

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

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

**Condensed Consolidated Interim Financial Statements
For The Period From January 1 To September 30, 2024**

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Balance Sheet as At September 30, 2024

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

		Unaudited	Audited
	Notes	September 30, 2024	December 31, 2023
Assets			
Current Assets			
Cash and cash equivalents	4	3.174.456	5.488.275
Financial investments	5	600.356	406.156
Trade receivables		8.802.115	10.251.982
- Trade receivables from related parties	17	2.113.735	2.167.713
- Trade receivables from third parties	7	6.688.380	8.084.269
Other receivables		12.314	166.734
- Other receivables from related parties	17	6.409	5.637
- Other receivables from third parties		5.905	161.097
Derivative financial instruments	21	23.665	81.765
Inventories	6	8.649.596	8.342.988
Prepaid expenses		1.073.027	1.049.818
- Prepaid expenses to related parties	17	274.754	185.506
- Prepaid expenses to third parties	11	798.273	864.312
Current income tax asset	14	33.844	55.504
Other current assets		1.526.790	1.782.601
- Other current assets from third parties	11	1.526.790	1.782.601
TOTAL CURRENT ASSETS		23.896.163	27.625.823
NON-CURRENT ASSETS			
Financial investments	5	89.870	89.870
Other receivables		27.361	25.411
- Other receivables from related parties	17	27.361	25.320
- Other receivables from third parties		-	91
Derivative financial instruments	21	12.679	55.875
Investments accounted by using equity method	22	29.556.175	32.644.098
Investments property	18	19.088.265	22.863.904
Property, plant and equipment	9	41.571.320	43.936.006
Right-of-use assets		1.157.956	1.191.487
Intangible assets		455.515	424.933
Prepaid expenses		355.804	515.754
- Prepaid expenses to related parties	17	25.820	46.570
- Prepaid expenses to third parties	11	329.984	469.184
Deferred tax assets	14	2.574.979	660.016
Other non-current assets		115.361	107.910
- Other non-current assets related to third parties		115.361	107.910
TOTAL NON - CURRENT ASSETS		95.005.285	102.515.264
TOTAL ASSETS		118.901.448	130.141.087

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

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Balance Sheet as At September 30, 2024

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

		Unaudited September 30, 2024	Audited December 31, 2023
	Notes		
LIABILITIES			
CURRENT LIABILITIES			
Short-term borrowings		17.961.274	18.063.155
- Short-term borrowings from related parties		79.220	166.299
- Short term lease liabilities to related parties	17	79.220	166.299
- Short-term borrowings from third parties		17.882.054	17.896.856
- Bank borrowings	8	12.991.540	7.351.614
- Short term lease liabilities	8	79.811	51.691
- Other financial liabilities	8	4.810.703	10.493.551
Short-term portion of long-term borrowings		5.928.676	4.850.875
Short-term portion of long-term borrowings from third parties		5.928.676	4.850.875
- Bank borrowings	8	5.928.676	4.850.875
Trade payables		9.965.242	11.218.417
- Trade payables to related parties	17	7.609.141	6.085.205
- Trade payables to third parties	7	2.356.101	5.133.212
Payables related to employee benefits	12	114.005	160.376
Other payables		21.290	33.154
- Other payables to related parties	17	87	118
- Other payables to third parties		21.203	33.036
Derivative financial instruments	21	47.158	20.975
Deferred revenue		1.344.040	759.158
- Deferred revenue from related parties	17	120.768	88.804
- Deferred revenue from third parties	10	1.223.272	670.354
Short-term provisions		553.120	1.082.635
- Provision for employee benefits	12	550.486	1.079.107
- Other short-term provisions	20	2.634	3.528
Other current liabilities			
- Other current liabilities related to third parties		239.146	157.353
		239.146	157.353
TOTAL CURRENT LIABILITIES		36.173.951	36.346.098
NON-CURRENT LIABILITIES			
Long-term financial liabilities		15.851.932	18.513.220
- Long-term borrowings from related parties		203.261	511.194
- Long term lease liabilities to related parties	17	203.261	511.194
Long-term borrowings from third parties		15.648.671	18.002.026
- Bank borrowings	8	15.343.119	17.774.034
- Long-term lease liabilities to third parties	8	305.552	227.992
Deferred revenue		1.412.670	1.713.014
- Deferred revenue from related parties	17	1.412.670	1.713.014
Long-term provisions		1.256.643	1.025.365
- Provision for employee termination benefits	12	1.256.643	1.025.365
Deferred income tax liabilities	14	1.923.391	2.727.481
TOTAL NON-CURRENT LIABILITIES		20.444.636	23.979.080
TOTAL LIABILITIES		56.618.587	60.325.178

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Balance Sheet as At September 30, 2024

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

		Unaudited	Audited
		September 30,	December 31,
	Notes	2024	2023
EQUITY			
Equity Attributable to Owners of the Parent Company		61.869.169	69.476.025
Share capital	13	2.534.400	2.534.400
Adjustment to share capital	13	38.796.322	38.796.322
Share premium		680.251	680.251
Other comprehensive (expense) not to be reclassified to profit or loss		(1.201.933)	(607.646)
-Actuarial (loss) arising from defined benefit plan		(1.185.375)	(608.821)
Share of other comprehensive income of investments accounted by using equity method that will not be reclassified to profit or loss		(16.558)	1.175
Other comprehensive income/(expense) to be reclassified to profit or loss		(8.577.385)	(1.692.310)
- Currency translation differences		(1.634.857)	(648.716)
- Gain/(loss) on cash flow hedges		(1.656.281)	(572.294)
- Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		(5.286.247)	(471.300)
Restricted reserves		3.665.218	3.665.218
Retained earnings		26.099.790	16.059.739
Net profit (loss) for the period		(127.494)	10.040.051
Non-controlling interest		413.692	339.884
TOTAL EQUITY		62.282.861	69.815.909
TOTAL LIABILITIES AND EQUITY		118.901.448	130.141.087

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

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for Nine Months Period Ended as At September 30, 2024

