Policies

Summary interim consolidated financial statements for the period ending on June 30, 2024 have been prepared in accordance with the TAS 34 standard for the preparation of TFRS interim financial statements. In addition, as of June 30, 2024, the condensed interim consolidated financial statements have been prepared by applying accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ending December 31, 2023, except for the accounting policy changes effective as of January 1, 2024. Therefore, these condensed interim consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended December 31, 2023.

2.3 Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the parent company, Petkim and its subsidiaries on the basis set out in sections below. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with TFRS applying uniform accounting policies and presentation.

a) Subsidiaries

All companies that have control over the Group are affiliates of the Group. The Group controls the entity if it is exposed to variable interest due to its relationship with the entity or if it has the right to influence the entity at the same time. Control over the subsidiary the subsidiary is included in the consolidation as of the date of its transition to the Group. Since the control on the subsidiary has ended, the related subsidiary is excluded from the scope of consolidation.

The balance sheets and income statements of the companies included in the consolidation have been consolidated using the full consolidation method and all debit/credit balances and transactions between them have been mutually canceled. The shareholding amounts and the shareholders' equity of the companies participating in are eliminated mutually. The financial statements of the companies included in the scope of consolidation have been prepared as of the date of the consolidated financial statements and have been prepared in accordance with TFRS applying uniform accounting policies and presentation. Gains and losses arising from intra-group transactions recognized in assets are eliminated when the losses are offset against each other and unrealized losses are eliminated when the transaction does not indicate an impairment in the transferred asset.

The non-controlling share in the net assets and results of subsidiaries for the period are classified within the materiality principle of the account in the consolidated statements of balance sheets and retained earnings.

The accounting policies of the subsidiaries have been changed where necessary to be consistent with the accounting policies accepted by the Group.

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2. Basis of presentation of condensed consolidated interim financial statement (Continued)

2.3 Basis of Consolidation (Continued)

a) Subsidiaries (Continued)

The table below shows the subsidiaries included in the scope of consolidation and the Group's control shares as of June 30, 2024 and December 31, 2023:

Subsidiaries	Direct or indirect Control Shares of Company (%)	
	June 30, 2024	December 31, 2023
Petlim	93,47	93,47
Petkim Specialities Mühendislik Plastikleri Sanayi ve Ticaret A.Ş.	100,00	100,00

b) Foreign currency conversion

i) Functional and presentation currency

Financial statement items of each Group company are measured in the currency of the main economy in which that company is located and operates ("functional currency"). As a result of the evaluations made by the Group management, the functional currency of the Group's subsidiary Petlim has been determined as US Dollar as of January 1, 2017, when Petlim starts operations and all US Dollar revenue begins to accrue. The consolidated financial statements are prepared and presented in Turkish Lira ("TL"), which is the functional currency of the parent company and the reporting currency of the Group. In the financial statements of the Company's subsidiary prepared in accordance with TFRS, there is no need to make any adjustments within the scope of TMS 29 since the functional currency is a non-inflationary currency (US Dollar). In addition, the financial statements of the subsidiaries included in the consolidation for the comparative periods in the attached condensed consolidated financial statements have not been subject to any adjustments within the scope of inflation accounting in accordance with TAS 29.

ii) Transactions and balances

Transactions in foreign currencies have been translated into functional currency at the exchange rates prevailing at the date of the transaction. Exchange gain or losses arising from the settlement translation of monetary assets and liabilities denominated in foreign currency at the exchange rates prevailing at the balance sheet dates are included in consolidated comprehensive income, except for the effective portion of foreign currency hedge of cash flow which are included under shareholder's equity.

iii) Translation of financial statements of subsidiaries, whose functional currency is not Turkish liras

Assets in the condensed consolidated interim balance sheet as of June 30, 2024 are translated into TRY from the foreign exchange buying rates effective as of balance sheet date announced by the Central Bank of the Republic of Turkey as 32,8262 TRY = 1 USD, and liabilities are translated into TRY from the foreign exchange selling rates announced by Central Bank of the Republic of Turkey as 32,8853 TRY = 1 USD (December 31, 2023: buying rate as 29,4382 TRY = 1 USD, selling rate as 29,4913 TRY = 1 USD)

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2. Basis of presentation of condensed consolidated interim financial statement (Continued)

2.4 The new standards, amendments and interpretation

The accounting policies adopted in preparation of the consolidated financial statements as of June 30, 2024 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2024 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

i) The new standards, amendments and interpretations which are effective as of January 1, 2024 are as follows:

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In March 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarify that the requirement for the right to exist at the end of the reporting period applies to covenants which the entity is required to comply with on or before the reporting date regardless of whether the lender tests for compliance at that date or at a later date. The amendments also clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments must be applied retrospectively in accordance with TAS 8.

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

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16.

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

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2. Basis of presentation of condensed consolidated interim financial statement (Continued)

2.4 The new standards, amendments and interpretation (Continued)

Amendments to TAS 7 and TFRS 7 - Disclosures: Supplier Finance Arrangements

The amendments issued by POA in September 2023 specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. The amendments require an entity to provide information about terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those liabilities. In the context of quantitative liquidity risk disclosures required by TFRS 7, supplier finance arrangements are also included as an example of other factors that might be relevant to disclose.

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

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

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

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

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2025 with the announcement made by the POA.

The Standard does not apply to the Group and will not have an impact on the financial position or performance of the Group.

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2. Basis of presentation of condensed consolidated interim financial statement (Continued)

2.4 The new standards, amendments and interpretation (Continued)

iii) The amendments which are effective immediately upon issuance

Amendments to TAS 12 - International Tax Reform – Pillar Two Model Rules

In September 2023, POA issued amendments to TAS 12, which introduce a mandatory exception in TAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that TAS 12 applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD). The amendments also introduced targeted disclosure requirements for entities affected by the tax laws. The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception apply immediately and retrospectively upon issue of the amendments.

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

iv) The new amendments that are issued by the International Accounting Standards Board (IASB) but not issued by Public Oversight Authority (POA)

The following amendments to IFRS 9 and IFRS 7 as well as IFRS 18 and IFRS 19 are issued by IASB but not yet adapted/issued by POA. Therefore, they do not constitute part of TFRS. The Group will make the necessary changes to its consolidated financial statements after the amendments and new Standard are issued and become effective under TFRS.

Amendments to IFRS 9 and IFRS 7 – Classification and measurement of financial instruments

In May 2024, IASB issued amendments to the classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7). The amendment clarifies that a financial liability is derecognised on the 'settlement date'. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met. The amendment also clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features as well as the treatment of non-recourse assets and contractually linked instruments. Additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income are added with the amendment.

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

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2. Basis of presentation of condensed consolidated interim financial statement (Continued)

2.4 The new standards, amendments and interpretation (Continued)

IFRS 18 – The new Standard for Presentation and Disclosure in Financial Statements

In April 2024, IASB issued IFRS 18 which replaces IAS 1. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. IFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as IAS 7, IAS 8 and IAS 34.

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

In May 2024, IASB issued IFRS 19, which allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. Unless otherwise specified, eligible entities that elect to apply IFRS 19 will not need to apply the disclosure requirements in other IFRS accounting standards. An entity that is a subsidiary, does not have public accountability and has a parent (either ultimate or intermediate) which prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards may elect to apply IFRS 19.

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

2.5 Comparative Information and Restatement of Previous Year Financial Statements

In order to enable the determination of financial situation and performance trends, the Group's interim condensed consolidated financial statements are prepared comparatively with the previous period. The Group presents its interim condensed consolidated balance sheet as of June 30, 2024, with its consolidated balance sheet prepared as of December 31, 2023; The condensed consolidated statement of profit or loss and other comprehensive income, cash flow and equity changes statements for the interim accounting period of January 1 – June 30, 2024 have been rearranged comparatively with the interim accounting period of January 1– June 30, 2023 in accordance with TMS 29.

