

**CONVENIENCE TRANSLATION INTO ENGLISH OF  
CONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH**

**PETKİM PETROKİMYA HOLDİNG  
ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS FOR THE  
NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

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FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

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**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT  
30 SEPTEMBER 2022**

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

	Notes	Unaudited 30 September 2022	Audited 31 December 2021
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	7,829,826	3,665,331
Financial investments	5	2,053,658	48,654
Trade receivables		4,690,824	5,106,588
- Trade receivables from related parties	19	920,765	746,142
- Trade receivables from third parties	7	3,770,059	4,360,446
Other receivables		28,445	26,899
- Other receivables from related parties	19	885	8,331
- Other receivables from third parties		27,560	18,568
Inventories	6	4,715,044	3,539,843
Prepaid expenses		9,737,908	6,816,363
- Prepaid expenses to related parties	19	8,959,944	6,418,168
- Prepaid expenses to third parties	12	777,964	398,195
Derivative financial instruments		19,521	8,534
Current income tax assets	15	262,685	-
Other current assets		1,103,120	411,079
- Other current assets to third parties		1,103,120	411,079
<b>TOTAL CURRENT ASSETS</b>		<b>30,441,031</b>	<b>19,623,291</b>
<b>NON-CURRENT ASSETS</b>			
Financial investments	5	8,910	8,910
Other receivables		12,369	10,412
- Other receivables from related parties	19	12,302	10,345
- Other receivables from third parties		67	67
Investment properties	10	4,937,295	2,872,594
Property, plant and equipment	9	9,814,616	7,303,218
Right of use assets		265,943	207,823
Intangible assets		99,063	91,381
Prepaid expenses		484,623	139,427
- Prepaid expenses to related parties	19	25,777	27,815
- Prepaid expenses to third parties	12	458,846	111,612
Derivative financial instruments		46,594	-
Deferred income tax assets	15	1,021,498	150,311
Other non-current assets		20,687	20,789
- Other non-current assetsto third parties		20,687	20,789
<b>TOTAL NON - CURRENT ASSETS</b>		<b>16,711,598</b>	<b>10,804,865</b>
<b>TOTAL ASSETS</b>		<b>47,152,629</b>	<b>30,428,156</b>

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

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

	Notes	Unaudited 30 September 2022	Audited 31 December 2021
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Short-term borrowings		10,945,365	1,606,310
- Short-term borrowings to third parties		10,877,949	1,561,217
- Bank borrowings	8	1,109,874	64,952
- Short term lease liabilities	8	26,782	21,245
- Other financial liabilities	8	9,741,293	1,475,020
- Short-term borrowings to related parties		67,416	45,093
- Short term lease liabilities to related parties	19	67,416	45,093
Short-term portion of long-term borrowings		9,993,997	1,270,454
- Short-term portion of long-term borrowings to third parties		9,993,997	1,270,454
- Bank borrowings	8	626,748	1,103,565
- Bonds issued	8	9,367,249	166,889
Derivative financial instruments		-	23,760
Trade payables		2,604,721	3,835,847
- Trade payables to related parties	19	630,984	1,966,500
- Trade payables to third parties	7	1,973,737	1,869,347
Payables related to employee benefits		30,843	13,580
Other payables		16,402	10,905
- Other payables to related parties	19	87	87
- Other payables to third parties		16,315	10,818
Deferred revenue		402,924	288,734
- Deferred revenue from related parties	19	58,744	28,219
- Deferred revenue from third parties	11	344,180	260,515
Short term provisions		369,732	283,783
- Provision for employee benefits	13	351,633	281,186
- Other short term provisions	20	18,099	2,597
Other current liabilities		68,786	50,562
- Other current liabilities related to third parties		68,786	50,562
Current income tax liabilities	15	-	271,437
<b>TOTAL CURRENT LIABILITIES</b>		<b>24,432,770</b>	<b>7,655,372</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financial liabilities		3,075,492	9,223,820
- Long term financial liabilities to third parties		2,807,256	9,018,998
- Bank borrowings	8	2,737,348	2,291,409
- Long-term lease liabilities to third parties	8	69,908	58,458
- Bonds issued	8	-	6,669,131
- Long-term borrowings to related parties		268,236	204,822
- Long term lease liabilities to related parties	19	268,236	204,822
Derivative financial instruments		-	30,419
Deferred revenue		837,729	608,081
- Deferred revenue from related parties	19	837,729	607,331
- Deferred revenue from third parties	11	-	750
Long term provisions		329,735	191,434
- Provision for employee termination benefits	13	329,735	191,434
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b>4,242,956</b>	<b>10,053,754</b>
<b>TOTAL LIABILITIES</b>		<b>28,675,726</b>	<b>17,709,126</b>

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**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT  
30 SEPTEMBER 2022**

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

	Notes	Unaudited 30 September 2022	Audited 31 December 2021
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent company</b>		<b>18,387,372</b>	<b>12,722,324</b>
Share capital	14	2,534,400	2,534,400
Adjustment to share capital	14	238,988	238,988
Share premium		64,188	64,188
Other comprehensive (expense) not to be reclassified to profit or loss			
- Actuarial loss arising from defined benefit plan		(70,804)	(46,542)
Other comprehensive (expense/income) to be reclassified to profit or loss		(525,333)	(456,604)
- Currency translation differences		(565,094)	(433,091)
- Gain/(loss) on cash flow hedges		39,761	(23,513)
Restricted reserves		417,325	417,325
Retained earnings		9,970,569	4,518,863
Net profit for the period		5,758,039	5,451,706
<b>Non-controlling interest</b>		<b>89,531</b>	<b>(3,294)</b>
<b>TOTAL EQUITY</b>		<b>18,476,903</b>	<b>12,719,030</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>47,152,629</b>	<b>30,428,156</b>

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH INTERIM  
PERIOD ENDED 30 SEPTEMBER 2022**

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

Notes	Unaudited 1 January - 30 September 2022	Unaudited 1 July - 30 September 2022	Unaudited 1 January - 30 September 2021	Unaudited 1 July - 30 September 2021
<b>PROFIT OR LOSS</b>				
Revenue	39,990,292	14,200,775	19,165,166	6,734,715
Cost of sales (-)	(35,933,347)	(13,277,010)	(14,718,721)	(5,382,705)
<b>GROSS PROFIT</b>	<b>4,056,945</b>	<b>923,765</b>	<b>4,446,445</b>	<b>1,352,010</b>
General administrative expenses (-) 16	(745,037)	(303,691)	(311,060)	(112,885)
Selling, marketing and distribution expenses (-)	(353,074)	(139,365)	(125,403)	(50,899)
Other operating income	1,882,931	568,705	623,907	148,931
Other operating expense (-)	(971,850)	(251,710)	(498,076)	(154,509)
<b>OPERATING PROFIT</b>	<b>3,869,915</b>	<b>797,704</b>	<b>4,135,813</b>	<b>1,182,648</b>
Income from investing activities	2,551,521	949,581	526,832	505,257
Expense from investing activities (-)	(85)	(37)	(63)	(51)
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)</b>	<b>6,421,351</b>	<b>1,747,248</b>	<b>4,662,582</b>	<b>1,687,854</b>
Financial income 17	5,189,978	1,705,338	2,647,346	479,234
Financial expenses (-) 17	(6,707,928)	(2,256,454)	(2,808,167)	(538,107)
<b>PROFIT BEFORE TAX FROM CONTINUED OPERATIONS</b>	<b>4,903,401</b>	<b>1,196,132</b>	<b>4,501,761</b>	<b>1,628,981</b>
Tax income/ (expense)				
from continuing operations	877,040	311,642	(593,040)	63,481
- Current tax (expense)/income 15	-	115,746	(821,095)	(227,872)
- Deferred tax (expense)/income 15	877,040	195,896	228,055	291,353
<b>PROFIT FOR THE PERIOD CONTINUED OPERATIONS</b>	<b>5,780,441</b>	<b>1,507,774</b>	<b>3,908,721</b>	<b>1,692,462</b>
<b>PROFIT FOR THE PERIOD</b>	<b>5,780,441</b>	<b>1,507,774</b>	<b>3,908,721</b>	<b>1,692,462</b>
<b>DISTRIBUTION OF INCOME FOR THE PERIOD</b>				
- Non-controlling interest	22,402	12,588	(13,718)	(9,966)
- Owners of the parent company	5,758,039	1,495,186	3,922,439	1,702,428
<b>Earnings Per Share</b>	<b>2.2720</b>	<b>0.5900</b>	<b>1.5477</b>	<b>0.6717</b>
- Earnings per Kr 1 number of 1 shares from continued operations 18	2.2720	0.5900	1.5477	0.6717

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH INTERIM  
PERIOD ENDED 30 SEPTEMBER 2022**

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

Notes	Unaudited 1 January - 30 September 2022	Unaudited 1 July - 30 September 2022	Unaudited 1 January - 30 September 2021	Unaudited 1 July - 30 September 2021
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items to be reclassified to Profit or Loss</b>	<b>1,694</b>	<b>(15,680)</b>	<b>(85,284)</b>	<b>(25,651)</b>
Currency translation differences	(91,503)	(59,283)	(91,137)	(25,010)
Other comprehensive (loss)/income related with cash flow hedges	116,496	54,503	7,316	(801)
Tax relating to (loss)/gain on cash flow hedge	(23,299)	(10,900)	(1,463)	160
<b>Items that will not to be Reclassified to Profit or Loss</b>	<b>(24,262)</b>	<b>10,524</b>	-	-
Gains (losses) on remeasurements of defined benefit plans	(30,330)	13,152	-	-
Taxes relating to (loss)/gain from remeasurements of defined benefit plan	6,068	(2,628)	-	-
<b>OTHER COMPREHENSIVE EXPENSE</b>	<b>(22,568)</b>	<b>(5,156)</b>	<b>(85,284)</b>	<b>(25,651)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>5,757,873</b>	<b>1,502,618</b>	<b>3,823,437</b>	<b>1,666,811</b>
<b>Attributable to:</b>				
Non-controlling interests	92,825	29,213	(19,144)	(14,741)
Owners of parent company	5,665,048	1,473,405	3,842,581	1,681,552