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

		Unaudited January 1 - September 30, 2024	Unaudited July 1 - September 30, 2024	Unaudited January 1 - September 30, 2023	Unaudited July 1 - September 30, 2023
Notes					
PROFIT OR LOSS					
Revenue		57.158.004	17.218.985	61.883.660	21.818.674
Cost of sales		(57.833.745)	(18.391.770)	(64.418.531)	(21.851.679)
GROSS PROFIT/(LOSS)		(675.741)	(1.172.785)	(2.534.871)	(33.005)
General administrative expenses	15	(2.465.591)	(667.576)	(2.997.425)	(1.075.031)
Selling, marketing and distribution expenses		(981.177)	(297.518)	(1.175.138)	(413.338)
Other operating income		1.568.687	459.284	3.774.166	875.809
Other operating expenses		(1.369.450)	(383.587)	(2.741.756)	(505.173)
OPERATING PROFIT/(LOSS)		(3.923.272)	(2.062.182)	(5.675.024)	(1.150.738)
Income from investing activities		405.868	119.016	4.111.907	(252.779)
Expense from investing activities		(3.776.943)	(1.703.520)	(485)	(31)
Income from investments accounted by equity method	22	1.548.731	(336.798)	-	-
OPERATING LOSS BEFORE FINANCIAL INCOME/(EXPENSE)		(5.745.616)	(3.983.484)	(1.563.602)	(1.403.548)
Financial income	16	1.659.186	500.691	15.122.466	2.607.770
Financial expenses	16	(7.587.264)	(2.369.520)	(21.831.149)	(4.518.918)
Monetary gain (loss)		9.218.888	2.379.740	1.764.033	2.036.913
PROFIT/(LOSS) BEFORE TAX FROM CONTINUED OPERATIONS		(2.454.806)	(3.472.573)	(6.508.252)	(1.277.783)
Tax (expense)/income from continuing operations					
- Current tax (expense)/income	14	-	-	(25.948)	1.598
- Deferred tax (expense)/income	14	2.360.739	453.969	(3.021.632)	(1.981.553)
PROFIT (LOSS) FOR THE PERIOD FROM CONTINUED OPERATIONS		(94.067)	(3.018.604)	(9.555.832)	(3.257.738)
PROFIT (LOSS) FOR THE PERIOD		(94.067)	(3.018.604)	(9.555.832)	(3.257.738)
DISTRIBUTION OF INCOME FOR THE PERIOD					
- Non-controlling interest		33.427	(19.761)	(13.997)	(117.861)
- Owners of the parent company		(127.494)	(2.998.843)	(9.541.835)	(3.139.877)
Earnings Per Share	19	(0,0503)	(1,1833)	(3,7649)	(1,2389)
- Earnings per Kr 1 number of shares from continued operations		(0,0503)	(1,1833)	(3,7649)	(1,2389)

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

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for Nine Months Period Ended as At September 30, 2024

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

	Unaudited January 1 - September 30, 2024	Unaudited July 1 - September 30, 2024	Unaudited January 1 - September 30, 2023	Unaudited July 1 - September 30, 2023
Notes				
PROFIT/(LOSS) FOR THE PERIOD	(94.067)	(3.018.604)	(9.555.832)	(3.257.738)
OTHER COMPREHENSIVE INCOME/(EXPENSE)	(7.438.981)	(1.866.363)	572.433	74.240
Items that will not to be reclassified to profit or loss	(594.287)	(34.891)	97.139	(7.642)
Gains / (losses) on remeasurements of defined benefit plans	(748.772)	(44.058)	129.519	(1.459)
Deferred taxes relating to (loss)/gain on remeasurements of defined benefit plan	172.218	10.133	(32.380)	(6.183)
Gains (losses) on remeasurements of defined benefit plans from investments accounted by using equity method	(17.733)	(966)	-	-
Items to be reclassified to profit or loss	(6.844.694)	(1.831.472)	475.294	81.882
Currency translation differences	(943.902)	(215.097)	204.193	(42.768)
(Losses)/gains from cash flow hedges	(1.411.174)	(198.432)	361.470	178.407
- Deferred taxes relating to (loss)/gain from cash flow hedges	325.329	46.659	(90.369)	(53.757)
Losses currency translation difference from investments accounted with using equity method	(8.762.519)	(2.317.413)	-	-
Gains on hedges from investments accounted with the equity method	3.947.572	852.811	-	-
OTHER COMPREHENSIVE EXPENSE/(INCOME)	(7.438.981)	(1.866.363)	572.433	74.240
TOTAL COMPREHENSIVE INCOME	(7.533.048)	(4.884.967)	(8.983.399)	(3.183.498)
Attributable to:				
Non-controlling interests	73.808	(9.290)	32.628	(115.475)
Owners of the parent company	(7.606.856)	(4.875.677)	(9.016.027)	(3.068.023)

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

	Other comprehensive income/(expense) not to be reclassified to profit or loss				Other comprehensive (expense) / income to be reclassified to profit or loss									
	Share capital	Adjustment to Share capital	Actuarial loss arising from defined benefit plan	Share of other comprehensive income of investments accounted by using equity method that will not be reclassified to profit or loss	(Loss) / gain on cash flow hedges	Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss	Currency translation differences	Share premium	Restricted reserves	Net profit (loss) for the period	Retained earnings	Equity attributable to owners of the parent company	Non controlling interests	Total equity
January 1, 2023	2.534.400	39.233.157	(569.145)	-	79.885	-	(1.401.708)	680.253	3.658.669	(1.739.750)	17.955.475	60.431.236	78.175	60.509.411
Transfers	-	-	-	-	-	-	-	-	6.471	1.739.750	(1.746.221)	-	-	-
Total Comprehensive income/(expense)	-	-	97.139	-	256.304	-	172.365	-	-	(9.541.835)	-	(9.016.027)	32.628	(8.983.399)
- Other Comprahensive income/(expnese)	-	-	97.139	-	256.304	-	172.365	-	-	-	-	525.808	46.625	572.433
- Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	(9.541.835)	-	(9.541.835)	(13.997)	(9.555.832)
September 30, 2023	2.534.400	39.233.157	(472.006)	-	336.189	-	(1.229.343)	680.253	3.665.140	(9.541.835)	16.209.254	51.415.209	110.803	51.526.012
January 1, 2024	2.534.400	38.796.322	(608.821)	1.175	(572.294)	(471.300)	(648.716)	680.251	3.665.218	10.040.051	16.059.739	69.476.025	339.884	69.815.909
Transfers	-	-	-	-	-	-	-	-	-	(10.040.051)	10.040.051	-	-	-
Total Comprehensive income/(expense)	-	-	(576.554)	(17.733)	(1.083.987)	(4.814.947)	(986.141)	-	-	(127.494)	-	(7.606.856)	73.808	(7.533.048)
- Other Comprahensive income/(expense)	-	-	(576.554)	(17.733)	(1.083.987)	(4.814.947)	(986.141)	-	-	-	-	(7.479.362)	40.381	(7.438.981)
- Net profit / (loss) for the period	-	-	-	-	-	-	-	-	-	(127.494)	-	(127.494)	33.427	(94.067)
September 30, 2024	2.534.400	38.796.322	(1.185.375)	(16.558)	(1.656.281)	(5.286.247)	(1.634.857)	680.251	3.665.218	(127.494)	26.099.790	61.869.169	413.692	62.282.861

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Cash Flow for Nine Months Period Ended At September 30, 2024