When deemed necessary, comparative information is reclassified and significant differences are disclosed in order to ensure compliance with the presentation of the current period condensed consolidated financial statements.

2.6 Critical Accounting Estimates and Judgments

Preparation of consolidated financial statements requires the use of estimates and assumptions that may affect the amount of assets and liabilities recognized as of the balance sheet date, disclosures of contingent assets and liabilities and the amount of revenue and expenses reported. Although these estimates and assumptions rely on the Group management's best knowledge about current events and transactions, actual outcomes may differ from those estimates and assumptions. Significant estimates of the Group management are as follows:

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2. Basis of presentation of condensed consolidated interim financial statement (Continued)

2.6 Critical Accounting Estimates and Judgments (Continued)

a) Useful life of tangible and intangible assets

The Group determines useful lives of tangible and intangible assets in line with opinions of technical experts and recognizes depreciation and amortization expenses during aforementioned useful lives. The Group reviews useful lives of assets subject to aforementioned depreciation in each reporting period and it is estimated that there exist no situation requiring any adjustment in useful lives as of June 30, 2024.

b) Deferred income tax assets

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Group recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due and recognizes tax assets for the tax losses carried forward and investment incentives to the extent that the realization of the related tax benefit through the future taxable profits is probable. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made (Note 14).

c) Provision for employee benefits

Actuarial assumptions about discount rates, inflation rates, future salary increases and employee turnover rates are used to calculate Group's provision for employee benefits. Such assumptions used in determination of the provision for defined benefit plans are disclosed in Note 12.

d) Fair value measurement of investment properties

As a result of the evaluations made by the Group management, investment properties were reflected in the financial statements as of June 30, 2024, at the fair value determined in the valuation studies carried out by an independent professional valuation company with a Real Estate Appraisal License issued by the CMB. The fair value changes of investment properties are accounted under income from investment activities in the condensed consolidated income statement.

Details of the methods and assumptions used within the scope of the valuation studies are as follows.

- In fair value calculations, the most effective and efficient use was evaluated and the current usage purposes were determined as the most effective and efficient use, and the precedent comparison method was used for lands and plots.

- Current market information was used in the comparable comparison method, price adjustments were made within the framework of criteria that may affect the market value, taking into account similar real estate recently put on the market in the region, and the average m² market value was determined for the lands subject to the report. The comparables found were compared according to criteria such as location, size, zoning status and physical characteristics, real estate marketing companies were consulted for an up-to-date evaluation of the real estate market, and the existing information of an independent professional valuation company was used.

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3. Segment Reporting

Operating segments are identified on the same basis as financial information is reported internally to the Group's chief operating decision maker. The Company Board of Directors has been identified as the Group's chief operating decision maker who is responsible for allocating resources between segments and assessing their performances. The Group management determines operating segments by reference to the reports reviewed by the Board of Directors to make strategic decisions.

The operating segment of the Group are as follows;

- Petrochemical
- Port

The Board of Directors assesses the performance of operating segments with specific criteria and measurement units. This measurement criterion consists of net sales and operating profit. Assets and liabilities of the segment include all assets and liabilities of the Group.

a) Revenue

	January 1 - June 30, 2024	April 1- June 30, 2024	January 1- June 30 2023	April 1- June 30 2023
Petrochemical	36.322.025	18.542.435	36.416.426	18.878.793
Port	346.189	165.278	367.528	181.788
Total before eliminations and adjustments	36.668.214	18.707.713	36.783.954	19.060.581
Consolidation eliminations and adjustments	-	-	-	--
	36.668.214	18.707.713	36.783.954	19.060.581

b) Operating profit (loss)

	January 1 - June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Petrochemical	(1.983.332)	(652.009)	(4.892.290)	(1.917.341)
Port	231.938	124.253	710.853	642.186
Operating profit (loss) before eliminations and adjustments	(1.751.394)	(527.756)	(4.181.437)	(1.275.155)
Consolidation eliminations and adjustments	42.717	26.169	27.654	13.832
Operating profit (loss)	(1.708.677)	(501.587)	(4.153.783)	(1.261.323)
Financial income (expense), net	(3.726.817)	(1.316.657)	(4.404.652)	(3.349.054)
Monetary gain (loss)	6.279.056	2.262.486	(250.535)	(167.843)
Income (expense) from investing activities, net	90.854	(757.990)	4.006.833	3.085.953
Profit (loss) before tax from continued operations	934.416	(313.748)	(4.802.135)	(1.692.267)
Tax income (expense)	1.750.615	2.095.040	(980.194)	(459.554)
Profit/(loss) for the period	2.685.033	1.781.292	(5.782.329)	(2.151.821)

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3. Segment Reporting (Continued)

c) Total assets

	June 30, 2024	December 31, 2023
Petrochemical	114.658.772	113.589.078
Port	12.424.280	11.897.332
Total before eliminations and adjustments	127.083.052	125.486.410
Consolidation eliminations and adjustments	(11.612.000)	(6.002.024)
	115.471.052	119.484.386

d) Total liabilities

	June 30, 2024	December 31, 2023
Petrochemical	48.052.312	48.374.807
Port	6.477.197	7.118.588
Total before eliminations and adjustments	54.529.509	55.493.395
Consolidation eliminations and adjustments	(726.222)	(107.989)
	53.803.287	55.385.406

4. Cash and Cash Equivalents

	June 30, 2024	December 31, 2023
Banks	5.331.606	5.038.834
Demand deposits	94.432	122.198
- Turkish Lira	935	60.443
- Foreign currency	93.497	61.755
Time deposits	5.237.174	4.916.636
- Turkish Lira	1.766.686	254.282
- Foreign currency	3.470.488	4.662.354
Other	86	30
	5.331.692	5.038.864

As of June 30, 2024, foreign currency time deposits consist of monthly deposits. The weighted average effective interest rates of USD and EUR monthly deposits are 3,68% and 2,11% per annum, respectively. (December 31, 2023: USD – 3,37%, EUR – 2,73%).

As of June 30, 2024, the TRY dominated time deposits consist of monthly deposits and the weighted average effective interest rate is monthly 49,84% per annum (December 31, 2023: consist of monthly and daily deposits and the weighted average effective interest rate is monthly 40,63%).

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5. Financial Investments

a) Short-term financial investments:

	June 30, 2024	December 31, 2023
Marketable securities	411.243	372.898
	411.243	372.898

Short-term financial investments consist of financial assets whose fair value differences are recognized in profit or loss and fair value disclosures are included in Note 24.

b) Long-term financial investments

	June 30, 2024		December 31, 2023	
	Amount	Shareholding Rate (%)	Amount	Shareholding Rate (%)
SOCAR Power Enerji Yatırımları A.Ş.	82.511	9,90	82.511	9,90
	82.511		82.511	

8.910.000 shares having a nominal price of TRY0,001 per share corresponding to 9,9% of capital of SOCAR Power Enerji Yatırımları A.Ş. (SOCAR Power) (TRY8.910) owned by SOCAR Turkey Elektrik Yatırımları Holding A.Ş. (Power Holding), which is a subsidiary of controlling shareholder of the Group, SOCAR Turkey Enerji A.Ş., in SOCAR Power are purchased by the Group on 26 January 2015.