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE-MONTH  
INTERIM PERIOD ENDED 30 SEPTEMBER 2022**

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

	Share capital	Adjustment to share capital	Other comprehensive (expense)/income not to be reclassified to profit or loss Actuarial loss arising from defined benefit plan	Other comprehensive (expense)/income to be reclassified to profit or loss (Loss)/gain on cash flow hedges	Currency translation differences	Share premium	Restricted reserves	Net profit for the period	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
<b>1 January 2021</b>	<b>2,534,400</b>	<b>238,988</b>	<b>(28,079)</b>	<b>(35,659)</b>	<b>(117,397)</b>	<b>64,188</b>	<b>371,941</b>	<b>1,087,675</b>	<b>3,476,572</b>	<b>7,592,629</b>	<b>(34,004)</b>	<b>7,558,625</b>
Transfers	-	-	-	-	-	-	45,384	(1,087,675)	1,042,291	-	-	-
- Net profit for the period	-	-	-	-	-	-	-	3,922,439	-	3,922,439	(13,718)	3,908,721
- Other comprehensive income/ (expense)	-	-	-	2,363	(82,221)	-	-	-	-	(79,858)	(5,426)	(85,284)
Total comprehensive income	-	-	-	2,363	(82,221)	-	-	3,922,439	-	3,842,581	(19,144)	3,823,437
<b>30 September 2021</b>	<b>2,534,400</b>	<b>238,988</b>	<b>(28,079)</b>	<b>(33,296)</b>	<b>(199,618)</b>	<b>64,188</b>	<b>417,325</b>	<b>3,922,439</b>	<b>4,518,863</b>	<b>11,435,210</b>	<b>(53,148)</b>	<b>11,382,062</b>
<b>1 January 2022</b>	<b>2,534,400</b>	<b>238,988</b>	<b>(46,542)</b>	<b>(23,513)</b>	<b>(433,091)</b>	<b>64,188</b>	<b>417,325</b>	<b>5,451,706</b>	<b>4,518,863</b>	<b>12,722,324</b>	<b>(3,294)</b>	<b>12,719,030</b>
Transfers	-	-	-	-	-	-	-	(5,451,706)	5,451,706	-	-	-
- Net profit for the period	-	-	-	-	-	-	-	5,758,039	-	5,758,039	22,402	5,780,441
- Other comprehensive income/ (expense)	-	-	(24,262)	63,274	(132,003)	-	-	-	-	(92,991)	70,423	(22,568)
Total comprehensive income	-	-	(24,262)	63,274	(132,003)	-	-	5,758,039	-	5,665,048	92,825	5,757,873
<b>30 September 2022</b>	<b>2,534,400</b>	<b>238,988</b>	<b>(70,804)</b>	<b>39,761</b>	<b>(565,094)</b>	<b>64,188</b>	<b>417,325</b>	<b>5,758,039</b>	<b>9,970,569</b>	<b>18,387,372</b>	<b>89,531</b>	<b>18,476,903</b>

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2022**

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

	Notes	Unaudited 1 January - 30 September 2022	Unaudited 1 January - 30 September 2021
<b>A. Cash flows from operating activities:</b>		<b>1,910,591</b>	<b>1,911,251</b>
Net profit for the period (I)		5,780,441	3,908,721
<b>Adjustments related to reconciliation of (II) net profit (loss) for the year:</b>		<b>(400,273)</b>	<b>557,955</b>
Adjustments for depreciation and amortization		579,858	388,176
Adjustments for impairments/reversals			
- Adjustments for impairment/(reversal) of inventories	6	29,934	(3,578)
Adjustments for provisions			
- Adjustments for provision employment termination benefits		399,511	58,334
- Adjustments for provisions/(reversals)	10	15,215	(13)
Adjustments for interest income/(expense)			
- Adjustments for interest income	17	(217,161)	(244,979)
- Adjustments for interest expense	17	1,045,307	330,052
Adjustments for unrealized foreign currency translation differences		830,345	(57,889)
Adjustments for tax expenses	15	(877,040)	593,040
Adjustments for gain on sale of property, plant and equipment		(1,089)	(2,030)
Adjustments for income from government incentives		(2,571)	(9,772)
Adjustments for fair value losses/(gains)			
- Adjustments for fair value gains on financial assets	5	(137,881)	-
- Adjustments for fair value increase in investment properties	10	(2,064,701)	(493,386)
<b>Changes in working capital (III)</b>		<b>(2,736,139)</b>	<b>(1,927,674)</b>
Adjustments related to decrease /(increase) in trade receivables		770,551	(1,451,650)
Adjustments related to increase in other receivables		(3,239)	(9,539)
Adjustments for Decrease (Increase) in Contract Assets		(364,074)	(316,780)
Adjustments related to increase in inventory		(1,174,681)	(987,582)
Adjustments related to increase in prepaid expenses		(79,476)	(33,996)
Adjustments for (decrease)/increase in trade payables		(1,314,669)	795,603
Adjustments for increase in other payable		2,931	39,726
Change in derivative financial instruments		(14,009)	(13,492)
Adjustments related to increase in payables to employees		36,473	1,395
Increase (Decrease) in Deferred Income Other Than Contract Liabilities		(10,458)	(3,532)
Adjustments for Increase (Decrease) in Contract Liabilities		88,227	130,139
Adjustments for other decrease in working capital		(673,715)	(77,966)
<b>Cash flows from operating activities (I+II+III)</b>		<b>2,644,029</b>	<b>2,539,002</b>
Employee termination benefits paid		(234,245)	(32,100)
Income taxes (paid)		(499,193)	(595,651)
<b>B. Cash flows from investing activities</b>		<b>(3,850,589)</b>	<b>(592,489)</b>
Proceeds from sale of property, plant and equipment		1,274	2,132
Cash outflows from purchases of property, plant and equipment	9	(1,736,620)	(582,419)
Other cash advances and payables given		(347,336)	(12,202)
Other cash outflows	5	(1,767,907)	-
<b>C. Cash flows from financing activities</b>		<b>5,972,831</b>	<b>(1,820,665)</b>
Proceeds from borrowings	8	2,176,163	1,158,972
Repayments of borrowings	8	(2,174,559)	(2,616,594)
Proceeds from other financial liabilities	8	8,939,666	1,575,687
Repayments of other financial liabilities	8	(2,193,452)	(1,753,986)
Principal payments for lease liabilities		(98,637)	(45,031)
Interest paid		(809,496)	(348,038)
Interest received		231,757	239,906
Other cash outflows		(98,611)	(31,581)
<b>D. Net increase /(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)</b>		<b>4,032,833</b>	<b>(501,903)</b>
<b>E. Effect of currency translation differences on cash and cash equivalents</b>		<b>131,662</b>	<b>178,190</b>
<b>Net increase/(decrease) in cash and cash equivalents (D+E)</b>		<b>4,164,495</b>	<b>(323,713)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>4</b>	<b>3,665,331</b>	<b>5,502,010</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>7,829,826</b>	<b>5,178,297</b>

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH  
PETKİM PETROKİMYA HOLDİNG ANONİM ŞİRKETİ AND ITS SUBSIDIARIES**

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AT AND FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2022**

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

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**NOTE 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 30 May 2008.

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

On 22 June 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').

On 22 September 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').

As of 30 September 2022 and 31 December 2021 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 ('BİST') since 9 July 1990.

These condensed consolidated interim financial statements were approved to be issued by the Board of Directors on 8 November 2022 and signed by Mr. Anar Mammadov, General Manager and Mr. Elchin Ibadov, Chief Financial Officer, on behalf of the Board of Directors.

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 Aliğa Yönetim Binası No 6/1 Aliğa/İZMİR

As of 30 September 2022, 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:

	<b>Nature of operations</b>	<b>Business segment</b>
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 2,338 as of 30 September 2022 (31 December 2021: 2,355). The details of the employees as of 30 September 2022 and 31 December 2021 are as follows:

	<b>30 September 2022</b>	<b>31 December 2021</b>
Union (*)	1,733	1,809
Non-union (**)	594	568
	<b>2,327</b>	<b>2,377</b>

(\*) 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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**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENT**

**2.1 Basis of Presentation**

The condensed consolidated interim 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, condensed consolidated interim financial statements are prepared in accordance with Turkish Accounting Standards/Turkish Financial Reporting Standards ('TAS'/'TFRS') and its addendum and interpretations ('IFRIC') issued by the Public Oversight Accounting and Auditing Standards Authority ('POAASA') Turkish Accounting Standards Board.

The condensed consolidated interim financial statements are presented in accordance with 'Announcement regarding with TAS Taxonomy' which was published on 4 October 2022 by POA and the format and mandatory information recommended by CMB.

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

The Group prepared its condensed interim consolidated financial statements for the period ended 30 September 2022 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 interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information.