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

	Notes	Unaudited January 1 - September 30, 2024	Unaudited January 1 - September 30, 2023
A. . Cash flows from operating activities:		(2.262.724)	(4.066.073)
Net profit / (loss) for the period (I)		(94.067)	(9.555.832)
Adjustments related to reconciliation of (II) net profit for the year:		(1.778.473)	12.094.759
Adjustments for tax income / (expense)	14	(2.360.739)	3.047.580
Adjustments for depreciation and amortization		3.907.620	4.243.241
Adjustments for impairments / (reversals)		(16.388)	(107.546)
- Adjustments for impairment of inventories	6	(16.388)	(107.546)
Adjustments for provisions		978.127	1.361.378
- Adjustments for provision employment termination benefits		978.127	1.361.378
- Adjustments for other provisions			
Adjustments for interest income/(expense)		2.471.369	3.068.900
- Adjustments for interest income	16	(441.624)	(613.463)
- Adjustments for interest expense	16	2.912.993	3.682.363
Adjustments for unrealized foreign currency translation differences		1.658.533	24.956.828
Adjustments for fair value		3.586.398	(3.511.015)
- Adjustments for fair value increase in financial investment		(189.241)	(3.611)
- Adjustments for fair value increase in investment property	18	3.775.639	(3.507.404)
Undistributed income of investments accounted for using equity method adjustments regarding profits	22	(1.548.731)	-
Adjustments for monetary (gain)/loss		(10.453.497)	(20.950.328)
Adjustments to revenues from government grants		(1.165)	(14.279)
Changes in working capital (III)		457.919	(5.720.405)
Adjustments related to (increase)/decrease in trade receivables		1.449.867	421.273
Adjustments related to (increase)/decrease in other receivables		152.470	29.416
Adjustments related to (increase)/decrease in inventory		(198.326)	2.191.258
Adjustments related to (increase)/decrease in prepaid expenses		26.131	(7.510.299)
Adjustments for (decrease)/increase in trade payable		(1.252.012)	(2.016.345)
Adjustments for (decrease)/increase in other payable		(11.864)	(5.906)
Change in derivative financial instruments		127.479	(299.264)
Increase/(decrease) in payables to employees		(450.514)	643.996
Adjustments for increase/(decrease) in deferred revenue		284.538	732.060
Adjustments for other increase/(decrease) in working capital		330.150	93.406
Cash flows from operating activities (I+II+III)		(1.414.621)	(3.181.478)
Employee termination benefits paid		(848.103)	(819.990)
Income taxes paid		-	(64.605)
B. Cash flows from investing activities		(2.922.190)	(3.777.744)
Cash outflows from purchases of tangible and intangible assets		(2.796.487)	(4.882.341)
Other advances given and payables		110.612	(199.454)
Other cash inflows/(outflows)		(236.315)	1.304.051
C. Cash flows from financing activities		3.948.089	(16.332.442)
Proceeds from borrowings	8	22.385.804	24.987.814
Repayments of borrowings	8	(12.344.209)	(7.283.708)
Proceeds from other financial liabilities	8	5.060.177	9.283.624
Repayments of other financial liabilities	8	(8.600.205)	(22.204.176)
Repayments of bond issued	8	-	(17.703.617)
Proceeds other payables to related parties		-	3.819.265
Repayment of other payables to related parties		-	(3.819.265)
Cash outflows related to payables arising from lease agreements		(133.590)	(427.496)
Interest received		441.624	613.463
Interest paid		(2.861.512)	(3.598.346)
D.Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)		(1.236.825)	(24.176.259)
E. Effect of monetary impact on cash and cash equivalents		(1.095.772)	132.002
F. Effect of currency translation differences on cash and cash equivalents		18.778	109.947
Net increase/(decrease) in cash and cash equivalents (D+E+F)		(2.313.819)	(23.934.310)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	5.488.275	29.665.339
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	3.174.456	5.731.029

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

1. Group's Organisation and nature of operations

Petkim Petrokimya Holding A.Ş. ("Petkim" or "the Company") was established on 3 April 1965. The Company started its investment activities in İzmit-Yarımca and initially established the Ethylene, Polyethylene, Chlorine Alkali, VCM and PVC plants in 1970 in the Yarımca Complex and in the following years, construction of other plants continued. In 1985, Aliağa 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 petrochemistry, 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 person, 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.

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').

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

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

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

As of September 30, 2024 and December 31, 2023 the ultimate controlling party of the Company is State Oil Company of Azerbaijan Republic ("SOCAR").

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

The consolidated financial statements were approved for publication by the decision of the Board of Directors dated November 7, 2024 and signed by General Manager Mr. Kanan Mirzayev and Chief Financial Officer Mr. Ahmet Gülhan on behalf of the Board of Directors. The general assembly and certain regulatory bodies have the authority to make changes to the statutory financial statements after they are published.

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

Siteler Mh. Necmettin Giritlioğlu Cd. SOCAR Türkiye Aliğa Administration Building No: 6/1 Aliğa/İZMİR

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

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

As of September 30, 2024, the average number of employees working for the Group is 2.441. (December 31, 2023: 2.416).

	September 30, 2024	December 31, 2023
Union (*)	1.725	1.718
Non-Union (**)	721	665
	2.446	2.383

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

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

2. Basis of presentation of condensed consolidated interim financial statement

2.1 Basis of Presentation of Financial Statements

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

The condensed consolidated interim financial statements are presented in accordance with 'Announcement regarding with TFRS Taxonomy' which was published on 3 July 2024 by POA and the format and mandatory information recommended by CMB.

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

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

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

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

According to CMB Communiqué No:14 and announcements made by the CMB, it is obligatory for the foreign exchange position table of the companies preparing the summary financial statements in interim periods to present the hedging ratio of the total foreign exchange liability and the total export and total import amounts in the footnotes of the financial statements. (Note 21).

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

Going Concern

The Company has prepared its financial statements in accordance with the going concern assumption.

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

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

2.1 Basis of Presentation of Financial Statements (Continued)

Financial reporting in hyperinflationary economy

Entities applying TFRSs have started to apply inflation accounting in accordance with TAS 29 Financial Reporting in Hyperinflation Economies as of financial statements for the annual reporting period ending on or after 31 December 2023 with the announcements made by the Public Oversight Accounting and Auditing Standards Authority (POA) on 23 November 2023. TAS 29 is applied to the financial statements, including the consolidated financial statements, of any entity whose functional currency is the currency of a hyperinflationary economy.

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

Date	Index	Conversion Factor	Three Year Inflation Rate
September 30, 2024	2.526,16	1	%343
December 31, 2023	1.859,38	1,35860	%268
September 30, 2023	1.691.04	1,49385	%254

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

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

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

2.2 Summary of Significant Accounting Policies

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

2.3 Basis of Consolidation

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

a) Subsidiaries

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

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

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

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

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

2.3 Basis of Consolidation (Continued)

a) Subsidiaries (Continued)

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

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

b) Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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

Assets in the consolidated statement of financial position as of September 30, 2024, are translated into TRY from the foreign exchange buying rates effective as of the balance sheet date announced by the Central Bank of the Republic of Turkey as 34.1210 TRY = 1 USD, and liabilities are translated into TRY from the foreign exchange selling rates announced by the Central Bank of the Republic of Turkey as 34.1825 TRY = 1 USD (December 31, 2023: buying rate as 29.4382 TRY = 1 USD, selling rate as 29.4913 TRY = 1 USD).