6. Inventories

	June 30, 2024	December 31, 2023
Raw materials	1.296.731	1.471.663
Work-in-progress	1.608.692	1.428.007
Finished goods	2.438.857	2.491.861
Trade goods	803.870	257.603
Goods in transit	474.515	892.061
Other inventories	838.006	1.197.322
Less: Provision for impairment on inventories	(32.477)	(78.701)
	7.428.194	7.659.816

Movements of provision for impairment on inventory for the periods ended June 30, 2024 and 2023 were as follows:

	2024	2023
January 1	(78.701)	(187.372)
Realised due to sale of inventory	78.701	187.372
Charged within the period	(32.477)	(76.752)
June 30	(32.477)	(76.752)

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7. Trade Receivables and Payables

a) Short-term trade receivables from third parties:

	June 30, 2024	December 31, 2023
Trade receivables	7.227.006	7.440.520
Provision for doubtful trade receivables (-)	(15.289)	(18.238)
	7.211.717	7.422.282

b) Short-term trade payables to third parties:

Trade payables	2.268.823	4.712.875
	2.268.823	4.712.875

8. Borrowings and Borrowing Cost

	June 30, 2024	December 31, 2023
Short-term borrowings	12.817.477	6.749.622
Short-term portions of long-term borrowings	6.329.010	4.453.657
Lease liabilities	52.720	47.458
Other financial liabilities (*)	2.940.524	9.634.278
Short-term financial liabilities	22.139.731	20.885.015
Long-term borrowings (**)	15.103.711	16.318.594
Lease liabilities	203.151	209.323
Long-term financial borrowings	15.306.862	16.527.917
Total financial liabilities	37.446.593	37.412.932

(*) Other financial liabilities consist of letters of credits and murabaha loan arising from naphtha purchases and trade goods financing. The average remaining maturity of other financial liabilities are 276 days (December 31, 2023: Average remaining maturity is 159 days).

(**) On 26 January 2023, the loan agreement amounting to USD 300 million has been signed between Group and J.P. Morgan Securities PLC. The mentioned loan has a bullet maturity of 3 years and has interest rate of SOFR + 5.60%, per annum. Pursuant to the long-term loan agreement signed between the Group and JP Morgan Securities PLC on 26 January 2023, USD 300 million loan is swapped with the annual interest rate of SOFR +5.60% of the portion of USD 150 million with a fixed interest rate of 9.56 per annum.

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8. Borrowings and Borrowing Cost (Continued)

Bank borrowings and bonds issued:

	Effective weighted average interest rate p.a, (%)		Original Currency		TRY Equivalent	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Short-term borrowings:						
USD Borrowing	6,70 - 10,0	7,00 - 10,55	389.763	183.484	12.817.477	6.749.622
Short-term portions of long-term borrowings:						
USD borrowings	SOFR + 5,00 - 5,60, 7,39- 12,16	SOFR + 4,67 - 5,60, 7,00- 10,55	192.457	107.115	6.329.010	3.940.335
Euro borrowings	-	7,73	-	12.611	-	513.322
Total short-term borrowings					19.146.487	11.203.279
Long-term borrowings and bond issues:						
USD borrowings	SOFR + 5,00 - 5,60	SOFR + 4,67 - 5,60	459.285	443.609	15.103.711	16.318.594
Total long-term borrowings					15.103.711	16.318.594
Total borrowings					34.250.198	27.521.873

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8. Borrowings and Borrowing Cost (Continued)

The redemption schedule of long-term bank borrowings and bonds issued as of June 30, 2024 and December 31, 2023 is as follows:

	June 30, 2024
July 1, 2025 – June 30, 2026	13.048.229
July 1, 2026 - June 30, 2027	1.427.925
July 1, 2027- June 30, 2028	627.557
	15.103.711
	December 31, 2023
2025	2.090.955
2026	12.754.610
2027	1.248.516
2028	224.513
	16.318.594

Fair values of the short-term bank borrowings and other financial liabilities approximate their carrying values due to their short-term nature and long-term borrowings due to having floating interest rate updated with market conditions.

Within the scope of the loan agreement signed between the Group and JP Morgan, certain financial ratios defined in the Group's six-month interim and annual consolidated financial statements must remain within certain limits until the loan repayment is completed. As a result of the expectation that the net debt / EBITDA ratio calculation calculated on the consolidated financial statements as of June 30, 2024 will exceed the limits determined by the contract, the Group consulted the situation with JP Morgan. Although there is no dispute with JP Morgan regarding this loan, a waiver letter was received from JP Morgan regarding the relevant provisions of the contract on June 28, 2024, stating that it will waive its rights arising from the contract if the financial ratios calculated on the consolidated financial statements dated June 30, 2024 fall outside the limits. The relevant loan is classified in accordance with the original payment term.

As of June 30, 2024 and 2023, the reconciliation of net financial debt (excluding debts from leasing transactions) is as follows:

	2024	2023
January 1	32.117.287	29.001.807
Proceeds from financial liabilities	21.400.872	25.537.324
Repayments of financial liabilities	(16.311.750)	(36.706.905)
Changes in foreign exchange	2.884.656	13.472.826
Changes in interest accrual	69.386	48.391
Change in cash and cash equivalents and financial investments	(1.339.785)	6.749.431
Monetary gain (loss)	(6.961.636)	(5.240.065)
June 30	31.859.030	32.862.809

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9. Property, plant and equipment

	Januray 1, 2024	Additions	Transfers	Disposals	Foreign Currency Translation Differences	June 30, 2024
Cost:						
Land	752.591	-	-	-	(832)	751.759
Land improvements	3.928.929	-	2.822	-	(2.021)	3.929.730
Buildings	3.392.849	-	-	-	(733)	3.392.116
Machinery and equipment	144.485.428	-	594.178	-	-	145.079.606
Motor vehicles	199.764	-	-	(2.824)	-	196.940
Furniture and fixtures	1.863.618	-	34.022	(7.360)	(786)	1.889.494
Other fixed assets	20.292	-	-	-	-	20.292
Leasehold improvements	8.879	-	-	-	-	8.879
Assets subject to operating lease (**)	11.351.734	-	-	-	(1.008.822)	10.342.912
Construction in progress (*)	8.534.396	1.539.862	(704.954)	-	(155)	9.369.149
	174.538.480	1.539.862	(73.932)	(10.184)	(1.013.349)	174.980.877
Accumulated depreciation:						
Land improvements	(2.568.154)	(103.517)	-	-	1.572	(2.670.099)
Buildings	(2.568.089)	(37.110)	-	-	748	(2.604.451)
Machinery and equipment	(125.052.750)	(2.009.388)	-	-	-	(127.062.138)
Motor vehicles	(153.570)	(8.425)	-	2.806	-	(159.189)
Furniture and fixtures	(1.407.552)	(62.446)	-	5.939	723	(1.463.336)
Other fixed assets	(20.292)	-	-	-	-	(20.292)
Leasehold improvements	(8.879)	-	-	-	-	(8.879)
Assets subject to operating lease	(2.420.919)	(165.509)	-	-	231.620	(2.354.808)
	(134.200.205)	(2.386.395)	-	8.745	234.663	(136.343.192)
Net book values	40.338.275					38.637.685

(*) The investments in progress mainly consist of factory improvement projects.

(**) Assets subject to operating lease consists of port investment.