The Group's condensed consolidated interim financial statements do not include all disclosure and notes that should be included at year end financial statements. Therefore the condensed consolidated interim financial statements should be read in conjunction with the Group's annual consolidated financial statements dated 31 December 2021 and group's public announcements during the financial 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.

The condensed consolidated interim financial statements, except for the financial assets and liabilities measured at their fair values, are maintained under historical cost conversion, with the required adjustment and reclassification reflected for the purpose of fair presentation in accordance with the TFRS.

According to CMB Communiqué No:14.1 and announcements made by the CMB, it is obligatory for the companies preparing condensed financial statements in interim periods to present the foreign exchange position table, 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 21).

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**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENT (Continued)**

**2.1 Basis of Presentation (Continued)**

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

**2.2 Summary of Significant Accounting Policies**

Significant accounting policies applied in these condensed consolidated interim financial statements are consistent with the accounting policy applied in the consolidated financial statements for the period 1 January - 31 December 2021 except for the followings:

Income tax expense is recognised in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

Expenses which are not evenly distributed through the year are recognized in the condensed consolidated interim financial statements only when they can be estimated or deferred appropriately.

**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.

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**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENT (Continued)**

**2.3 Basis of Consolidation (Continued)**

**a) Subsidiaries (Continued)**

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

The table below sets out all subsidiaries included in the scope of consolidation together with the related voting rights and effective ownership rates at 30 September 2022 and 31 December 2021 are;

<u>Subsidiaries</u>	<u>Direct or Indirect Control Shareholding rates of the Group (%)</u>	
	<u>30 September 2022</u>	<u>31 December 2021</u>
Petlim	73.00	73.00
Petkim Specialities Mühendislik Plastikleri Sanayi ve Ticaret A.Ş.	100.00	100.00

**b) Foreign currency translation**

**i) Functional and presentation currency**

The financial statements of each company within the Group are measured in the currency in which the entity is located and in which the operations are maintained ('functional currency'). As a result of the Group management's assessment, the functional currency of Petlim has been designated as US Dollars as of 1 January 2017 due to Petlim's commencement of its operations and generating all its revenues in US Dollars. The condensed consolidated interim financial statements have been prepared and presented in Turkish lira ('TRY'), which is the parent Company's functional and presentation currency.

**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 gains or losses arising from the settlement and 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 shareholders 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 30 September 2022 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 18.5187 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 18.5521 TRY = 1 USD (31 December 2021: buying rate as 13.3290 TRY = 1 USD, selling rate as 13.3530 TRY = 1 USD). Due to the significant fluctuations in the exchange rates in 2022 and 2021, the profit or loss statements have been translated with the average rates calculated over the rates announced by the Central Bank of the Republic of Turkey, of the net profits calculated on a quarterly basis.

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**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENT (Continued)**

**2.4 Amendments in Turkish Financial Reporting Standards**

**a) Standards, amendments and interpretations applicable as at 30 September 2022:**

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective from annual periods beginning on or after 1 January 2021);** The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from annual periods beginning on or after 1 January 2022.
  - **Amendments to IFRS 3, 'Business combinations'** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
  - **Amendments to IAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
  - **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.

Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial Instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.

These changes do not have any impact on the Group's financial statements.

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**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENT (Continued)**

**2.4 Amendments in Turkish Financial Reporting Standards (Continued)**

**b) Standards, amendments and interpretations that are issued but not effective as at  
30 September 2022:**

- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities;** effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- **Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8;** effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.
- **Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction;** effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
- **IFRS 17, 'Insurance Contracts', as amended in December 2021;** effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The Group will assess the effects of the above amendments on its operations and apply them from the effective date. The impact of the above standards and interpretations on the implementation of the above is assessed.

**2.5 Comparative Information and Correction of Prior Period Financial Statements**

The Group prepared its condensed consolidated interim financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Group prepared its balance sheet at 30 September 2022 on a comparative basis with balance sheet at 31 December 2021; and statements of profit or loss comprehensive income, cash flows and changes in equity for the period of 1 January - 30 September 2022 on a comparative basis with financial statements for the period of 1 January - 30 September 2021. For the purpose of convenience with the presentation of current period consolidated financial statements, comparative information is restated when necessary and major changes are disclosed.

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**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENT (Continued)**

**2.6 Significant Accounting Estimates, Judgments and Assumptions**

Preparation of condensed consolidated interim 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:

**a) Provision for lawsuits**

Provision for lawsuits is evaluated by the Group based on opinions of Group Legal Counsel and legal consultants. The Group determines the amount of provisions based on best estimates. As of reporting date, provision for lawsuits is stated in Note 20.

**b) Useful life of tangible and intangible assets and investment property**

The Group determines useful lives of tangible and intangible assets and investment properties 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 30 September 2022.

**c) 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 (Note 15). 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.

**d) 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 13.

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**NOTE 2 - BASIS OF PRESENTATION OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENT (Continued)**

**2.6 Significant Accounting Estimates, Judgments and Assumptions (Continued)**

**e) Exchange rate valuation of foreign currency denominated advances given to related parties  
in accordance with share purchase of Rafineri Holding A.Ş.**

As a result of correspondence between the Group and its main shareholder SOCAR Turkey Enerji A.Ş. (STEAS), a share sale and transfer agreement ('Agreement') has been signed on 9 January 2018 in order to acquire 30% shares of Rafineri Holding A.Ş. (Rafineri Holding) from STEAS with a purchase consideration of USD720 million. The shares of Rafineri Holding, which are subject to the Agreement may be purchased by the Group provided that the conditions specified in the Agreement are realized. As Petkim has a share transfer contract that can be terminated at Petkim's own discretion and finalization of share transfer is subject to Group's operational performance and cash flows, advances paid are classified as prepaid expenses to related parties in the balance sheet as of 30 September 2022 and have been subjected to exchange rate valuation.

**f) Fair value of determination of investment properties**

As of 31 December 2021, the Group has changed its accounting policy for investment properties to the fair value method.

As of 30 September 2022, investment properties are carried in the consolidated financial statements at their fair value determined in the valuation studies by an independent professional valuation company licensed by CMB. Fair value changes on investment properties and lands, are recognized under income from investing activities in the statement of comprehensive income.

The details of the methods and assumptions used for valuations of investment property and are as follows.

- Revaluation of investment property was based on the method of reference by considering highest and best use approach.
- In the market reference comparison method, current market information was utilized, taking into consideration the comparable property in the market in recent past in the region, price adjustment was made within the framework of criteria that could affect market conditions, and accordingly an average m<sup>2</sup> sale value was determined for the lands subject to the valuation. The similar pieces of land found were compared in terms of location, size, settlement status, physical conditions, real estate marketing firms were consulted for up-to-date valuation of the real estate market, also, current information and experience of the professional valuation company was utilized.

**NOTE 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.

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

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**

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Petrochemical	39,738,107	14,105,310	19,045,191	6,692,509
Port	252,185	95,465	119,975	42,206
<b>Total before eliminations and adjustments</b>	<b>39,990,292</b>	<b>14,200,775</b>	<b>19,165,166</b>	<b>6,734,715</b>
Consolidation eliminations and adjustments	-	-	-	-
	<b>39,990,292</b>	<b>14,200,775</b>	<b>19,165,166</b>	<b>6,734,715</b>
	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
<b>b) Operating profit</b>				
Petrochemical	3,600,034	704,351	4,043,235	1,161,167
Port	240,974	91,169	83,141	18,161
<b>Total before eliminations and adjustments</b>	<b>3,841,008</b>	<b>795,520</b>	<b>4,126,376</b>	<b>1,179,328</b>
Consolidation eliminations and adjustments	26,605	(118)	9,437	3,320
<b>Operating profit</b>	<b>3,867,613</b>	<b>795,402</b>	<b>4,135,813</b>	<b>1,182,648</b>
Financial (expenses)/income, net	(1,517,950)	(551,116)	(160,821)	(58,873)
Income from investing activities, net	2,551,436	949,544	526,769	505,206
<b>Profit before tax from continued operations</b>	<b>4,901,099</b>	<b>1,193,830</b>	<b>4,501,761</b>	<b>1,628,981</b>
Tax income/(expense)	879,342	313,944	(593,040)	63,481
<b>Profit for the period</b>	<b>5,780,441</b>	<b>1,507,774</b>	<b>3,908,721</b>	<b>1,692,462</b>

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

**c) Total assets**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Petrochemical	43,573,557	27,897,269
Port	6,115,322	4,474,972
<b>Total before eliminations and adjustments</b>	<b>49,688,879</b>	<b>32,372,241</b>
Consolidation eliminations and adjustments	(2,536,250)	(1,944,086)
	<b>47,152,629</b>	<b>30,428,156</b>

**d) Total liabilities**

Petrochemical	24,531,428	14,518,117
Port	5,826,254	4,495,321
<b>Total before eliminations and adjustments</b>	<b>30,357,682</b>	<b>19,013,438</b>
Consolidation eliminations and adjustments	(1,681,956)	(1,304,312)
	<b>28,675,726</b>	<b>17,709,126</b>

**NOTE 4 - CASH AND CASH EQUIVALENTS**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Banks	7,788,082	3,665,121
- Demand deposits	16,657	4,861
- Turkish Liras	12,357	908
- Foreign currency	4,300	3,953
- Time deposits	7,771,425	3,660,260
- Turkish Liras	580,066	622,890
- Foreign currency	7,191,359	3,037,370
Other	41,744	210
	<b>7,829,826</b>	<b>3,665,331</b>

As of 30 September 2022, foreign currency time deposits consist of monthly deposits. The weighted average effective interest rates of USD and EUR monthly deposits are 3.66% and 2.50% per annum, respectively (31 December 2021: USD 1.32%, EUR 0.71%).