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

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

2.4 Amendments in Turkish Financial Reporting Standards

The new standards, amendments and interpretations which are effective as of September 30, 2024 are as follows:

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

i) Standards, amendments and interpretations applicable as at 1 January 2024:

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

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

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

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

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

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

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

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

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

2.4 Amendments in Turkish Financial Reporting Standards (Continued)

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

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

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

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

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

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

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

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

TFRS 17 - The new Standard for insurance contracts

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

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

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

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

2.4 Amendments in Turkish Financial Reporting Standards (Continued)

iii) The amendments which are effective immediately upon issuance

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

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

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

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

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

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

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

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

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

2.4 Amendments in Turkish Financial Reporting Standards (Continued)

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11, amending the followings:

- *IFRS 1 First-time Adoption of International Financial Reporting Standards – Hedge Accounting by a First-time Adopter:* These amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- *IFRS 7 Financial Instruments: Disclosures – Gain or Loss on Derecognition:* The amendments update the language on unobservable inputs in the Standard and include a cross reference to IFRS 13.
- *IFRS 9 Financial Instruments – Lessee Derecognition of Lease Liabilities and Transaction Price:* IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply derecognition requirement of IFRS 9 and recognise any resulting gain or loss in profit or loss. IFRS 9 has been also amended to remove the reference to 'transaction price'.
- *IFRS 10 Consolidated Financial Statements – Determination of a 'De Facto Agent':* The amendments are intended to remove the inconsistencies between IFRS 10 paragraphs.
- *IAS 7 Statement of Cash Flows – Cost Method:* The amendments remove the term of "cost method" following the prior deletion of the definition of 'cost method'.

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

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

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

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

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

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

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

2.4 Amendments in Turkish Financial Reporting Standards (Continued)

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

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

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

2.5 Comparative Information and Restatement of Previous Year Financial Statements

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

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.

2.6 Critical Accounting Estimates and Judgments

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

a) Useful life of tangible and intangible assets

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

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

2.6 Critical Accounting Estimates and Judgments (Continued)

b) Deferred income tax assets

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

c) Provision for employee benefits

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

d) Fair value of determination of investment properties

As a result of the evaluations made by the Group management, the investment properties as of September 30, 2024 have been accounted based on their values nominated in terms of purchasing power of TL as of September 30, 2024. The valuation studies carried out by an independent professional valuation company authorized by the CMB with a real estate appraisal license as of June 30, 2024. The change in the fair value of investment properties has been accounted for under income from investment activities in the condensed consolidated statement of profit or loss (Notes 18).

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 m² 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.

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

3. Segment Reporting

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

The operating segment of the Group are as follows;

- Petrochemical
- Port

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

a) Revenue

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - September 30, 2023	July 1 - September 30, 2023
Petrochemical	56.625.995	17.064.045	61.348.028	21.683.353
Port	532.009	154.940	535.632	135.321
Total before eliminations and adjustments	57.158.004	17.218.985	61.883.660	21.818.674
Consolidation eliminations and adjustments	-	-	-	-
	57.158.004	17.218.985	61.883.660	21.818.674

b) Operating Profit (Loss)

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - September 30, 2023	July 1 - September 30, 2023
Petrochemical	(4.282.445)	(2.122.200)	(6.461.212)	(1.132.543)
Port	296.826	44.199	744.517	(29.742)
Operating profit (loss) before eliminations and adjustments	(3.985.619)	(2.078.001)	(5.716.695)	(1.162.285)
Consolidation eliminations and adjustments	62.347	15.819	41.671	11.547
Operating profit (loss)	(3.923.272)	(2.062.182)	(5.675.024)	(1.150.738)
Financial income (expense), net	(5.928.078)	(1.868.829)	(6.708.683)	(1.911.148)
Monetary gain (loss)	9.218.888	2.379.740	1.764.033	2.036.913
Income (expense) from investing activities, net	(1.822.344)	(1.921.302)	4.111.422	(252.810)
Profit (loss) before tax from continued operations	(2.454.806)	(3.472.573)	(6.508.252)	(1.277.783)
Tax income (expense)	2.360.739	453.969	(3.047.580)	(1.979.955)
Profit/(loss) for the period	(94.067)	(3.018.604)	(9.555.832)	(3.257.738)

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3. Segment Reporting (Continued)

c) Total Assets

	September 30, 2024	December 31, 2023
Petrochemical	119.976.205	123.719.983
Port	13.173.018	12.958.444
Total before eliminations and adjustments	133.149.223	136.678.427
Consolidation eliminations and adjustments	(14.247.775)	(6.537.340)
	118.901.448	130.141.087

d) Total liabilities

	September 30, 2024	December 31, 2023
Petrochemical	50.922.842	52.689.312
Port	6.837.762	7.753.488
Total before eliminations and adjustments	57.760.604	60.442.800
Consolidation eliminations and adjustments	(1.142.017)	(117.622)
	56.618.587	60.325.178

4. Cash and Cash Equivalents

	September 30, 2024	December 31, 2023
Banks	3.173.708	5.488.243
Demand deposits	33.441	133.097
- Turkish Lira	7.349	65.834
- Foreign currency	26.092	67.263
Time deposits	3.140.267	5.355.146
- Turkish Lira	536.899	276.961
- Foreign currency	2.603.368	5.078.185
Other	748	32
	3.174.456	5.488.275

As of September 30, 2024, foreign currency time deposits consist of monthly deposits. The weighted average effective interest rates of USD and EUR monthly deposits are 2,16% and 1% per annum, respectively. (December 31, 2023: USD – 3,37%, EUR – 2,73%). As of September 30, 2024, the TRY dominated time deposits consist of monthly deposits and the weighted average effective interest rate is monthly 48,55% per annum (December 31, 2023: consist of monthly and daily deposits and the weighted average effective interest rate is monthly 40,63%).

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5. Financial Investments

a) Short-term financial investments:

	September 30, 2024	December 31, 2023
Marketable securities	600.356	406.156
	600.356	406.156

Short-term financial investments consist of financial assets whose fair value differences are recognized in profit or loss and fair value disclosures are included in Note 21.

b) Long-term financial investments

	September 30, 2024		December 31, 2023	
	Amount	Shareholding Rate (%)	Amount	Shareholding Rate (%)
SOCAR Power Enerji Yatırımları A.Ş.	89.870	9,90	89.870	9,90
	89.870		89.870	

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

6. Inventories

	September 30, 2024	December 31, 2023
Raw materials	2.188.373	1.602.920
Work-in-progress	2.045.146	1.555.370
Finished goods	2.902.715	2.714.108
Trade goods	237.246	280.579
Goods in transit	411.348	971.623
Other Inventories	934.100	1.304.108
Less: Provision for impairment on inventories	(69.332)	(85.720)
	8.649.596	8.342.988

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

	2024	2023
January 1	(85.720)	(204.083)
Realised due to sale of inventory	85.720	204.083
Charged within the period	(69.332)	(96.537)
September 30	(69.332)	(96.537)

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7. Trade Receivables and Payables

a) Short-term trade receivables from third parties:

	September 30, 2024	December 31, 2023
Trade receivables	6.703.669	8.104.133
Provision for doubtful trade receivables (-)	(15.289)	(19.864)
	6.688.380	8.084.269

b) Short-term trade payables to third parties:

Trade payables	2.356.101	5.133.212
	2.356.101	5.133.212

8. Borrowings and Borrowing Cost

	September 30, 2024	December 31, 2023
Short-term borrowings	12.991.540	7.351.614
Short-term portions of long-term borrowings	5.928.676	4.850.875
Lease liabilities	79.811	51.691
Other financial liabilities (*)	4.810.703	10.493.551
Short-term financial liabilities	23.810.730	22.747.731
Long-term borrowings (**)	15.343.119	17.774.034
Lease liabilities	305.552	227.992
Long-term financial borrowings	15.648.671	18.002.026
Total financial liabilities	39.459.401	40.749.757

(*) Other financial liabilities consist of letters of credits and murabaha loan arising from naphtha purchases and trade goods financing. The average remaining maturity of other financial liabilities are 227 days (December 31, 2023: Average remaining maturity is 59 days).