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9. Property, plant and equipment (Continued)

	January 1, 2023	Additions	Transfers	Disposals	Foreign Currency Translation Differences	June 30, 2023
Cost:						
Land	754.306	-	-	-	(2.547)	751.759
Land improvements	3.917.155	-	9.906	-	(3.272)	3.923.789
Buildings	3.393.418	-	-	-	(1.302)	3.392.116
Machinery and equipment	141.289.102	-	1.007.669	-	-	142.296.771
Motor vehicles	457.922	-	29.367	-	-	487.289
Furniture and fixtures	1.828.043	-	24.015	(52.461)	(652)	1.798.945
Other fixed assets	20.292	-	-	-	-	20.292
Leasehold improvements	8.879	-	-	-	-	8.879
Assets subject to operating lease (**)	11.840.905	-	-	-	(286.862)	11.554.043
Construction in progress (*)	8.178.354	2.576.491	(1.098.797)	-	(774)	9.655.274
	171.688.376	2.576.491	(27.840)	(52.461)	(295.409)	173.889.157
Accumulated depreciation:						
Land improvements	(2.361.072)	(103.696)	-	-	2.239	(2.462.529)
Buildings	(2.493.991)	(37.249)	-	-	967	(2.530.273)
Machinery and equipment	(119.464.242)	(2.161.264)	-	-	-	(121.625.506)
Motor vehicles	(220.878)	(35.553)	-	-	-	(256.431)
Furniture and fixtures	(1.356.747)	(57.162)	-	50.954	617	(1.362.338)
Other fixed assets	(20.292)	-	-	-	-	(20.292)
Leasehold improvements	(8.879)	-	-	-	-	(8.879)
Assets subject to operating lease	(2.115.125)	(172.024)	-	-	326.384	(1.960.765)
	(128.041.226)	(2.566.948)	-	50.954	330.207	(130.227.013)
Net book value	43.647.150					43.662.144

(*) The investments in progress mainly consist of factory improvement projects.

(**) Assets subject to operating lease consists of port investment.

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10. Deferred Revenue

a) Short-term deferred revenue

	June 30, 2024	December 31, 2023
Advances received	551.697	613.771
Deferred revenue	644	1.690
	552.341	615.461

Advances received from customers for the sales in the subsequent periods are all short term and mature within one year (December 31, 2023: It is expected to be closed within one year). The fair values of advances received are assumed to approximate their carrying values.

11. Prepaid expenses and other current asset

a) Short-term prepaid expenses

	June 30, 2024	December 31, 2023
Advances given for inventory	538.617	735.932
Prepaid rent, insurance and other expenses	139.479	53.802
Advances given for customs procedures	25.037	3.803
	703.133	793.537

b) Long-term prepaid expenses

Advances given for property, plant and equipment	371.212	428.776
Prepaid rent, insurance and other expenses	2.147	1.988
	373.359	430.764

c) Other current assets

Value added taxes ("VAT")	1.092.922	1.623.406
Other	10.538	13.225
	1.103.460	1.636.631

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12. Employee benefits

a) Short-term employee benefits:

	June 30, 2024	December 31, 2023
Provision for bonus premium (*)	273.792	919.755
Provision for seniority incentive bonus	75.057	70.989
	348.849	990.744

(*) Group has been paid TRY 810.102 of the TRY 919.755 provision for bonus premium in 2024.

b) Long-term employee benefits:

	June 30, 2024	December 31, 2023
Provision for employment termination benefits	629.284	613.044
Provision for unused vacation rights	370.330	257.703
Provision for seniority incentive bonus	93.537	70.656
	1.093.151	941.403

c) Liabilities for employee benefits:

	June 30, 2024	December 31, 2023
Social security contribution	210.655	146.343
Due to personnel	980	900
	211.635	147.243

Provision for employment termination benefits:

Under Turkish 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, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women).

The amount payable consists of one month's salary limited to a maximum of full TRY 35.058,58 for each year of service as of June 30, 2024 (December 31, 2023 : TRY 23.489,83).

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

The provision is calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of the employees.

TAS 19 requires actuarial valuation methods to be developed to estimate the enterprises' obligation under defined benefit plans, Accordingly, the following actuarial assumptions were used in the calculation of the total liability:

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12. Employee benefits (Continued)

Provision for employment termination benefits (Continued):

	June 30, 2024	December 31, 2023
Net discount rate (%)	2,45	1,98
Probability of retirement (%)	99,1	97,8

The principal assumption is that the maximum liability 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. As the maximum liability is revised semi-annually, the maximum amount of full TRY 41.828,42 which is effective from July 1, 2024, has been taken into consideration in the calculation of employment termination benefits of the Group (January 1, 2023: full TRY 35.058,58)

Provision for seniority incentive bonus:

Seniority incentive bonus is a benefit provided to the personnel to promote their loyalty to the job and workplace.

The bonus amounting to 40 days of gross salary for 5 years seniority, 50 days of gross salary for 10 years seniority, 65 days of gross salary for 15 years seniority, 80 days of gross salary for 20 years seniority, 90 days of gross salary for 25, 100 days of gross salary for 30, 105 days of gross salary for 35 years and 110 days of gross salary for 40 years seniority is paid to the union personnel with the gross salary of the month when they are reached to the seniority level. In case of termination of employment for any reason that does not prevent gaining severance pay, 20% of seniority incentive which the employee will gain, for each year last first seniority incentive level. In this calculation the periods which are shorter than six months are not considered, Periods which are more than six months are considered as one year.

For the non-union personnel working at the Company, the bonus amounting to 40 days of gross salary for 5 years seniority, 50 days of gross salary for 10 years seniority, 65 days of gross salary for 15 years seniority, 80 days of gross salary for 20 years seniority, 90 days of gross salary for 25 years and 100 days for 30, 105 days for and 110 days for 40 years seniority for the seniority levels in which they are entitled as of the aforementioned date and 30 days of gross salary for the following seniority levels that they are going to be entitled is paid with the gross salary of the month when they are reached to the seniority level. In case of termination of employment for any reason that does not prevent gaining severance pay, 20% of seniority incentive which the employee will gain, for each year last first seniority incentive level. In this calculation the periods which are shorter than six months are not considered, Periods which are more than six months are considered as one year.

The seniority incentive bonus provision is calculated by estimating the present value of the future probable obligation arising from the qualification of the employees for the bonus.

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13. Equity

The shareholders of the Company and their shareholdings as of June 30, 2024 and December 31, 2023 were as follows:

Group: Shareholder:	June 30, 2024		December 31, 2023	
	Amount (TL)	Share (%)	Amount (TL)	Share(%)
A SOCAR Turkey Petrokimya A.Ş.	1.292.544	51,00	1.292.544	51,00
B Publicly Traded and Other	1.241.856	49,00	1.241.856	49,00
C Privatization Administration	0,00	0,01	0,00	0,01
Total paid share capital	2.534.400	100	2.534.400	100
Adjustment to share capital	35.411.924		35.411.924	
Total share capital	37.946.324		37.946.324	

Adjustment to share capital represents the difference between the amounts of cash and cash equivalents contributions, restated for inflation, to share capital and the amounts before the restatement,

14. Tax assets and liabilities

a) Corporate tax

In Turkey, the corporate tax rate is 25% for 2024 (2023: 25%). Institutions tax rate is applied to the tax base that will result in deducting expenses not included in the deduction according to the tax legislation of the corporation's commercial income, deduction in the tax laws (exemption of participation profits, exception of investment discount etc.) and discounts (such as R&D discount). No further tax is payable unless the profit is distributed (except for the withholding tax at the rate of 19,8% calculated and paid on the exemption amount utilized in case of investment reduction exemption utilized under Article 61 of the Income Tax Law).

	June 30, 2024	December 31, 2023
Calculated corporate tax	-	-
Less: Prepaid taxes	(21.905)	(50.959)
Corporate tax assets	(21.905)	(50.959)

Tax expenses included in the income statement for the condensed consolidated period end June 30, 2024 and 2023 are summarized below:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Deferred tax (expense)/income	1.750.615	2.095.040	(954.904)	(463.053)
Current period tax (expense)/income	-	-	(25.290)	3.499
Total tax (expense)/income	1.750.615	2.095.040	(980.194)	(459.554)

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14. Tax assets and liabilities (Continued)

a) Deferred taxes

The Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the CMB Financial Reporting Standards and the statutory tax financial statements.

As of June 30, 2024, the corporate tax rate is 25% in Turkey (December 31, 2023: 25%). Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

In accordance with the Law No 7440 on the "Restructuring of Certain Receivables and Amendments to Certain Laws" published in the Official Gazette on March 12, 2023, an additional tax of 10% is to be calculated over the exemptions and deductions subject to corporate income deduction in accordance with the regulations in the laws, by being shown in the corporate tax return for the year 2022 and without being associated with the period's income; and an additional tax of 5% is to be calculated over the exempted earnings.