As of 30 September 2022, the TRY dominated time deposits consist of overnight deposits and the weighted average effective interest rate is monthly 18.74% per annum and daily 11.00% per annum (31 December 2021: consist of monthly and daily deposits and the weighted average effective interest rate is monthly 18.12% and daily 24.99% per annum).

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**NOTE 5 - FINANCIAL INVESTMENTS**

**a) Short-term financial investments**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Exchange rate-protected TRY time deposits (*)	1,905,788	-
Other	147,870	48,654
	<b>2,053,658</b>	<b>48,654</b>

(\*) Exchange rate-protected TRY time deposits is a deposit product that provides foreign exchange hedging in case the USD and EUR exchange rates against TRY are increased more than the interest rate at the end of the term. Exchange rate-protected TRY time deposits are accounted as financial assets at fair value through profit or loss.

As of 30 September 2022, the nominal and fair value amounts of exchange rate-protected TRY time deposit accounts

	<b>30 September 2022</b>		
<b>Currency</b>	<b>Nominal amount (original currency)</b>	<b>Fair value (in TRY)</b>	<b>Maturity</b>
TL	1,767,907	1,905,788	November - December 2022
		<b>1,905,788</b>	

**b) Long-term financial investments**

	<b>30 September 2022</b>		<b>31 December 2021</b>	
	<b>Shareholding</b>		<b>Shareholding</b>	
	<b>Amount</b>	<b>rate (%)</b>	<b>Amount</b>	<b>rate (%)</b>
SOCAR Power Enerji Yatırımları A.Ş	8,910	9.90	8,910	9.90
	<b>8,910</b>		<b>8,910</b>	

TRY8,910,000 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.

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**NOTE 6 - INVENTORIES**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Raw materials	651,603	946,058
Work-in-progress	859,039	537,905
Finished goods	1,668,210	1,045,919
Trade goods	262,366	257,182
Goods in transit	1,090,987	659,342
Other inventories	218,917	99,581
<hr/>		
Less: Provision for impairment on inventories	(36,078)	(6,144)
<hr/>		
	<b>4,715,044</b>	<b>3,539,843</b>

Movements of provision for impairment on inventory for the periods 30 September 2022 and 2021 were as follows:

	<b>2022</b>	<b>2021</b>
<b>1 January</b>	<b>(6,144)</b>	<b>(5,650)</b>
Sold items	6,144	5,650
Current year additions	(36,078)	(2,072)
<hr/>		
<b>30 September</b>	<b>(36,078)</b>	<b>(2,072)</b>

**NOTE 7 - TRADE RECEIVABLES AND PAYABLES**

**a) Short-term trade receivables from third parties:**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Trade receivables	3,790,904	4,381,578
Provision for doubtful trade receivables (-)	(20,845)	(21,132)
<hr/>		
	<b>3,770,059</b>	<b>4,360,446</b>

**b) Short-term trade payables to third parties:**

Trade payables	1,973,737	1,869,347
<hr/>		
	<b>1,973,737</b>	<b>1,869,347</b>

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**NOTE 8 - BORROWINGS AND BORROWING COSTS**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Short-term borrowings	1,109,874	64,952
Short-term portions of long-term borrowings	626,748	1,103,565
Bond issued (*)	9,367,249	166,889
Short-term lease liabilities	26,782	21,245
Other financial liabilities (**)	9,741,293	1,475,020
<b>Short-term financial liabilities</b>	<b>20,871,946</b>	<b>2,831,671</b>
Long-term borrowings	2,737,348	2,291,409
Bonds issued (*)	-	6,669,131
Long-term lease liabilities	69,908	58,458
<b>Long-term borrowings</b>	<b>2,807,256</b>	<b>9,018,998</b>
	<b>23,679,202</b>	<b>11,850,669</b>

(\*) Petkim issued bonds listed on Ireland Stock Exchange and release of these bonds were finalized on 26 January 2018. Total amount of these issued bonds 500 thousand USD, with a maturity of 5 years, coupon payment every 6 months and paying principal at the end of the maturity, with an annual interest rate of 5,875%.

(\*\*) Other financial liabilities consist of letters of credits and murabaha loan arising from naphtha purchases. The average remaining maturity of other financial liabilities is 150 days as of 30 September 2022 (31 December 2021: average remaining maturity 110 days).

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**NOTE 8 - BORROWINGS AND BORROWING COSTS (Continued)**

	Effective weighted average Interest rate p.a. (%)		Original currency		TRY equivalent	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021	30 September 2022	31 December 2021
<b>Short-term borrowings:</b>						
TRY borrowings	18.25	-	211,470	-	211,470	-
USD borrowings	4.05 – 8.5	Libor + 0.20 - 0.70 - 0.75	48,426	4,864	898,404	64,952
<b>Short-term portions of long-term borrowings and bond issued:</b>						
USD borrowings	Libor + 4.67 - 4.26	Libor + 4.67 – 4.26	26,509	72,004	491,801	961,464
Euro borrowings	Euribor + 0.72 - 1.64	Euribor + 0.72 - 3.00 – 1.64	7,426	9,402	134,947	142,101
Bond issued	5.88	5.88	504,916	12,948	9,367,249	166,889
<b>Total short-term borrowings</b>					<b>11,103,871</b>	<b>1,335,406</b>
<b>Long-term borrowings and bond issued:</b>						
USD borrowings	Libor + 4.67	Libor + 4.67 – 4.26	146,513	164,533	2,718,122	2,197,008
Euro borrowings	Euribor + 0.72 - 1.64	Euribor + 3.00 – 1.64	1,058	6,246	19,226	94,401
Bond issued	-	5.88	-	499,448	-	6,669,131
<b>Total long-term borrowings</b>					<b>2,737,348</b>	<b>8,960,540</b>
<b>Total borrowings</b>					<b>13,841,219</b>	<b>10,295,946</b>

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**NOTE 8 - BORROWINGS AND BORROWING COSTS (Continued)**

The redemption schedule of long-term bank borrowings and bonds issued as of 30 September 2022 and 31 December 2021 is as follows:

	<b>30 September 2022</b>
1 October 2023-30 September 2024	530,516
1 October 2024-30 September 2025	786,609
1 October 2025-30 September 2026	727,613
1 October 2026-30 September 2027	570,292
1 October 2027 and over	122,318
	<b>2,737,348</b>
	<b>31 December 2021</b>
2023	7,060,766
2024	438,780
2025	552,013
2026	537,859
2027 and over	371,122
	<b>8,960,540</b>

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. As of 30 September 2022, the fair value of bonds issued is TRY9,367,249 which are in fixed interest rate financial liabilities and whose carrying value is TRY9,434,043.

As of 30 September 2022, details of collaterals given by the Group for USD and Euro borrowings are explained in Note 20. The Group is subject to some key performance indicators to for the bonds issued and the Group has met those indicators as of 30 September 2022.

Movements of financial liabilities (excluding lease liabilities) are as of 30 September 2022 and 2021 as follows:

	<b>2022</b>	<b>2021</b>
<b>1 January</b>	<b>8,105,635</b>	<b>4,393,566</b>
Proceeds from financial liabilities	11,115,829	2,734,659
Repayments of financial liabilities	(4,368,011)	(4,370,580)
Unrealized foreign exchange losses	4,858,577	1,396,997
Changes in interest accrual	205,151	(42,751)
Change in cash and cash equivalents and financial investments (*)	(6,053,826)	323,713
<b>30 September</b>	<b>13,863,355</b>	<b>4,435,604</b>

(\*) Change in the financial investments as of 30 September 2022 excludes fair value changes of currency protected deposits.

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**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT**

	1 January 2022	Additions	Transfers	Disposals	Foreign currency translation differences	30 September 2022
<b><u>Cost:</u></b>						
Land	125,063	-	-	(18)	1,175	126,220
Land improvements	469,147	-	347	-	2,849	472,343
Buildings	197,348	-	-	-	892	198,240
Machinery and equipment	8,699,122	-	250,629	-	-	8,949,751
Motor vehicles	76,912	-	11,433	-	-	88,345
Furniture and fixtures	199,875	-	10,643	(544)	572	210,546
Other fixed assets	996	-	-	-	-	996
Leasehold improvements	671	-	-	-	-	671
Assets subject to operating lease	3,829,569	-	-	-	1,578,787	5,408,356
Construction in progress (*)	1,204,919	1,736,620	(290,703)	-	674	2,651,510
	<b>14,803,622</b>	<b>1,736,620</b>	<b>(17,651)</b>	<b>(562)</b>	<b>1,584,949</b>	<b>18,106,978</b>
<b><u>Accumulated depreciation (-):</u></b>						
Land improvements	(161,003)	(29,012)	-	-	(1,749)	(191,764)
Buildings	(125,897)	(3,800)	-	-	(728)	(130,425)
Machinery and equipment	(6,533,916)	(361,287)	-	-	-	(6,895,203)
Motor vehicles	(13,114)	(11,729)	-	-	-	(24,843)
Furniture and fixtures	(105,468)	(16,555)	-	377	(540)	(122,186)
Other fixed assets	(996)	-	-	-	-	(996)
Leasehold improvements	(671)	-	-	-	-	(671)
Assets subject to operating lease	(559,339)	(116,070)	-	-	(250,865)	(926,274)
	<b>(7,500,404)</b>	<b>(538,453)</b>	<b>-</b>	<b>377</b>	<b>(253,882)</b>	<b>(8,292,362)</b>
<b>Net book value</b>	<b>7,303,218</b>					<b>9,814,616</b>