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

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8. Borrowings and Borrowing Cost (Continued)

Bank borrowings and bonds issued:

	Effective weighted average Interest rate p.a. (%)		Original Currency		TRY Equivalent	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Short-term borrowings:						
TL Borrowings	47,51 - 48,00	-	1.213.830	-	1.213.830	-
USD Borrowings	5,90 - 7,45	7,00 - 10,55	344.554	183.484	11.777.710	7.351.614
Short-term portions of long-term borrowings:						
USD Borrowings	SOFR + 5,00 - 5,60 , 6,90-12,17	SOFR + 4,67 - 5,60, 7,00-10,55	173.442	107.115	5.928.676	4.291.770
AVRO Borrowings	-	7,73	-	12.611	-	559.105
Total short-term borrowings					18.920.216	12.202.489
Long-term borrowings and bond issues:						
USD Borrowings	SOFR + 5,00 - 5,60	SOFR + 4,67 - 5,60	448.859	443.609	15.343.119	17.774.034
Total long-term borrowings					15.343.119	17.774.034
Total Borrowings					34.263.335	29.976.523

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8. Borrowings and Borrowing Cost (Continued)

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

	September 30, 2024
October 1, 2025- September 30 2026	13.526.699
October 1, 2026- September 30 2027	1.309.042
October 1, 2027- September 30 2028	507.378
	15.343.119
	December 31, 2023
2025	2.277.446
2026	13.892.182
2027	1.359.870
2028	244.536
	17.774.034

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

	2024	2023
January 1	34.981.799	31.588.451
Proceeds from financial liabilities	27.445.981	34.271.438
Repayments of financial liabilities	(20.944.414)	(47.191.501)
Changes in foreign exchange	4.280.314	14.283.485
Changes in interest accrual	(84.726)	(250.323)
Change in cash and cash equivalents and financial investments	758.956	18.276.129
Monetary gain (loss)	(10.538.328)	(13.457.467)
September 30	35.899.582	37.520.212

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9. Property, plant and equipment

	January 1, 2024	Additions	Transfers	Disposals	Foreign Currency Translation Differences	September 30, 2024
<u>Cost:</u>						
Land	819.714	-	-	(8)	(1.241)	818.465
Land improvements	4.279.347	-	3.752	-	(3.019)	4.280.080
Buildings	3.695.454	-	-	-	(1.075)	3.694.379
Machinery and equipment	157.371.951	-	1.234.726	-	-	158.606.677
Motor vehicles	217.581	-	-	(6.090)	-	211.491
Furniture and fixtures	2.029.833	-	37.518	(8.959)	(1.269)	2.057.123
Other fixed assets	22.102	-	-	-	-	22.102
Leasehold improvements	9.671	-	-	-	-	9.671
Assets subject to operating lease (**)	12.364.185	-	-	-	(1.678.110)	10.686.075
Construction in progress (*)	9.295.571	2.796.487	(1.358.184)	-	(225)	10.733.649
	190.105.409	2.796.487	(82.188)	(15.057)	(1.684.939)	191.119.712
<u>Accumulated depreciation:</u>						
Land improvements	(2.797.205)	(169.092)	-	-	115.338	(2.850.959)
Buildings	(2.797.135)	(60.608)	-	-	1.060	(2.856.683)
Machinery and equipment	(136.206.094)	(3.242.048)	-	-	-	(139.448.142)
Motor vehicles	(167.267)	(13.498)	-	3.508	-	(177.257)
Furniture and fixtures	(1.533.090)	(101.842)	-	7.103	-	(1.627.829)
Other fixed assets	(22.102)	-	-	-	-	(22.102)
Leasehold improvements	(9.671)	-	-	-	-	(9.671)
Assets subject to operating lease (**)	(2.636.839)	(263.844)	-	-	344.934	(2.555.749)
	(146.169.403)	(3.850.932)	-	10.611	461.332	(149.548.392)
Net Book Value	43.936.006					41.571.320

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

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

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9. Property, plant and equipment (Continued)

	January 1, 2023	Additions	Transfers	Disposals	Foreign Currency Translation Differences	September 30, 2023
<u>Cost:</u>						
Land	821.588	-	-	-	(1.874)	819.714
Land improvements	4.266.552	-	10.790	-	(7.181)	4.270.161
Buildings	3.696.100	-	-	-	(1.721)	3.694.379
Machinery and equipment	153.891.621	-	1.751.801	-	-	155.643.422
Motor vehicles	498.767	-	38.438	(4.986)	-	532.219
Furniture and fixtures	1.991.099	-	54.614	(59.270)	(1.431)	1.985.012
Other fixed assets	22.102	-	-	-	-	22.102
Leasehold improvements	9.671	-	-	-	-	9.671
Assets subject to operating lease (**)	12.897.075	-	-	-	(3.261.187)	9.635.888
Construction in progress (*)	8.907.837	4.882.341	(1.886.677)	-	(1.698)	11.901.803
	187.002.412	4.882.341	(31.034)	(64.256)	(3.275.092)	188.514.371
<u>Accumulated depreciation:</u>						
Land improvements	(2.571.672)	(169.355)	-	-	4.915	(2.736.112)
Buildings	(2.716.447)	(60.792)	-	-	2.122	(2.775.117)
Machinery and equipment	(130.120.055)	(3.562.634)	-	-	-	(133.682.689)
Motor vehicles	(240.579)	(58.112)	-	3.908	-	(294.783)
Furniture and fixtures	(1.477.766)	(94.156)	-	57.059	1.355	(1.513.508)
Other fixed assets	(22.102)	-	-	-	-	(22.102)
Leasehold improvements	(9.671)	-	-	-	-	(9.671)
Assets subject to operating lease (**)	(2.303.787)	(256.908)	-	-	714.767	(1.845.928)
	(139.462.079)	(4.201.957)	-	60.967	723.159	(142.879.910)
Net Book Value	47.540.333					45.634.461

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

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

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10. Deferred Revenue

a) Short-term deferred revenue

	September 30, 2024	December 31, 2023
Advances received	1.222.437	668.513
Deferred revenue	835	1.841
	1.223.272	670.354