The effects of accumulated temporary differences and deferred tax assets and liabilities subject to deferred tax as of June 30, 2024 and December 31, 2023 are summarized below, using the tax rates valid as of the balance sheet date:

	Taxable Temporary Differences		Deferred Income Tax Assets/(Liabilities)	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Fair value increase in investment properties	(19.078.185)	(20.979.102)	(3.290.987)	(3.618.895)
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	(4.486.842)	(4.783.638)	(1.003.892)	(1.082.387)
Fair value difference of derivative financial instruments	-	(107.111)	-	(26.320)
Other	(240.308)	(53.299)	(60.276)	(16.633)
Deferred income tax liabilities	(23.805.335)	(25.923.150)	(4.355.155)	(4.744.235)
Unused investment incentives	15.886.055	5.648.717	3.971.514	2.083.336
Provision for employee benefit	1.442.000	1.932.146	331.660	444.393
Deferred revenue related to the port rental agreement	538.821	218.863	134.705	54.716
Fair value difference of derivative financial instruments	80.293	-	16.921	-
Inventory provision	31.953	76.463	7.349	17.586
Carry forward tax losses	-	984.137	-	246.034
Deferred income tax assets	17.979.122	8.860.326	4.462.149	2.846.065
Deferred tax (liabilities)/assets- net			106.994	(1.898.170)
Deferred income tax assets			2.250.598	605.970
Deferred income tax liabilities			(2.143.604)	(2.504.140)

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14. Tax assets and liabilities (Continued)

b) Deferred taxes (Continued)

The movement of deferred income tax is as follows:

	2024	2023
January 1	(1.898.170)	220.242
Charged to consolidated statement of profit or loss	1.750.615	(954.904)
Charged to consolidated statement of other comprehensive income	404.658	(57.665)
Foreign currency translation differences	(150.109)	(49.371)
June 30	106.994	(841.698)

As a result of the estimates made by the Group management, the deferred tax asset has been calculated based on the investment discount amount that is likely to be used in the reduction of the expected future financial profits.

Tax Advantages Obtained Under the Investment Incentive System:

Earnings of the Group that are derived from investments linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate, and ends when the maximum investment contribution amount is reached. Within this scope, the group has accounted for TRY 3.971.514 (December 31, 2023: TRY 2.083.336) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of June 30, 2023, TRY 1.888.178 of deferred tax expense is recognized in the consolidated profit or loss statement for the period between January 1 - June 30, 2023 from accounting of such deferred tax assets.

Deferred tax assets are recognized for deductible temporary differences, carry forward tax losses and indefinite-life investment incentives which allows payment of corporate tax at discounted rates, as long as it is probable that sufficient taxable income will be generated in the future. In this context, the Group recognizes deferred tax assets from investment incentives based on long-term plans, including taxable profit projections derived from business models, which are re-evaluated at each balance sheet date to assess recoverability of such deferred tax assets. The Group expects to recover such deferred tax assets within 8 -10 years from the balance sheet date.

In the sensitivity analysis performed as of June 30, 2024, when the inputs of the key macroeconomic and sectoral assumptions that form the business plans are increased/decreased by 10%, there is no change in the projected 8-10 years recovery periods of deferred tax assets related to investment incentives.

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15. Revenue and cost of sales

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Domestic sales	22.910.392	10.908.141	21.393.026	10.594.813
Foreign sales	14.412.762	8.155.814	16.122.425	8.859.914
Other sales	243.763	60.109	370.592	208.571
Discounts (-)	(898.703)	(416.351)	(1.102.089)	(602.717)
Net revenue	36.668.214	18.707.713	36.783.954	19.060.581
Raw materials	(18.015.341)	(9.427.068)	(21.893.096)	(10.988.370)
Cost of trade goods sold	(9.589.563)	(5.458.242)	(8.914.107)	(4.334.478)
Energy expenses	(3.179.994)	(1.531.454)	(3.272.353)	(1.593.663)
Depreciation and amortization	(2.198.325)	(1.089.780)	(2.303.820)	(1.212.692)
Personnel expense	(2.094.519)	(811.798)	(1.747.975)	(742.980)
Changes in finished goods and work in progress	(127.680)	485.176	1.031.420	321.589
Other	(1.006.454)	(295.165)	(1.981.005)	(1.085.793)
Cost of Sales (-)	(36.211.876)	(18.128.331)	(39.080.936)	(19.636.387)

16. General administrative expenses

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Personnel expense	739.553	309.499	835.882	446.012
Outsourced services	529.563	317.290	433.905	259.620
Depreciation and amortization	193.823	105.609	223.081	132.815
Energy expenses	107.616	46.395	60.785	23.791
Taxes, funds and fees	43.266	13.726	25.617	23.028
Other	36.946	8.702	185.694	80.141
	1.650.767	801.221	1.764.964	965.407

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17. Operating income and expenses

a) Other operating income:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Foreign exchange gain	675.482	211.950	2.454.005	2.276.869
Rent income	79.114	39.994	39.668	21.234
Other	263.953	38.302	167.328	92.881
	1.018.549	290.246	2.661.001	2.390.984

b) Other operating expenses:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2024
Foreign exchange losses	(738.289)	(167.533)	(1.735.917)	(1.596.514)
Other	(166.837)	(70.683)	(317.507)	(146.442)
	(905.126)	(238.216)	(2.053.424)	(1.742.956)

18. Financial Income and Expenses

a) Financial income:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Foreign exchange gain	764.552	272.013	10.459.265	9.531.007
Interest income	265.381	143.051	287.435	158.440
Income on derivatives	-	-	689.604	689.604
Other	33.687	15.289	53.529	35.232
	1.063.620	430.353	11.489.833	10.414.283

b) Financial expenses:

Foreign exchange losses	(2.825.183)	(818.125)	(13.447.994)	(12.378.959)
Interest expense	(1.846.875)	(871.202)	(2.262.828)	(1.243.735)
Interest expense on employee benefits	(78.141)	(42.088)	(40.837)	(19.622)
Commission expense	(37.273)	(15.595)	(122.319)	(106.877)
Other	(2.965)	-	(20.507)	(14.144)
	(4.790.437)	(1.747.010)	(15.894.485)	(13.763.337)

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19. Income and expenses from investment activities

a) Income from investment activities:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Fair value gains on financial investments	133.862	68.797	240.238	131.769
Rent income	107.567	50.964	108.769	54.391
Fair value increase investment properties	-	-	3.658.235	2.900.184
Other	21.931	18.690	8	-
	263.360	138.451	4.007.250	3.086.344

b) Expenses from investment activities:

Fair value decrease in investment properties	(1.903.411)	(1.903.411)	-	-
Loss on sale of property, plant and equipment	(209)	(105)	(417)	(391)
	(1.903.620)	(1.903.516)	(417)	(391)

20. Transactions and balances with related parties

As of June 30, 2024 and December 31, 2023, the balances of receivables from related parties and payables to related parties and a summary of the significant transactions made with related parties during the periods are presented below:

i) Balances with related parties

a) Trade receivables from related parties:

	June 30, 2024	December 31, 2023
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	1.198.311	1.114.911
STAR Rafineri A.Ş. ("STAR") ⁽²⁾	794.301	819.225
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	156.771	5.246
SOCAR Turkey Enerji A.Ş. ("STEAS") ⁽²⁾	37.751	887
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	7.356	25.098
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	1.685	44
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	965	1.414
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	238	40
Azoil Petrolcülük A.Ş. ⁽²⁾	3	50
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	-	23.196
SOCAR Turkey Doğal Gaz Yatırım A.Ş. ⁽²⁾	-	97
	2.197.381	1.990.208

b) Short-term other receivables from related parties:

STAR ⁽²⁾	30.967	4.342
SOCAR Logistics DMCC ⁽²⁾	410	785
STEAS ⁽¹⁾	-	49
	31.377	5.176

c) Long-term other receivables from related parties:

SOCAR Power Enerji Yatırımları A.Ş. ⁽²⁾	23.678	23.247
	23.678	23.247

⁽¹⁾ Shareholders of the Company.