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

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**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Continued)**

	1 January 2021	Additions	Transfers	Disposals	Foreign currency translation differences	30 September 2021
<b><u>Cost:</u></b>						
Land	123,896	-	-	-	324	124,220
Land improvements	412,073	-	32,832	-	775	445,680
Buildings	194,272	-	1,689	-	243	196,204
Machinery and equipment	8,047,394	-	476,767	(912)	-	8,523,249
Motor vehicles	11,144	-	1,998	(561)	-	12,581
Furniture and fixtures	153,858	-	38,675	(221)	162	192,474
Other fixed assets	996	-	-	-	-	996
Leasehold improvements	671	-	-	-	-	671
Assets subject to operating lease	2,219,152	-	-	-	429,328	2,648,480
Construction in progress (*)	1,011,804	582,419	(577,089)	-	183	1,017,317
	<b>12,175,260</b>	<b>582,419</b>	<b>(25,128)</b>	<b>(1,694)</b>	<b>431,015</b>	<b>13,161,872</b>
<b><u>Accumulated depreciation (-):</u></b>						
Land improvements	(123,496)	(26,343)	-	-	(389)	(150,228)
Buildings	(120,291)	(3,672)	-	-	(174)	(124,137)
Machinery and equipment	(6,150,223)	(271,465)	-	848	-	(6,420,840)
Motor vehicles	(10,175)	(378)	-	556	-	(9,997)
Furniture and fixtures	(89,386)	(11,833)	-	188	(153)	(101,184)
Other fixed assets	(996)	-	-	-	-	(996)
Leasehold improvements	(671)	-	-	-	-	(671)
Assets subject to operating lease	(250,955)	(60,257)	-	-	(53,372)	(364,584)
	<b>(6,746,193)</b>	<b>(373,948)</b>	<b>-</b>	<b>1,592</b>	<b>(54,088)</b>	<b>(7,172,637)</b>
<b>Net book value</b>	<b>5,429,067</b>					<b>5,989,235</b>

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

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**NOTE 10 – INVESTMENT PROPERTIES**

<b>Net asset value</b>	<b>1 January 2022</b>	<b>Fair value increase</b>	<b>30 September 2022</b>
Land	2,872,594	2,064,701	4,937,295
	<b>2,872,594</b>		<b>4,937,295</b>

<b>Net asset value</b>	<b>1 January 2021</b>	<b>Fair value increase</b>	<b>30 September 2021</b>
Land	2,078,781	493,386	2,572,167
	<b>2,078,781</b>		<b>2,572,167</b>

A construction right was established to STAR Rafineri A.Ş. ('STAR') for 30 years in 2014 for an annual cost of 4.6 million USD on a total land of m<sup>2</sup>2,076,506 in Aliğa District, which is among the investment properties owned by the Group. The right of construction is increased by Libor+1% every year.

The fair value of the land has been appraised according to the Group's valuation report dated 30 September 2022 prepared by a real estate appraisal company authorized by the CMB.

There are no guarantees, pledges or mortgages on the Group's investment properties.

As of 30 September 2022, the Group's right of construction have been measured at their fair values determined by an independent professional valuation company using other valuation techniques containing directly or indirectly observable inputs.

**NOTE 11 - DEFERRED REVENUE**

**a) Short-term deferred revenue**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Advances received	343,656	255,429
Deferred revenue	524	5,086
	<b>344,180</b>	<b>260,515</b>

Advances received from customers for the sales in the subsequent periods are all short term and mature within less than one year. (31 December 2021: less than one year). The fair values of advances received are assumed to approximate their carrying values.

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**NOTE 11 - DEFERRED REVENUE (Continued)**

**b) Long-term deferred revenue**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Deferred income	-	750
	<b>-</b>	<b>750</b>

**NOTE 12 - PREPAID EXPENSES**

**a) Short-term prepaid expenses**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Advances given for inventory purchases	727,664	363,590
Prepaid rent, insurance and other expenses	49,208	33,969
Advances given for customs procedures	1,092	636
	<b>777,964</b>	<b>398,195</b>

**b) Long-term prepaid expenses**

Advances given for property, plant and equipment purchases	457,151	109,815
Prepaid rent, insurance and other expenses	1,695	1,797
	<b>458,846</b>	<b>111,612</b>

**NOTE 13 - EMPLOYEE BENEFITS**

**a) Short-term employee benefits:**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Provision for bonus premium	331,255	272,091
Provision for seniority incentive bonus	20,378	9,095
	<b>351,633</b>	<b>281,186</b>

**b) Long-term employee benefits:**

Provision for employment termination benefits	210,616	129,202
Provision for unused vacation rights	96,330	49,183
Provision for seniority incentive bonus	22,789	13,049
	<b>329,735</b>	<b>191,434</b>

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**NOTE 13 - EMPLOYEE BENEFITS (Continued)**

**Provision for unused vacation:**

Movements of the provision for unused vacation rights are as follows:

	<b>2022</b>	<b>2021</b>
<b>1 January</b>	<b>49,183</b>	<b>29,849</b>
Changes in the period, net	47,147	17,741
<b>30 September</b>	<b>96,330</b>	<b>47,590</b>

**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 TRY10,848.59 for each year of service as of 30 September 2022 (31 December 2021: TRY8,284.51).

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:

	<b>30 September 2022</b>	<b>31 December 2021</b>
Net discount rate (%)	3.00	4.40
Probability of retirement (%)	98.25	97.62

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 TRY15,371.40 which is effective from 1 July 2022, has been taken into consideration in the calculation of employment termination benefits of the Group (1 January 2022: full TRY10,848.59).

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**NOTE 13 - EMPLOYEE BENEFITS (Continued)**

**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 and 100 days of gross salary for 30, 35 and 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 Group, 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, 35 and 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.

**NOTE 14 - EQUITY**

The shareholders of the Company and their shareholdings as of 30 September 2022 and 31 December 2021 were as follows:

<b>Group:</b>	<b>Shareholder:</b>	<b>30 September 2022</b>		<b>31 December 2021</b>	
		<b>Amount</b>	<b>Share (%)</b>	<b>Amount</b>	<b>Share (%)</b>
A	SOCAR Turkey Petrokimya A.Ş.	1,292,544	51	1,292,544	51.00
A	Publicly traded and other	1,241,856	49	1,241,856	49.00
C	Privatization Administration	-	0.01	-	0.01
<b>Total paid share capital</b>		<b>2,534,400</b>	<b>100</b>	<b>2,534,400</b>	<b>100</b>
Adjustment to share capital		238,988		238,988	
<b>Total share capital</b>		<b>2,773,388</b>		<b>2,773,388</b>	

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

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**NOTE 15 - TAX ASSETS AND LIABILITIES**

**a) Corporate tax:**

Current tax liabilities at 30 September 2022 and 31 December 2021 are summarized below:

	<b>30 September 2022</b>	<b>31 December 2021</b>
Calculated corporation tax	-	1,136,880
Less: Prepaid taxes (-)	(262,685)	(865,443)
<b>Total corporation tax (assets)/liabilities</b>	<b>(262,685)</b>	<b>271,437</b>

Tax expenses included in the income statement for the condensed consolidated interim periods ended 30 September 2022 and 2021 are summarized below:

	<b>1 January - 30 September 2022</b>	<b>1 July - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2021</b>
Deferred tax income	877,040	195,896	228,055	291,353
Current period income tax expense	-	115,746	(821,095)	(227,872)
<b>Total tax income/(expense)</b>	<b>877,040</b>	<b>311,642</b>	<b>(593,040)</b>	<b>63,481</b>

**b) 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 their tax financial statements.

In accordance with the regulation numbered 7316, published in Official Gazette on 22 April 2021, "Amme Alacaklarının Tahsil Usulü Hakkında Kanun ile Bazı Kanunlarda Değişiklik Yapılmasına Dair Kanun", In the provisional tax return declarations to be submitted after July 1, 2021, corporate tax rate has increased from 20% to 25% and to %23 for the year 2022, it will be applied as 20% from 2023.

In accordance with the regulation numbered 7338, published in Official Gazette on 26 October 2021, the opportunity to revalue the immovables registered in assets and the economic assets subject to depreciation on the effective date of the law. The companies can benefit from the provision of the article 30 September 2022. The covered assets will be valued with the D-PPI rate and tax will be paid in 3 installments (at two-month intervals) at the rate of 2% over the amount of valuation increase. For the revalued assets, the valuation difference can be depreciated and recognized as taxable expense. Within the scope of the the amendment, deferred income tax asset has been recognized in the statement of financial position based on the revaluation records for property, plant, equipment in the tax books, and the deferred income tax related to this asset has been recognized in the condensed consolidated statement of profit or loss.