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

11. Prepaid expenses and other current assets

a) Short-term prepaid expenses

	September 30, 2024	December 31, 2023
Advances given for inventory	625.799	801.569
Prepaid rent, insurance and other expenses	108.148	58.600
Advances given for customs procedures	64.326	4.143
	798.273	864.312

b) Long-term prepaid expenses

Advances given for property, plant and equipment	327.958	467.018
Prepaid rent, insurance and other expenses	2.026	2.166
	329.984	469.184

c) Other current assets

Value added taxes ("VAT")	1.509.698	1.768.196
Other	17.092	14.405
	1.526.790	1.782.601

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12. Employee benefits

a) Short-term employee benefits:

	September 30, 2024	December 31, 2023
Provision for bonus premium	423.852	1.001.787
Provision for seniority incentive bonus	126.634	77.320
	550.486	1.079.107

b) Long-term employee benefits

	September 30, 2024	December 31, 2023
Provision for employment termination benefits	757.350	667.721
Provision for unused vacation rights	411.431	280.686
Provision for seniority incentive bonus	87.862	76.958
	1.256.643	1.025.365

c) Liabilities for employee benefits:

	September 30, 2024	December 31, 2023
Social security contribution	113.812	159.395
Due to personnel	193	981
	114.005	160.376

Provision for employment termination benefits:

Under Turkish Labour Law, the Group is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, or who is called up for military service, dies or retires after completing 25 years of service (20 years for women).

The amount payable consists of one month's salary limited to a maximum of full TRY 41.828,42 for each year of service as of September 30, 2024 (December 31, 2023 : TRY 23.489,83).

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

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

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

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12. Employee benefits (Continued)

Provision for employment termination benefits (Continued):

	September 30, 2024	December 31, 2023
Net discount rate (%)	2,52	1,98
Probability of retirement (%)	99,1	97,8

The principal assumption is that the maximum liability for each year of service will increase in line with inflation, Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation, As the maximum liability is revised semi-annually, the maximum amount of full TRY 41.828,42 which is effective from July 1, 2024, has been taken into consideration in the calculation of employment termination benefits of the Group (January 1, 2023: full TRY 35.058,58)

Provision for seniority incentive bonus:

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

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

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

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

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13. Equity

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

Group: Shareholder:	September 30, 2024		December 31, 2023	
	Amount (TL)	Share (%)	Amount (TL)	Share (%)
A SOCAR Turkey Petrokimya A.Ş.	1.292.544	51,00	1.292.544	51,00
B Publicly Traded and Other	1.241.856	49,00	1.241.856	49,00
C Privatization Administration	0,00	0,01	0,00	0,01
Total paid share capital	2.534.400	100	2.534.400	100
Adjustment to share capital	38.796.322		38.796.322	
Total Share Capital	41.330.722		41.330.722	

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

14. Tax assets and liabilities

a) Corporate tax

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

	September 30, 2024	December 31, 2023
Calculated corporate tax	-	-
Less: Prepaid taxes	(33.844)	(55.504)
Corporate tax assets	(33.844)	(55.504)

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

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - September 30, 2023	July 1 - September 30, 2023
Deferred tax (expense)/income	2.360.739	453.969	(3.021.632)	(1.981.553)
Current period tax (expense)/income	-	-	(25.948)	1.598
Total tax (expense)/income	2.360.739	453.969	(3.047.580)	(1.979.955)

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14. Tax assets and liabilities (Continued)**a) Deferred taxes**

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

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

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

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

	Taxable Temporary Differences		Deferred Income Tax Assets/(Liabilities)	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
Fair value increase in investment properties	(19.078.185)	(22.850.209)	(3.290.987)	(3.941.661)
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	(4.348.235)	(5.210.287)	(957.098)	(1.178.924)
Fair value difference of derivative financial instruments	-	(116.664)	-	(28.668)
Other	(796.379)	(58.053)	(188.219)	(18.115)
Deferred Tax Liabilities	(24.222.799)	(28.235.213)	(4.436.304)	(5.167.368)
Unused investment incentives	18.540.032	6.152.521	4.467.603	2.269.147
Provision for employee benefit	1.807.129	2.104.473	415.640	484.028
Deferred revenue related to the port rental agreement	749.612	238.383	187.403	59.596
Fair value difference of derivative financial instruments	10.814	-	1.760	-
Inventory provision	67.333	83.282	15.486	19.155
Carry forward tax losses	-	1.071.911	-	267.977
Deferred Tax Assets	21.174.920	9.650.570	5.087.892	3.099.903
Deferred Tax (Liabilities)/Assets- net			651.588	(2.067.465)
Deferred Tax Assets			2.574.979	660.016
Deferred Tax Liabilities			(1.923.391)	(2.727.481)

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14. Tax assets and liabilities (Continued)

b) Deferred taxes (Continued)

The movement of deferred income tax is as follows:

	2024	2023
January 1	(2.067.465)	239.885
Charged to consolidated statement of profit or loss	2.360.739	(3.021.632)
Charged to consolidated statement of other comprehensive income or expense	497.547	(122.749)
Foreign currency translation differences	(139.233)	2.171.749
September 30	651.588	(732.747)

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

Tax Advantages Obtained Under the Investment Incentive System:

Earnings of the Group that are derived from investments linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate and ends when the maximum investment contribution amount is reached. Within this scope, the group has accounted for TRY 4.467.603 (December 31, 2023: TRY 2.269.147) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of September 30, 2024, TRY 2.198.456 of deferred tax expense is recognized in the consolidated profit or loss statement for the period between January 1 - September 30, 2024 from accounting of such deferred tax assets.

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

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

15. General administrative expenses

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - September 30, 2023	July 1 - September 30, 2023
Personnel expense	1.001.707	196.186	1.469.001	558.560
Outsourced services	848.825	272.025	742.886	270.278
Depreciation and amortization	318.012	106.900	348.829	105.849
Energy expenses	162.477	45.262	99.591	33.384
Taxes, funds and fees	58.963	11.838	38.929	11.027
Other	75.607	35.365	298.189	95.933
	2.465.591	667.576	2.997.425	1.075.031

16. Financial Income and Expenses

a) Financial income:

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - September 30, 2023	July 1 - September 30, 2023
Foreign exchange gain	1.167.002	334.252	14.414.216	2.270.898
Interest income	441.624	152.571	613.463	300.390
Other	50.560	13.868	94.787	36.482
	1.659.186	500.691	15.122.466	2.607.770

b) Financial expenses:

Foreign exchange losses	(4.467.218)	(1.390.029)	(17.869.113)	(3.221.593)
Interest expense	(2.912.993)	(901.377)	(3.682.363)	(1.217.697)
Interest expense on employee benefits	(127.609)	(42.498)	(62.609)	(18.129)
Commission expense	(66.354)	(25.756)	(194.729)	(61.499)
Other	(13.090)	(9.860)	(22.335)	-
	(7.587.264)	(2.369.520)	(21.831.149)	(4.518.918)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