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20. Transactions and balances with related parties (Continued)

i) Balances with related parties (Continued)

d) Short-term trade payables to related parties:

	June 30, 2024	December 31, 2023
STAR ⁽²⁾	4.401.173	4.187.939
SOCAR Logistics DMCC ⁽²⁾	2.052.054	461.142
SOCAR Enerji Ticaret AŞ. ⁽²⁾	576.043	592.878
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	164.786	62
STEAS ⁽¹⁾	157.493	223.994
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	58.521	63.254
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	33.867	15.914
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	11.305	111
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	11.107	4.096
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	9.944	36.045
Azoil Petrolculuk A.Ş. ⁽²⁾	1.263	1.073
Other ⁽²⁾	1.015	405
	7.478.571	5.586.913

Short-term payables to the related parties mainly consist of consultancy and product purchases. Average maturity of short-term payables to the related parties is 19 days, (December 31, 2023: 21 days).

e) Other payables to related parties:

	June 30, 2024	December 31, 2023
Due to shareholders ⁽¹⁾	87	109
	87	109

(*) This payable has been obtained in accordance with the intra-group borrowing rates in order to maintain the cash level that the Group needs in its operations.

f) Short-term deferred revenue from related parties:

STAR ⁽²⁾ (*)	104.147	12.289
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	63.863	68.819
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	8.224	424
Other ⁽²⁾	595	-
	176.829	81.532

(*) The balance consist of advance received from STAR for the goods and services to be supplied by the Group.

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20. Transactions and balances with related parties (Continued)

i) Balances with related parties (Continued)

g) Long-term deferred revenue from related parties:

	June 30, 2024	December 31, 2023
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾ (*)	1.370.372	1.567.263
STAR ⁽¹⁾	4.251	5.381
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	73	98
	1.374.696	1.572.742

(*) The balance is mainly consist of deferred revenue as a part of rental period In accordance with the operating agreement between The Group and SOCAR Aliğa Liman İşletmeciliği A.Ş., during the rental period of the port (32 years), The Group recognizes these prepayments as income through the straight-line method.

h) Short-term prepaid expense to related parties:

	June 30, 2024	December 31, 2023
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	235.869	65
STEAS ⁽¹⁾	53.981	87.791
SOCAR Logistics DMCC ⁽²⁾	29.322	31.665
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	19.841	95
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	-	46.506
Other ⁽²⁾	799	4.194
	339.812	170.316

i) Long-term prepaid expense to related parties:

	June 30, 2024	December 31, 2023
STAR ⁽²⁾	14.642	26.510
STEAS ⁽¹⁾	11.606	16.247
	26.248	42.757

j) Long-term leasing payables to related parties:

STAR ⁽²⁾	54.519	10.092
STEAS ⁽¹⁾	21.687	15.518
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	-	127.072
	76.206	152.682

k) Long-term leasing payables to related parties:

STAR ⁽²⁾	154.128	6.469
STEAS ⁽¹⁾	55.518	45.462
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	-	417.403
	209.646	469.334

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20. Transactions and balances with related parties (Continued)

ii) Transactions with related parties

a) Other income/ (expenses), Income from investing activities and finance income/ (expenses) from related party transactions- net:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
STAR ⁽²⁾	375.607	713.984	(851.602)	(781.230)
STEAŞ ⁽¹⁾	7.164	19.776	5.964.288	5.570.303
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	3.221	3.357	(224.665)	(224.448)
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	1.977	1.976	(86.109)	(86.109)
SOCAR Power Enerji Yatırımları A.Ş. ⁽²⁾	(5.406)	(7.854)	2.847	1.494
SOCAR Logistics DMCC ⁽²⁾	(2.376)	(1.929)	223	650
SOCAR Turkey Araştırma Geliştirme ve Inovasyon A.Ş. ⁽²⁾ ⁽²⁾	(2.041)	(3.998)	(171)	(156)
Azoil Petrolculuk A.Ş. ⁽²⁾	(921)	(921)	2.445	2.441
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	(335)	(493)	2.521	2.496
Other ⁽²⁾	141	926	5.563	(2.614)
	377.031	724.824	4.815.340	4.482.827

⁽¹⁾ Shareholders of the Company

⁽²⁾ Shareholders of the Company or SOCAR's subsidiaries

306.743 TL of the expenses arising from STAR consist of exchange rate difference expenses and 68,865 TL of other expenses, 3.147 TL of the revenues obtained from STEAŞ consist of foreign exchange difference income and 4.017 TL of other expenses. Income obtained from SOCAR Power Enerji Yatırımları A.Ş. consists of interest income. (June 30, 2023: 799.687 TL of the expenses arising from STAR consist of exchange rate difference expenses and 51.915 TL of other expenses, 6.268.589 TL of the revenues obtained from STEAŞ consist of foreign exchange difference income and 304.301 TL of other expenses. SOCAR Income obtained from Power Enerji Yatırımları A.Ş. consists of interest income.)

b) Service and rent purchases from related parties:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	533.396	463.507	169.759	92.646
STEAŞ ⁽¹⁾	270.130	122.165	159.162	76.408
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	83.345	7.568	-	-
STAR ⁽²⁾	74.990	47.205	32.531	14.487
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	53.587	25.585	244.275	73.477
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	18.167	8.469	64.848	12.353
SOCAR Trading SA ⁽²⁾	9.627	-	-	-
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	6.877	6.877	-	-
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	944	548	-	-
Other	507	338	3.163	963
	1.051.570	682.262	673.738	270.334

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20. Transactions and balances with related parties (Continued)

ii) Transactions with related parties (Continued)

c) Product purchase from related parties:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
SOCAR Logistics DMCC ⁽²⁾	8.407.934	4.096.403	479.698	92.521
STAR ⁽²⁾	7.105.584	3.977.614	11.968.968	6.425.066
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	3.123.809	1.354.422	3.041.913	1.386.854
Azoil Petrolcülük A.Ş. ⁽²⁾	5.635	2.474	4.314	1.901
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	2.761	1.634	3.147	1.627
	18.645.723	9.432.547	15.498.040	7.907.969

Goods purchases from related parties consist of raw materials and commercial product purchases. Purchases from STAR consist of 324.425 tons and 6.974.561 TL of naphtha purchases and 131.023 TL of other purchases. (June 30, 2023: Purchases of goods from related parties consist of raw materials and commercial product purchases. Purchases from STAR consist of 540.464 tons and 11.882.136 TL of naphtha purchases and 86.832 TL of other purchases.

d) Product and service sales to related parties:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
STAR ⁽²⁾ (*)	3.278.694	1.721.020	2.616.090	1.385.717
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	729.398	336.540	407.376	205.825
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	397.011	542	1.408	310
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	3.692	837	6.460	2.866
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	2.359	-	214.408	137.072
Other	480	195	8.511	7.145
	4.411.634	2.059.134	3.254.253	1.738.935

(*) Of the sales made to STAR, 2.422.161 TL consists of by-product sales, 840.991 TL consists of steam sales, and the remaining sales consist of other product sales. (June 30, 2023: 1.451.100 TL of sales to STAR consists of by-product sales, 819.953 TL consists of steam sales, and the remaining sales consist of other product sales.)

e) Rent income from related parties:

STAR ⁽²⁾	242.787	172.988	114.118	55.714
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	27.260	17.986	8.401	4.099
Other ⁽²⁾	9.371	1.339	5.753	3.032
	279.418	192.313	128.272	62.845

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(2) Shareholders of the Company or SOCAR's subsidiaries

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20. Transactions and balances with related parties (continued)

ii) Transactions with related parties (continued)

f) Key management compensation:

i) Key management compensation - short-term:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Payment for salary and seniority incentives	220.448	186.454	269.650	99.043
	220.448	186.454	269.650	99.043

ii) Key management compensation - long-term:

	January 1- June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Provision for seniority incentives	1.784	720	1.472	1.622
Provision for unused vacation	1.781	890	4.358	1.069
Provision for employment termination benefits	292	106	69	33
	3.857	1.716	5.899	2.724

The Group classifies the general manager, assistant general managers, and board of directors and audit committee members as executive management. Key management emoluments consist of salary and travel payments; employment termination benefits, seniority incentive bonus and vacation pays made to the key management and their provisions for the period in which they incurred.