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**NOTE 15 - TAX ASSETS AND LIABILITIES (Continued)**

Details of cumulative temporary differences and the resulting deferred income tax assets and liabilities provided as of 30 September 2022 and 31 December 2021 were as follows:

	<b>Taxable Temporary Differences</b>		<b>Deferred Income Tax Assets/(Liabilities)</b>	
	<b>30 September 2022</b>	<b>31 December 2021</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Difference between the carrying values and tax bases of property, plant, equipment and intangible assets	4,897,058	330,291	969,144	53,725
Fair value increase in investment properties	(4,927,215)	(2,862,514)	(492,721)	(286,251)
Deferred revenue related to the port rental agreement	-	(7,847)	-	(1,569)
Fair value difference of derivative financial instrument	(66,115)	-	(13,223)	-
<b>Deferred income tax liabilities</b>	<b>(96,272)</b>	<b>(2,540,070)</b>	<b>463,200</b>	<b>(232,528)</b>
Unused investment incentives	792,997	787,664	203,224	200,558
Provision for employee benefits	681,368	472,620	136,274	94,524
Carry forward tax losses	277,881	277,881	56,440	56,440
Deferred revenue related to the port rental agreement	123,120	-	24,624	-
Fair value difference of derivative financial instruments	-	45,645	-	9,129
Inventory provision	36,078	6,144	7,216	1,229
Rent allowance fee	3,681	3,807	736	761
Provision for legal cases	2,597	2,597	519	516
Other	646,327	106,237	129,265	21,249
<b>Deferred income tax assets</b>	<b>2,564,049</b>	<b>1,702,595</b>	<b>558,298</b>	<b>384,406</b>
<b>Deferred tax assets/(liabilities) - net</b>			<b>1,021,498</b>	<b>150,311</b>

The movement of deferred tax asset is as follows:

	<b>2022</b>	<b>2021</b>
<b>1 January</b>	<b>150,311</b>	<b>35,968</b>
Recognized in the profit or loss statement	877,040	228,055
Recognized in other comprehensive income	(17,231)	(1,463)
Foreign currency translation differences	11,378	41,721
<b>30 September</b>	<b>1,021,498</b>	<b>304,281</b>

As of 30 September 2022, the Group has TRY792,997 unused investment incentive for which the realization of the related tax benefit through the future taxable profit has deemed probable with respect to its projections (31 December 2021: TRY787,664).

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**NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES**

	<b>1 January - 30 September 2022</b>	<b>1 July - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2021</b>
Personnel expense	368,180	150,736	130,603	45,951
Outsourced services	186,447	80,421	82,057	33,177
Depreciation and amortization	63,754	21,499	45,946	16,590
Energy expenses	40,577	5,319	14,599	4,269
Taxes, funds and fees	11,295	4,017	7,647	3,593
Other	74,784	41,699	30,208	9,305
	<b>745,037</b>	<b>303,691</b>	<b>311,060</b>	<b>112,885</b>

**NOTE 17 - FINANCIAL INCOME/EXPENSES**

**a) Finance income**

	<b>1 January - 30 September 2022</b>	<b>1 July - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2021</b>
Foreign exchange gains	4,969,434	1,589,957	2,379,787	385,135
Interest income	217,161	114,241	244,979	80,788
Other	3,383	1,140	22,580	13,311
	<b>5,189,978</b>	<b>1,705,338</b>	<b>2,647,346</b>	<b>479,234</b>

**b) Finance expense**

	<b>1 January - 30 September 2022</b>	<b>1 July - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2021</b>
Foreign exchange loss	(5,562,385)	(1,738,869)	(2,436,042)	(409,885)
Interest expense	(1,045,307)	(494,120)	(330,052)	(114,139)
Commission expense	(68,554)	(14,314)	(31,261)	(10,479)
Interest expense on employee benefits	(18,817)	(5,995)	(10,812)	(3,604)
Other	(12,865)	(3,156)	-	-
	<b>(6,707,928)</b>	<b>(2,256,454)</b>	<b>(2,808,167)</b>	<b>(538,107)</b>

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**NOTE 18 - EARNINGS PER SHARE**

	<b>1 January - 30 September 2022</b>	<b>1 July - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2021</b>
Net profit for the period of the equity holders of the parent	5,758,039	1,495,186	3,922,439	1,702,428
Weighted average number of shares with nominal value of Kr each (thousand)	253,440	253,440	253,440	253,440
<b>Earnings per share (Kr)</b>	<b>2.2720</b>	<b>0.5900</b>	<b>1.5477</b>	<b>0.6717</b>

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

Summary of the intercompany balances as of 30 September 2022 and 31 December 2021 and significant intercompany transactions during the period were as follows:

**i) Balances with related parties**

**30 September 2022    31 December 2021**

**a) Short-term trade receivables from related parties:**

SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	752,875	595,669
STAR <sup>(2)</sup>	152,687	129,485
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	14,663	-
STEAŞ <sup>(1)</sup>	258	13
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. <sup>(2)</sup>	118	-
SOCAR Turkey Petrol Ticaret A.Ş. <sup>(2)</sup>	88	-
AZOIL Petrolcülük A.Ş. <sup>(2)</sup>	34	-
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	30	185
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	6	-
SOCAR Gemi Acenteliği A.Ş. <sup>(2)</sup>	6	-
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	-	20,692
SOCAR Azerikimya Production Union <sup>(2)</sup>	-	59
Other <sup>(2)</sup>	-	39
	<b>920,765</b>	<b>746,142</b>

<sup>(1)</sup> Shareholders of the Company

<sup>(2)</sup> Shareholders of the Company or SOCAR's subsidiaries

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

**i) Balances with related parties (Continued)**

**b) Short-term other receivables from related parties:**

	30 September 2022	31 December 2021
STAR <sup>(2)</sup>	885	7,390
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. <sup>(2)</sup>	-	941
	<b>885</b>	<b>8,331</b>

**c) Long-term other receivables from related parties:**

SOCAR Power Enerji Yatırımları A.Ş. <sup>(2)</sup>	12,302	10,345
	<b>12,302</b>	<b>10,345</b>

**d) Short-term trade payables to related parties:**

SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	276,040	-
STAR <sup>(2)</sup>	167,072	1,819,648
STEAS <sup>(1)</sup>	120,555	116,555
SOCAR Logistics DMCC <sup>(2)</sup>	37,445	3,568
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	14,071	8,163
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	8,724	7,187
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. <sup>(2)</sup>	3,713	5,791
Azoil Petrolcülük A.Ş. <sup>(2)</sup>	1,817	680
SOCAR Turkey Petrol Ticaret A.Ş. <sup>(2)</sup>	1,546	4,856
Other <sup>(2)</sup>	1	52
	<b>630,984</b>	<b>1,966,500</b>

Short-term trade payables to related parties mainly consist of natural gas, naphta, trade goods and services purchases. Average maturity of short term trade payables is 14 days (31 December 2021: 7 days).

**e) Other payables to related parties:**

Due to Shareholders <sup>(1)</sup>	87	87
	<b>87</b>	<b>87</b>

**f) Short-term deferred revenue from related parties**

SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	35,291	24,268
STAR <sup>(2)</sup>	20,333	3,942
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	3,027	9
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	93	-
	<b>58,744</b>	<b>28,219</b>

<sup>(1)</sup> Shareholders of the Company

<sup>(2)</sup> Shareholders of the Company or SOCAR's subsidiaries

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

**i) Balances with related parties (Continued)**

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>g) Long-term deferred revenue from related parties</b>		
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2) (*)</sup>	833,061	602,498
STAR <sup>(2)</sup>	4,577	4,735
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	91	98
	<b>837,729</b>	<b>607,331</b>

(\*) The balance is mainly consist of deferred revenue as a part of lease period of the port (32 years), in accordance with the operation agreement between the Group and SOCAR Aliğa Liman İşletmeciliği A.Ş. The Group recognize these prepayments as revenue within the contractual period on a straight line basis.

**h) Short-term prepaid expense to related parties**

STEAŞ <sup>(1) (**)</sup>	8,907,462	6,413,869
SIBC Sigorta Aracılık Hizmetleri A.Ş. <sup>(2)</sup>	42,429	-
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	5,777	76
SOCAR Logistics DMCC <sup>(2)</sup>	2,156	2,156
STAR <sup>(2)</sup>	1,813	1,812
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	166	-
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	141	145
Other <sup>(2)</sup>	-	110
	<b>8,959,944</b>	<b>6,418,168</b>

(\*\*) As a result of negotiations between the Group and its main shareholder STEAŞ, a share sale and transfer agreement ('Agreement') has been signed on 9 January 2018 in order to acquire 30% shares of Rafineri Holding A.Ş. ('Rafineri Holding') from STEAŞ with a purchase price of USD720 million. Rafineri Holding owns 60% shares of SOCAR Turkey Yatırım A.Ş., who owns all the shares of STAR. The shares of Rafineri Holding which are subject to the contract may be acquired by the Group provided that the conditions specified in the Agreement are realized on a date which is defined as the closing date in the contract. The closing date is defined as 31 March 2019 in the contract at the latest, with the first amendment protocol signed on 7 March 2019 and 30 June 2020 at the latest, with the second amendment protocol signed on 15 May 2020 and the third amendment signed on 25 June 2021, with the latest on 30 June 2021. It has been amended to be 3 January 2022 at the latest with the amendment protocol and to 31 December 2022 at the latest with the fourth amendment protocol signed on 27 December 2021. As the aforementioned agreement is subject to various conditions that should be mutually agreed by the parties and could be terminated at Petkim's initiative depending on the Group's operational performance and cash flows, advances paid are classified as prepaid expenses to related parties in the balance sheet as of 30 September 2022 and have been subject to exchange rate valuation. The first two installment amounting to USD480 million has been paid by the Company and remaining USD240 million will be paid with the closing date.