17. Transactions and balances with related parties

Summary of the intercompany balances as of 30 September 2024 and 31 December 2023 and significant intercompany transactions during the period were as follows:

i) Balances with related parties (Continued)

a) Trade receivables from related parties:

	September 30, 2024	December 31, 2023
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	1.419.255	1.214.349
STAR Rafineri A.Ş. ("STAR") ⁽²⁾	600.875	892.290
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	49.885	5.714
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	33.557	27.336
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	8.221	25.265
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	1.284	1.541
Other	658	1.218
	2.113.735	2.167.713

b) Short-term other receivables from related parties:

STAR ⁽²⁾	5.999	4.729
SOCAR Logistics DMCC ⁽²⁾	410	855
STEAŞ ⁽¹⁾	-	53
	6.409	5.637

c) Long-term other receivables from related parties:

SOCAR Power Enerji Yatırımları A.Ş. ⁽²⁾	27.361	25.320
	27.361	25.320

d) Short-term trade payables to related parties:

	September 30, 2024	December 31, 2023
STAR ⁽²⁾	5.215.468	4.561.457
SOCAR Logistics DMCC ⁽²⁾	1.589.341	502.270
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	597.548	645.756
STEAŞ ⁽¹⁾	162.787	243.972
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	17.047	39.259
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	12.987	17.333
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	10.597	68.896
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	1.761	4.462
Azoil Petrolculuk A.Ş. ⁽²⁾	1.604	1.168
Other	1	632
	7.609.141	6.085.205

Short-term payables to the related parties mainly consist of consultancy and product purchases. Average maturity of short-term payables to the related parties is 20 days (31 December 2023: 21 days).

(1) Shareholders of the Company.

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

17. Transactions and balances with related parties (Continued)

i) Balances with related parties (Continued)

e) Other payables to related parties:

	September 30, 2024	December 31, 2023
Due to Shareholders ⁽¹⁾	87	118
	87	118

f) Short-term deferred revenue from related parties

STAR ⁽²⁾ (*)	59.137	13.385
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	56.917	74.957
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	4.386	462
Other ⁽²⁾	328	-
	120.768	88.804

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

g) Long-term deferred revenue from related parties

	September 30, 2024	December 31, 2023
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾ (*)	1.408.401	1.707.046
STAR ⁽²⁾	4.197	5.861
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	72	107
	1.412.670	1.713.014

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

	September 30, 2024	December 31, 2023
h) Short-term prepaid expense to related parties		
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	159.669	71
SOCAR Logistics DMCC ⁽²⁾	56.658	34.489
STEAS ⁽¹⁾	47.957	95.617
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	9.958	103
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	-	50.654
Other ⁽²⁾	512	4.572
	274.754	185.506

(1) Shareholders of the Company.

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

17. Transactions and balances with related parties (Continued)

i) Balances with related parties (Continued)

i) Long-term prepaid expense to related parties

	September 30, 2024	December 31, 2023
STAR ⁽²⁾	14.330	28.874
STEAŞ ⁽¹⁾	11.490	17.696
	25.820	46.570

j) Short-term leasing payables to related parties

STAR ⁽²⁾	56.675	10.992
STEAŞ ⁽¹⁾	22.545	16.901
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	-	138.406
	79.220	166.299

k) Long-term leasing payables to related parties

STAR ⁽²⁾	149.841	7.046
STEAŞ ⁽¹⁾	53.420	49.517
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	-	454.631
	203.261	511.194

(1) Shareholders of the Company.

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

ii) Transactions with related parties

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

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - September 30, 2023	July 1 - September 30, 2023
STAR ⁽²⁾	(659.453)	(250.342)	(929.192)	(1.630)
STEAŞ ⁽¹⁾	(11.629)	(3.826)	7.677.412	1.181.131
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	(4.644)	(1.136)	(296.827)	(52.122)
SOCAR Logistics DMCC ⁽²⁾	(695)	(3.284)	9.604	9.361
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	(116)	2.037	(101.284)	(7.494)
SOCAR Power Enerji Yatırımları A.Ş. ⁽²⁾	9.090	3.202	5.132	2.031
SOCAR Aliaga Liman İşletmeciliği A.Ş. ⁽²⁾	(3.027)	(3.392)	(3.131)	(5.877)
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	2.045	(178)	(165)	21
Azoil Petrolculük A.Ş. ⁽²⁾	(1.780)	(2.783)	458	(2.205)
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	13	15	(141.157)	(85.340)
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	-	-	88.801	19.715
Other ⁽²⁾	(255)	(101)	(12.386)	(5.176)
	(670.451)	(259.788)	6.297.265	1.052.415

(1) Shareholders of the Company.

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

TRY511.556 of the expenses arising from STAR consist of exchange rate difference expenses and TRY147.897 of other expenses, TRY4.926 of the expenses arising from STEAŞ consist of foreign exchange difference expenses and TRY6.703 of other expenses. Income obtained from SOCAR Power Enerji Yatırımları A.Ş. consists of interest income. (September 30, 2023: TRY644.756 of the expenses arising from STAR consist of exchange rate difference expenses and TRY75.559 of other expenses, TRY6.280.096 of the revenues obtained from STEAŞ consist of foreign exchange difference income and TRY130.280 of other expenses. Income obtained from SOCAR Power Enerji Yatırımları A.Ş. consists of interest income.)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

17. Transactions and balances with related parties (Continued)

ii) Transactions with related parties (Continued)

b) Service and rent purchases from related parties:

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - September 30, 2023	July 1 - September 30, 2023
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	717.514	136.539	269.787	84.887
STEAS ⁽¹⁾	451.316	157.091	270.406	97.048
STAR ⁽²⁾	105.117	23.438	50.311	14.879
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	90.779	-	-	-
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	87.100	28.732	386.847	120.784
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	34.798	15.011	104.575	33.943
SOCAR Trading SA ⁽²⁾	10.486	-	-	-
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	7.490	-	567	567
SOCAR Aliağa Liman İşletmeciliği A.Ş. ⁽²⁾	1.028	1.028	-	-
Other	554	1	4.293	846
	1.506.182	361.840	1.086.786	352.954

c) Product purchase from related parties:

STAR ⁽²⁾	12.426.256	4.686.855	17.180.769	4.144.212
SOCAR Logistics DMCC ⁽²⁾	12.068.119	2.910.197	1.136.737	614.252
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	4.926.856	1.524.403	5.006.320	1.693.079
SOCAR Trading SA ⁽²⁾	1.311.020	1.311.020	-	-
Azoil Petrolcülük A.Ş. ⁽²⁾	10.451	4.313	7.905	3.206
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	4.439	1.431	5.362	1.936
Other	394	395	1.328	1.327
	30.747.535	10.438.614	23.338.421	6.458.012

Goods purchases from related parties consist of raw materials and commercial product purchases. Purchases from STAR consist of 521.329 tons and TRY12.051.393 of naphtha purchases and 374.864 TL of other purchases. (September 30, 2023: Purchases of goods from related parties consist of raw materials and commercial product purchases. Purchases from STAR consist of 708.912 tons and TRY13.678.765 of naphtha purchases and TRY87.643 of other purchases.)