(1) Shareholders of the Company

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21. Investment properties

Fair Value	January 1, 2024	Fair Value Increase	Fair Value Decrease	June 30, 2024
Land	20.991.676	-	(1.903.411)	19.088.265
	20.991.676			19.088.265

Fair Value	January 1, 2023	Fair value increase	Fair value decrease	June 30, 2023
Land	11.563.583	3.658.235	-	15.221.818
	11.563.583			15.221.818

30 years right of construction of the land, that is 2.076.506 m2, is given to the Star Rafineri A.Ş. ("STAR") by Group. The annual rent income from the land, that is located in Aliğa district, is USD 4.6 million and the annual rent income will be increased at the rate of SOFR + 1% each year.

Regarding the land in question, the fair value of the relevant land was assessed according to the valuation report prepared by the Group, dated June 30, 2024, by a real estate valuation company authorized by the CMB.

There are no pledges, collaterals and mortgages on investment properties.

As of June 30, 2024, the Group's lands with the right of construction have been measured with their fair values determined by an independent professional valuation company using other valuation techniques that contain direct or indirect observable inputs.

22. Earnings per share

	January 1 - June 30, 2024	April 1- June 30, 2024	January 1- June 30, 2023	April 1- June 30, 2023
Net profit for the period of the equity holders of the parent	2.636.200	1.692.509	(5.877.687)	(2.290.797)
Weighted average number of shares with nominal value of Krl each (thousand)	253.440	253.440	253.440	253.440
Earning (loss) per share (Kr)	1,0402	0,6678	(2,3192)	(0,9040)

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23. Provisions, contingent assets and liabilities

a) Short-term provisions:

	June 30, 2024	December 31, 2023
Provision for legal cases	2.597	3.239
Other	36	-
	2.633	3.239

b) Guarantees received:

Receivable insurance	20.772.918	23.125.864
Bank guarantees within the context of DOCS (*)	5.001.420	5.324.197
Letters of guarantee received from customers	1.988.127	2.208.039
Letters of guarantee received from suppliers	1.297.104	1.374.752
Letters of credit	77.047	190.059
Mortgages	2.000	2.495
	29.138.616	32.225.406

(*) Direct Order and Collection System

c) Guarantees given:

Mortgages given to banks	4.190.679	5.233.698
Custom offices	361.767	357.073
Guarantees given to banks	-	151.907
Other	87.641	589.651
	4.640.087	6.332.329

Collaterals, Pledges and Mortgages ('CPM') provided by the Group:

	June 30, 2024	December 31, 2023
A. Total amount of CPMs given for the Company's own legal personality	449.408	1.098.631
B. Total amount of CPMs given on behalf of fully consolidated companies (*)	4.190.679	5.233.698
C. Total amount of 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 to on behalf of third parties which are not in scope of C	-	-
	4.640.087	6.332.329

(*) The collateral given for the loan used by Petlim Limancılık Ticaret A.Ş. is related to the pledge and mortgage. TL 4.190.679 of the USD 212 million credit limit belonging to Petlim Limancılık Ticaret A.Ş., which has the guarantee of Petkim Petrokimya Holding A.Ş. and the pledge of TL 2,818 million worth of shares belonging to Petlim Limancılık Ticaret A.Ş., has been used as of June 30, 2024. Within the scope of the said loan, Petkim initially pledged Petlim shares with a nominal amount of TL 2,818 million. A mortgage of USD 350 million was established on the land sold to Petlim by Petkim for TL 5.650 on November 20, 2015. In terms of the risk created by the mortgage given, it is evaluated that it would be appropriate to take into account the land price instead of the mortgage amount.

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23. Provisions, contingent assets and liabilities (continued)

d) Operational leases:

Annual income plans and amounts (not discounted) regarding to the operational lease income, which are not recognized in the consolidated financial statements of the Group as of June 30, 2024 and December 31, 2023 are as follows:

	June 30, 2024	December 31, 2023
0 - 5 years	4.631.055	5.184.580
5 - 10 years	5.311.786	5.505.862
10 years	16.121.529	17.560.433
Total	26.064.370	28.250.875

24. Financial instruments and financial risk management

Foreign exchange risk

The Group is exposed to currency risk on assets or liabilities denominated in foreign currencies. Management has set up a policy to balance and manage their foreign exchange risk. Existing risks are followed in meetings held by the Group's Audit Committee and Board of Directors and foreign currencies, closely in terms of the Group's foreign exchange position.

Although the raw materials, which comprise the significant portion of production and import volume, are foreign exchange-denominated cost items, the determination of sales prices by the Group in foreign exchange terms is a factor that decreases the foreign exchange risk in the cash flows,

(Convenience translation into English of financial statements originally issued in Turkish)

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24. Financial instruments and financial risk management (continued)

Foreign currency position

	June 30, 2024				December 31, 2023			
	TRY equivalent	US Dollar	Euro	Other	TRY equivalent	US Dollar	Euro	Other
1. Trade receivables	5.766.215	151.814	22.220	-	5.661.149	124.507	26.809	-
2a. Monetary financial assets (Cash, bank accounts included)	4.163.322	101.878	23.214	2.173	4.683.152	110.015	15.790	1.488
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Current assets (1+2)	9.929.537	253.692	45.434	2.173	10.344.301	234.522	42.599	1.488
4. Trade receivables	-	-	-	-	-	-	-	-
5a. Monetary financial assets	-	-	-	-	-	-	-	-
5b. Non-monetary financial assets	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-
7. Non-current assets (4+5+6)	-	-	-	-	-	-	-	-
8. Total assets (3+7)	9.929.537	253.692	45.434	2.173	10.344.301	234.522	42.599	1.488
9. Trade payables	7.081.150	185.648	11.153	580.752	8.120.244	197.497	15.313	185.844
10. Financial liabilities	20.772.871	631.377	-	-	19.628.358	519.628	12.611	-
11a. Monetary other liabilities	674.713	2.186	-	602.791	170.947	3.876	-	22.735
11b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
12. Short term liabilities (9+10+11)	28.528.734	819.211	11.153	1.183.543	27.919.549	721.001	27.924	208.579
13. Trade payables	-	-	-	-	-	-	-	-
14. Financial liabilities	12.242.793	372.111	-	-	12.293.682	334.195	-	-
15a. Monetary other liabilities	335.398	6.375	-	125.660	571.039	12.582	-	86.729
15b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
16. Long term liabilities (13+14+15a+15b)	12.578.191	378.486	-	125.660	12.864.721	346.777	-	86.729
17. Total liabilities (12+16)	41.106.925	1.197.697	11.153	1.309.203	40.784.270	1.067.778	27.924	410.989
18. Net (liability)/asset contract value of derivative instruments (18a-18b)	(7.572.979)	(230.000)	-	-	(8.674.831)	(235.650)	-	-
18a. Amount of asset contract value of derivative Instruments	3.202.066	97.500	-	-	3.446.147	93.850	-	-
18b. Amount of liability contract value of derivative instruments	10.775.045	327.500	-	-	12.120.978	329.500	-	-
19. Net foreign (liability)/ asset position (8-17+18)	(38.750.367)	(1.174.005)	34.281	(1.307.030)	(39.114.800)	(1.068.906)	14.675	(409.501)
20. Net foreign currency (liability)/asset Position of monetary items (TFRS 7,B23) (=1+2a+4+5a-9-10-11a-13-14-15a)	(31.177.388)	(944.005)	34.281	(1.307.030)	(30.439.969)	(833.256)	14.675	(293.820)
21. Total fair value of financial instruments used for foreign currency hedging	(242.758)	(7.392)	-	-	(19.195)	(523)	-	-
22. Hedged amount for foreign currency assets	3.202.066	97.500	-	-	3.446.147	93.850	-	-
23. Hedged amount for foreign currency liabilities	10.775.045	327.500	-	-	12.120.978	329.500	-	-
24. Export	13.779.158	295.456	88.848	282.128	30.125.336	548.708	217.106	606.127
25. Import	12.623.298	326.613	35.139	53.191	26.950.985	562.687	143.728	155.304