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>i) Long-term prepaid expense to related parties</b>		
STAR <sup>(2)</sup>	16,863	18,306
STEAŞ <sup>(1)</sup>	8,914	9,509
	<b>25,777</b>	<b>27,815</b>

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

**i) Short-term operational lease liabilities from related parties**

	<b>30 September 2022</b>	<b>31 December 2021</b>
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	58,191	40,868
STEAŞ <sup>(1)</sup>	7,635	4,225
STAR <sup>(2)</sup>	1,590	-
	<b>67,416</b>	<b>45,093</b>

**k) Long-term operational lease liabilities from related parties**

	<b>30 September 2022</b>	<b>31 December 2021</b>
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	239,290	186,787
STEAŞ <sup>(1)</sup>	28,946	18,035
	<b>268,236</b>	<b>204,822</b>

**ii) Transactions with related parties**

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

	<b>1 January - 30 September 2022</b>	<b>1 July - 30 September 2022</b>	<b>1 January - 30 September 2021</b>	<b>1 July - 30 September 2021</b>
STEAŞ <sup>(1) (*)</sup>	2,582,129	875,154	738,162	77,514
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	62,484	4,937	7,098	2,822
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	11,556	11,388	(7,129)	(2,743)
SOCAR Power Enerji Yatırımları A.Ş. <sup>(2) (*)</sup>	1,882	770	1,297	471
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	1,318	384	2,985	2,432
SOCAR Turkey Araştırma Geliş. ve İnovasyon A.Ş. <sup>(2)</sup>	547	237	534	46
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	145	191	891	463
AZOIL Petrolcülük A.Ş. <sup>(2)</sup>	96	86	(8)	(8)
ENERVİS Enerji Servis San. ve Tic. A.Ş.	23	-	-	-
Kayseriğaz Kayseri Doğalgaz Dağ Paz. ve Tic. A.Ş. <sup>(2)</sup>	-	-	(221)	(221)
SOCAR Turkey Fiber Optik A.Ş. <sup>(2)</sup>	(25)	-	98	-
SOCAR Azerikimya Production Union <sup>(2)</sup>	(27)	61	7	1
SOCAR Logistics DMCC <sup>(2)</sup>	(29)	(29)	(135)	(131)
SOCAR Trading SA <sup>(2)</sup>	(314)	-	-	-
SOCAR Turkey Petrol Ticaret A.Ş. <sup>(2)</sup>	(19,685)	(2,843)	(7,949)	(2,095)
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	(111,722)	(39,834)	(44,327)	(5,376)
STAR <sup>(2) (*)</sup>	(273,696)	(105,244)	(61,577)	(1,095)
	<b>2,254,682</b>	<b>745,258</b>	<b>629,726</b>	<b>72,080</b>

(\*) TRY256,358 of the expenses arising from STAR consists of foreign exchange losses and TRY17,338 is from other expenses, TRY2,650,762 of the income obtained from STEAŞ is foreign exchange gain and TRY68,633 consists of other expenses. Expenses to SCR Müşavirlik ve İnşaat A.Ş. are mainly consists of foreign exchange losses.

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

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

**ii) Transactions with related parties (Continued)**

**b) Service and rent purchases from related parties:**

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
SOCAR Turkey Ortak				
Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	138,578	41,830	55,270	21,165
STEAŞ <sup>(1)</sup>	91,056	40,856	52,374	30,954
SIBC Sigorta Aracılık Hizmetleri A.Ş.	60,073	24,357	-	-
STAR <sup>(2)</sup>	19,448	6,849	10,495	2,803
SCR İnşaat ve Müşavirlik A.Ş. <sup>(2)</sup>	17,966	10,880	7,922	4,522
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. <sup>(2)</sup>	1,198	1,162	-	-
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	322	192	-	-
SOCAR Turkey Fiber Optik A.Ş. <sup>(2)</sup>	316	-	-	-
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	145	-	682	32
SOCAR Turkey Petrol Ticaret A.Ş. <sup>(2)</sup>	21	21	2,348	3
SOCAR Trading SA. <sup>(2)</sup>	-	-	1,348	454
SOCAR Aliağa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	-	-	85	48
Other <sup>(2)</sup>	21	-	264	102
	<b>329,144</b>	<b>126,147</b>	<b>130,788</b>	<b>60,083</b>

**c) Product purchase from related parties:**

STAR <sup>(2)</sup>	14,602,778	4,029,281	5,496,019	2,417,400
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	1,936,430	782,434	660,570	241,063
SOCAR Logistics DMCC <sup>(2)</sup>	459,792	207,215	165,191	5,965
AZOIL Petrolcülük A.Ş. <sup>(2)</sup>	23,557	3,062	-	-
SOCAR Turkey Petrol Ticaret A.Ş. <sup>(2)</sup>	3,028	1,483	743	398
SOCAR Aliağa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	120	120	-	-
Azoil Petrolcülük A.Ş. <sup>(2)</sup>	-	-	1,962	759
SOCAR Turkey Fiber Optik A.Ş. <sup>(2)</sup>	-	-	101	-
	<b>17,025,705</b>	<b>5,023,595</b>	<b>6,324,586</b>	<b>2,665,585</b>

Purchases made from STAR consist of 1,082,035 tons of naphta purchasing, amounting to TRY 13,543,859 and other products purchasing amounting to TRY 1,058,919. Purchases made from related parties consist of natural gas, commercial products and fuel purchases.

**d) Product and service sales to related parties:**

STAR <sup>(2)</sup>	1,656,826	555,877	166,277	55,546
SOCAR Aliağa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	267,793	102,916	123,724	43,910
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	103,764	13,432	99,991	95,517
AZERI M-I Drilling Fluids MMC <sup>(2)</sup>	8,005	8,005	-	-
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	2,635	952	12,591	11,791
Other <sup>(2)</sup>	1,596	251	243	31
	<b>2,040,619</b>	<b>681,433</b>	<b>402,826</b>	<b>206,795</b>

<sup>(1)</sup> Shareholders of the Company

<sup>(2)</sup> Shareholders of the Company or SOCAR’s subsidiaries

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

**ii) Transactions with related parties (Continued)**

**e) Rent income from related parties:**

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
STAR <sup>(2)</sup>	62,961	21,416	32,237	10,866
SOCAR Turkey				
Akaryakıt Depolama A.Ş. <sup>(2)</sup>	4,200	1,415	2,438	821
Other <sup>(2)</sup>	2,187	757	1,298	430
	<b>69,348</b>	<b>23,588</b>	<b>35,973</b>	<b>12,117</b>

<sup>(1)</sup> Shareholders of the Company

<sup>(2)</sup> Shareholders of the Company or SOCAR's subsidiaries.

**f) Key management compensation:**

**i. Key management compensation - short-term:**

Payments for salary and seniority incentives	110,922	15,558	23,660	7,232
	<b>110,922</b>	<b>15,558</b>	<b>23,660</b>	<b>7,232</b>

**ii. Key management compensation - long term:**

Provision for unused vacation	3,488	983	967	489
Provision for seniority incentives	2,116	698	736	399
Provision for employment termination benefits	173	44	48	33
	<b>5,777</b>	<b>1,725</b>	<b>1,751</b>	<b>921</b>
	<b>116,699</b>	<b>17,283</b>	<b>25,411</b>	<b>8,153</b>

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; bonus, employment termination benefits, seniority incentive bonus and vacation pays made to the key management and their provisions for the period in which they incurred.

**NOTE 20 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**a) Short-term provisions:**

	30 September 2022	31 December 2021
Provision for legal cases	2,597	2,597
Other	15,502	-
	<b>18,099</b>	<b>2,597</b>

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**NOTE 20 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**b) Guaranties received:**

	<b>30 September 2022</b>	<b>31 December 2021</b>
Receivable insurance	6,164,266	2,781,298
Bank guarantees within the context of DOCS (*)	3,231,635	2,510,499
Letters of guarantee received from customers	1,883,080	1,511,716
Letters of guarantee received from suppliers	987,420	503,580
Letters of credit	27,599	251,809
Mortgages	2,000	2,000
	<b>12,296,000</b>	<b>7,560,902</b>

**c) Guaranties given:**

Mortgages given to banks (**)	3,131,097	2,381,025
Guarantees given to banks	209,985	973,821
Custom offices	172,344	116,228
Other	27,294	28,409
	<b>3,540,720</b>	<b>3,499,483</b>

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

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>A.</b> Total amount of CPMs given for the Company's own legal personality	409,623	1,118,458
<b>B.</b> Total amount of CPMs given on behalf of fully consolidated companies (**)	3,131,097	2,381,025
<b>C.</b> Total amount of CPMs given for continuation of its economic activities on behalf of third parties	-	-
<b>D.</b> Total amount of other CPMs		
<b>i.</b> Total amount of CPMs given on behalf of the majority shareholder	-	-
<b>ii.</b> Total amount of CPMs given to on behalf of other group companies which are not in scope of B and C	-	-
<b>iii.</b> Total amount of CPMs given to on behalf of third parties which are not in scope of C	-	-
	<b>3,540,720</b>	<b>3,499,483</b>

(\*) Direct order collection system.

(\*\*) Mortgages given to banks consist of pledge and mortgage for loan of Petlim Limancılık Ticaret A.Ş. at an amount of USD212 million which Petlim has used loan balance amounting to TRY3,131,097 as of 30 September 2022. Petkim has guaranteed the loan repayment and its shares in Petlim Limancılık Ticaret A.Ş. amounting TRY105 thousand has been pledged. On 20 November 2015, a mortgage amounting to USD350 million was established on Petlim's land which was sold by Petkim at a price of TRY5,650. Guarantees given has been considered as total risk amount.