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24. Financial instruments and financial risk management (continued)

Table of sensitivity analysis for foreign currency risk

June 30, 2024

	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TRY:				
1- Asset/Liability denominated in USD - net	(3.100.273)	3.100.273	(3.100.273)	3.100.273
2- The part hedged for USD risk (-)	-	-	320.207	(320.207)
3- USD effect - net (1+2)	(3.100.273)	3.100.273	(2.780.066)	2.780.066
Change of EUR by 10% against TRY:				
4- Asset/Liability denominated in EUR - net	120.399	(120.399)	120.399	(120.399)
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR effect - net (4+5)	120.399	(120.399)	120.399	(120.399)
Change of other currencies by 10% against TRY:				
7- Assets/Liabilities denominated in other foreign currencies - net	70.725	(70.725)	70.725	(70.725)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other foreign currency effect - net (7+8)	70.725	(70.725)	70.725	(70.725)
Total (3+6+9)	(2.909.149)	2.909.149	(2.588.942)	2.588.942

December 31, 2023

	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TRY:				
1- Asset/Liability denominated in USD - net	(3.059.695)	3.059.695	(3.059.694)	3.059.694
2- The part hedged for USD risk (-)	-	-	291.922	(291.922)
3- USD effect - net (1+2)	(3.059.695)	3.059.695	(2.767.772)	2.767.772
Change of EUR by 10% against TRY:				
4- Asset/Liability denominated in EUR - net	59.626	(59.626)	59.626	(59.626)
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR effect - net (4+5)	59.626	(59.626)	59.626	(59.626)
Change of other currencies by 10% against TRY:				
7- Assets/(Liabilities) denominated in other foreign currencies - net	9.138	(9.138)	9.138	(9.138)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other foreign currency effect - net (7+8)	9.138	(9.138)	9.138	(9.138)
Total (3+6+9)	(2.990.931)	2.990.931	(2.699.008)	2.699.008

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24. Financial instruments and financial risk management (continued)

Fair value estimation

The Group's financials classification of fair value of asset and liabilities were as follows:

- Level 1: Depend on registered price (unadjusted) in the active market,
Level 2: Depend on data that are explicitly (via price in active market) or implicitly (derivate from price in active market) observable,
Level 3: Not depend on observable market data,

June 30, 2024 and December 31, 2023, fair value and book value of financial statement were as follows:

June 30, 2024	Level 1	Level 2	Level 3	Total
Financial Investments	-	411.243	-	411.243
Derivative financial instruments	-	162.788	-	162.788
Investment properties- Land	-	19.088.265	-	19.088.265
Total assets	-	19.662.296	-	19.662.296
Derivative financial liabilities	-	(243.081)	-	(243.081)
Total liabilities	-	(243.081)	-	(243.081)
December 31, 2023	Level 1	Level 2	Level 3	Total
Financial Investments	-	372.898	-	372.898
Derivative financial instruments	-	126.369	-	126.369
Investment properties- Land	-	20.991.676	-	20.991.676
Total assets	-	21.490.943	-	21.490.943
Derivative financial liabilities	-	(19.258)	-	(19.258)
Total liabilities	-	(19.258)	-	(19.258)

25. Investment accounted by using equity method

	June 30, 2024		December 31, 2023	
	Participation Rate (%)	Amount	Participation Rate (%)	Amount
Rafineri Holding A.Ş.	20	28.556.497	20	29.971.011
		28.556.497		29.971.011

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25. Investment accounted for using equity method (continued)

As a result of the negotiations between the Group and its shareholder STEAŞ, a share sale and transfer agreement was signed on January 9, 2018 for the purchase of 30% shares of Rafineri Holding A.Ş. ("Rafineri Holding") from STEAŞ for 720 million US Dollars. SOCAR Turkey Yatırım A.Ş. of which Rafineri Holding is a joint venturer with a 60% share, fully owns STAR. The transfer of Rafineri Holding's shares subject to the contract will be completed by the Group on a date defined as the "Closing Date" in the contract, following the receipt of the necessary permissions, provided that the conditions specified in the contract are met. With the decision of Petkim's Board of Directors dated April 10, 2023, it was decided to sign a new protocol with STEAŞ in addition to the terms of the existing contract between Petkim and STEAŞ. In accordance with the protocol. Petkim's indirect shares in STAR will be reduced from 18% to 12%, and therefore the Rafineri Holding shares to be purchased from STEAŞ will be reduced from 30% to 20%, and in this context. the Share Transfer Fee will be reduced to 480 million US Dollar. It has been decided that no other payment will be made within the scope of the contract except the payment of 480 million US Dollar that has already been made to STEAŞ within the scope of the Petkim contract and the contract will be amended accordingly. Discussions were held with STEAŞ regarding this decision and parties are agreed. Petkim's acquisition of 20% of the shares of Rafineri Holding was completed on October 2, 2023, which is the transaction date. With the transaction, Petkim indirectly acquired a 12% share in STAR.

The transaction is accounted based on the valuation report prepared by an independent valuation company licensed by the CMB. In the allocation of the purchase price in this valuation report, the valuation of tangible and intangible assets was taken into account and the determined values were subjected to impairment analysis. The cost method applied in the valuation studies for the purchase price allocation includes significant estimates and assumptions such as useful lives, technologic conditions, actual depreciation, commercial attributes and industrial conditions of the assets. Since the valuation is the evaluation of the refinery facility as a whole, in the light of market data to the extent applicable in the valuation of machinery, facilities and devices; The active and operating values within the entire refinery facility were made by taking into account the current status of the machines in question.

Rafineri Holding's summary financial statement information (before effective partnership interest) is as follows:

	June 30, 2024	December 31, 2023
Current assets	114	188
Non-current assets	142.784.216	149.855.920
Total Assets	142.784.330	149.856.108
Short-term liabilities	1.847	1.048
Equity	142.782.483	149.855.060
Total liabilities and equity	142.784.330	149.856.108
Partnership share of the firm	20%	20%
Carrying value of investments accounted for using the equity method	28.556.497	29.971.011

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25. Investment accounted for using equity method (continued)

The movements of Rafineri Holding, one of the investments valued by the equity method, between January 1 and June 30, 2024 are as follows:

	2024
January 1	29.971.011
Shares of profit and losses	1.731.114
Shares of other comprehensive income/expense	(26.505)
Foreign currency translation differences	(3.119.123)
June 30	28.556.497

Shares from profits of investments accounted by using the equity method :

	June 30, 2024	December 31, 2023
Current period profit	1.731.114	3.984.431
Negative goodwill arising from the acquisition	-	8.395.297
	1.731.114	12.379.728

26. Event after balance sheet date

None.

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