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**NOTE 20 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**d) Operational leases**

As of 30 September 2022 and 31 December 2021, the annual income plans and amounts (undiscounted) regarding rental income, which are not included in the consolidated financial statements of the Group, are as follows:

	<b>30 September 2022</b>	<b>31 December 2021</b>
0-5 year	2,392,564	1,705,251
5-10 years	2,650,064	1,758,151
10 years and more	9,194,126	5,865,111
<b>Total</b>	<b>14,236,754</b>	<b>9,328,513</b>

**NOTE 21 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL  
INSTRUMENTS**

**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, such exposure is limited with the sales prices impacted by foreign currencies.

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**NOTE 21 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

**Foreign currency position**

	30 September 2022				31 December 2021			
	TRY Equivalent	US Dollar	Euro	Other	TRY Equivalent	US Dollar	Euro	Other
1. Trade receivables	3,079,182	143,134	23,624	-	3,681,865	240,126	31,897	-
2a. Monetary financial assets (Cash, bank accounts included)	16,099,637	860,101	9,461	72	9,448,092	596,799	98,982	4
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
<b>3. Current assets (1+2)</b>	<b>19,178,819</b>	<b>1,003,235</b>	<b>33,085</b>	<b>72</b>	<b>13,129,957</b>	<b>836,925</b>	<b>130,879</b>	<b>4</b>
4. Trade receivables	-	-	-	-	-	-	-	-
5a. Monetary financial assets	-	-	-	-	-	-	-	-
5b. Non-monetary financial assets	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-
<b>7. Non-current assets (4+5+6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Total assets (3+7)</b>	<b>19,178,819</b>	<b>1,003,235</b>	<b>33,085</b>	<b>72</b>	<b>13,129,957</b>	<b>836,925</b>	<b>130,879</b>	<b>4</b>
9. Trade payables	1,751,269	55,450	32,743	120,527	3,122,093	221,129	10,642	9,997
10. Financial liabilities	18,577,905	994,117	7,426	-	2,628,386	186,196	9,402	-
11a. Monetary other liabilities	844,124	3,548	-	778,299	823,241	3,377	-	778,148
11b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
<b>12. Short term liabilities (9+10+11)</b>	<b>21,173,298</b>	<b>1,053,115</b>	<b>40,169</b>	<b>898,826</b>	<b>6,573,720</b>	<b>410,702</b>	<b>20,044</b>	<b>788,145</b>
13. Trade payables	-	-	-	-	-	-	-	-
14. Financial liabilities	19,221	-	1,058	-	6,763,528	499,448	6,246	-
15a. Monetary other liabilities	305,774	14,458	-	37,544	204,822	15,339	-	29,608
15b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
<b>16. Long term liabilities (13+14+15a+15b)</b>	<b>324,995</b>	<b>14,458</b>	<b>1,058</b>	<b>37,544</b>	<b>6,968,350</b>	<b>514,787</b>	<b>6,246</b>	<b>29,608</b>
<b>17. Total liabilities (12+16)</b>	<b>21,498,293</b>	<b>1,067,573</b>	<b>41,227</b>	<b>936,370</b>	<b>13,542,070</b>	<b>925,489</b>	<b>26,290</b>	<b>817,753</b>
<b>18. Net (liability)/asset contract value of derivative instruments (18a-18b)</b>	<b>1,917,168</b>	<b>67,000</b>	<b>37,290</b>	<b>-</b>	<b>166,913</b>	<b>12,500</b>	<b>-</b>	<b>-</b>
<b>18a. Amount of asset contract value of derivative instruments</b>	<b>1,920,984</b>	<b>67,000</b>	<b>37,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18b. Amount of liability contract value of derivative instruments</b>	<b>(3,816)</b>	<b>-</b>	<b>(210)</b>	<b>-</b>	<b>166,913</b>	<b>12,500</b>	<b>-</b>	<b>-</b>
<b>19. Net foreign (liability)/ asset position (8-17+18)</b>	<b>(402,306)</b>	<b>2,662</b>	<b>29,148</b>	<b>(936,298)</b>	<b>(245,200)</b>	<b>(76,064)</b>	<b>104,589</b>	<b>(817,749)</b>
<b>20. Net foreign currency (liability)/asset Position of monetary items (TFRS 7.B23) (=1+2a+4+5a-9-10-11a-13-14-15a)</b>	<b>(2,319,474)</b>	<b>(64,338)</b>	<b>(8,142)</b>	<b>(936,298)</b>	<b>(412,113)</b>	<b>(88,564)</b>	<b>104,589</b>	<b>(817,749)</b>
<b>21. Total fair value of financial instruments used for foreign currency hedging</b>	<b>354</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>8,534</b>	<b>658</b>	<b>-</b>	<b>-</b>
<b>22. Hedged amount for foreign currency assets</b>	<b>1,920,984</b>	<b>67,000</b>	<b>37,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Hedged amount for foreign currency liabilities</b>	<b>(3,816)</b>	<b>-</b>	<b>(210)</b>	<b>-</b>	<b>166,913</b>	<b>12,500</b>	<b>-</b>	<b>-</b>
<b>24. Export</b>	<b>20,064,325</b>	<b>902,381</b>	<b>320,063</b>	<b>363,599</b>	<b>11,773,755</b>	<b>891,897</b>	<b>354,851</b>	<b>74,582</b>
<b>25. Import</b>	<b>14,192,255</b>	<b>733,386</b>	<b>149,781</b>	<b>219,909</b>	<b>9,113,020</b>	<b>925,177</b>	<b>77,958</b>	<b>80,831</b>

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**NOTE 21 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL  
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**Table of sensitivity analysis for foreign currency risk**

**30 September 2022**

	<u>Profit/(Loss)</u>		<u>Equity</u>	
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
<b>Change of USD by 10% against TRY:</b>				
1- Asset/Liability denominated in USD - net	(119,146)	119,146	(119,146)	119,146
2- The part hedged for USD risk (-)	14,512	(14,512)	138,587	(14,512)
<b>3- USD effect - net (1+2)</b>	<b>(104,634)</b>	<b>104,634</b>	<b>19,441</b>	<b>104,634</b>
<b>Change of EUR by 10% against TRY:</b>				
4- Asset/Liability denominated in EUR - net	(14,769)	14,769	(14,769)	14,769
5- The part hedged for EUR risk (-)	(432)	432	68,074	432
<b>6- EUR effect - net (4+5)</b>	<b>(15,201)</b>	<b>15,201</b>	<b>53,305</b>	<b>15,201</b>
<b>Change of other currencies by 10% against TRY:</b>				
7- Assets/Liabilities denominated in other foreign currencies - net	89,859	(89,859)	89,859	(89,859)
8- The part hedged for other foreign currency risk (-)				
<b>9- Other foreign currency effect - net (7+8)</b>	<b>89,859</b>	<b>(89,859)</b>	<b>89,859</b>	<b>(89,859)</b>
<b>Total (3+6+9)</b>	<b>(29,976)</b>	<b>29,976</b>	<b>162,605</b>	<b>29,976</b>

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**NOTE 21 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL  
INSTRUMENTS (Continued)**

**31 December 2021**

	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>Change of USD by 10% against TRY:</b>				
1- Asset/(Liability) denominated in USD - net	(118,047)	118,047	(118,047)	118,047
2- The part hedged for USD risk (-)	-	-	16,661	(16,661)
<b>3- USD effect - net (1+2)</b>	<b>(118,047)</b>	<b>118,047</b>	<b>(101,386)</b>	<b>101,386</b>
<b>Change of EUR by 10% against TRY:</b>				
4- Asset/(Liability) denominated in EUR - net	157,790	(157,790)	157,790	(157,790)
5- The part hedged for EUR risk (-)	-	-	-	-
<b>6- Avro effect - net (4+5)</b>	<b>157,790</b>	<b>(157,790)</b>	<b>157,790</b>	<b>(157,790)</b>
<b>Change of other currencies by 10% against TRY:</b>				
7- Assets/(Liabilities) denominated in othe foreign currencies - net	79,933	(79,933)	79,933	(79,933)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
<b>9- Other foreign currency effect - net (7+8)</b>	<b>79,933</b>	<b>(79,933)</b>	<b>79,933</b>	<b>(79,933)</b>
<b>Total (3+6+9)</b>	<b>119,676</b>	<b>(119,676)</b>	<b>136,337</b>	<b>(136,337)</b>

**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.

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**NOTE 21 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL  
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**Fair value estimation (Continued)**

30 September 2022 and 31 December 2021, fair value and book value of financial statement were as follows:

<b>30 September 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial investments – currency-protected time deposits	-	1,905,788	-	1,905,788
Derivative financial instruments	-	66,115	-	66,115
Investment properties- Land	-	4,937,295	-	4,937,295
<b>Total assets</b>	-	<b>6,909,198</b>	-	<b>6,909,198</b>
Derivative financial liabilities	-	-	-	-
<b>Total liabilities</b>	-	-	-	-
<b>31 December 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative financial instruments	-	8,534	-	8,534
Investment properties- Land	-	2,872,594	-	2,872,594
<b>Total assets</b>	-	<b>2,881,128</b>	-	<b>2,881,128</b>
Derivative financial liabilities	-	(54,179)	-	(54,179)
<b>Total liabilities</b>	-	<b>(54,179)</b>	-	<b>(54,179)</b>

**NOTE 22 - SUBSEQUENT EVENTS**

None.

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