(1) Shareholders of the Company.

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

17. Transactions and balances with related parties (Continued)

ii) Transactions with related parties (Continued)

d) Product and service sales to related parties:

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - September 30, 2023	July 1 - September 30, 2023
STAR ⁽²⁾ (*)	4.589.231	1.018.077	4.799.273	1.949.837
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	1.114.203	319.743	683.063	239.350
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	432.642	218	1.631	97
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	33.189	29.167	9.294	2.258
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	2.569	-	333.446	99.913
Other	731	208	30.075	20.807
	6.172.565	1.367.413	5.856.782	2.312.262

(*) Of the sales made to STAR, TRY3.278.920 consists of by-product sales, TRY1.305.628 consists of steam sales, and the remaining sales consist of other product sales. (September 30, 2023: TRY2.402.776 of sales to STAR consists of by-product sales, TRY1.153.799 consists of steam sales, and the remaining sales consist of other product sales.)

e) Rent income from related parties:

STAR ⁽²⁾	202.682	64.308	175.568	51.271
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	28.947	9.256	12.908	3.757
Other ⁽²⁾	12.672	2.466	10.013	3.748
	244.301	76.030	198.489	58.776

f) Key management emoluments:

i. Key management emoluments - short-term:

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - 30 September 2023	July 1 - September 30, 2023
Payments for salary and seniority incentives	283.707	42.239	335.704	42.002
	283.707	42.239	335.704	42.002

ii) Key management emoluments - long-term:

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - 30 September 2023	July 1 - September 30, 2023
Provision for seniority incentives	(1.385)	(3.328)	396	(1.207)
Provision for unused vacation	1.932	927	1.490	(3.257)
Provision for employment termination benefits	372	45	175	100
	919	(2.356)	2.061	(4.364)

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

(1) Shareholders of the Company

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

18. Investment properties

Fair Value	1 January 2024	Fair value increase	Fair value decrease	30 September 2024
Land	22.863.904	-	(3.775.639)	19.088.265
	22.863.904			19.088.265
Fair Value	1 January 2023	Fair value increase	Fair value decrease	30 September 2023
Land	12.594.928	3.507.404	-	16.102.332
	12.594.928			16.102.332

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

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

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

As of June 30, 2024, the fair values of the Group's lands with established usufruct rights, determined by an independent professional valuation company using other valuation techniques that contain direct or indirect observable inputs, have been measured at their purchasing power value as of September 30, 2024.

19. Earnings Per Share

	January 1 - September 30, 2024	July 1 - September 30, 2024	January 1 - September 30, 2023	July 1 - September 30, 2023
Net profit (loss) for the period of the equity holders of the parent	(127.494)	(2.998.843)	(9.541.835)	(3.139.877)
Weighted average number of shares with nominal value of Krl each (thousand)	253.440	253.440	253.440	253.440
Earnings per share (Kr)	(0,0503)	(1,1833)	(3,7649)	(1,2389)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

20. Provisions, contingent assets and liabilities

a) Short-term provisions:

	September 30, 2024	September 30, 2023
Provision for legal cases	2.597	3.528
Other	37	-
	2.634	3.528

b) Guarantees received:

Receivable insurance	22.987.571	25.188.439
Bank guarantees within the context of DOCS (*)	5.854.378	5.799.058
Letters of guarantee received from customers	2.150.101	2.404.972
Letters of guarantee received from suppliers	1.292.709	1.497.365
Letters of credit	61.835	207.010
Mortgages	2.000	2.717
	32.348.594	35.099.561

(*) Direct Order and Collection System

c) Guarantees given:

Mortgages given to banks	4.066.117	5.700.487
Custom offices	439.365	388.920
Guarantees given to banks	-	165.456
Other	66.947	642.241
	4.572.429	6.897.104

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

	September 30, 2024	September 30, 2023
A. Total amount of CPMs given for the Company's own legal personality	506.312	1.196.617
B. Total amount of CPMs given on behalf of fully consolidated companies (*)	4.066.117	5.700.487
C. Total amount of CPMs given for continuation of its economic activities on behalf of third parties		
D. Total amount of other CPMs	-	-
i. Total amount of CPMs given on behalf of the majority shareholder		
ii. Total amount of CPMs given to on behalf of other group companies which are not in scope of B and C	-	-
iii. Total amount of CPMs given to on behalf of third parties which are not in scope of C	-	-
	4.572.429	6.897.104

(*) The collateral given for the loan used by Petlim Limancılık Ticaret A.Ş. is related to the pledge and mortgage. TRY4.066.117 of the USD 212 million credit limit belonging to Petlim Limancılık Ticaret A.Ş., which has the guarantee of Petkim Petrokimya Holding A.Ş. and the pledge of TRY2.818 million worth of shares belonging to Petlim Limancılık Ticaret A.Ş., has been used as of September 30, 2024. Within the scope of the said loan, Petkim initially pledged Petlim shares with a nominal amount of TRY2.818 million. A mortgage of USD 350 million was established on the land sold to Petlim by Petkim for TRY5.650 on November 20, 2015. In terms of the risk created by the mortgage given, it is evaluated that it would be appropriate to take into account the land price instead of the mortgage amount.

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

20. Provisions, contingent assets and liabilities (continued)

d) Operational Leases

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

	September 30, 2024	December 31, 2023
0 - 5 years	5.062.626	5.184.580
5 - 10 years	5.500.341	5.505.862
10 years and more	16.155.486	17.560.433
Total	26.718.453	28.250.875

21. Financial instruments and financial risk management

Foreign exchange risk

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

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and Sep
(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at September 30, 2024)

21. Financial instruments and financial risk management (Continued)

Foreign currency position

	September 30, 2024			December 31, 2023	
	TRY equivalent	USD Dollar	Euro	Other	TRY equivalent
1. Trade receivables	5.221.686	123.883	26.058	-	6.166.062
2a. Monetary financial assets(Cash, bank accounts included)	3.605.925	90.896	13.194	808	5.100.838
2b. Non-monetary financial assets	-	-	-	-	-
3. Current assets (1+2)	8.827.611	214.779	39.252	808	11.266.900
4. Trade receivables	-	-	-	-	-
5a. Monetary financial assets	-	-	-	-	-
5b. Non-monetary financial assets	-	-	-	-	-
6. Other	-	-	-	-	-
7. Non-current assets (4+5+6)	-	-	-	-	-
8. Total assets (3+7)	8.827.611	214.779	39.252	808	11.266.900
9. Trade payables	8.488.008	213.865	15.805	573.189	8.844.481
10. Financial liabilities	21.064.932	616.249	-	-	21.378.993
11a. Monetary other liabilities	1.102.823	2.318	-	1.023.603	186.193
11b. Non-monetary other liabilities	-	-	-	-	-
12. Short term liabilities (9+10+11)	30.655.763	832.432	15.805	1.596.792	30.409.667
13. Trade payables	-	-	-	-	-
14. Financial liabilities	12.725.675	372.286	-	-	13.390.144
15a. Monetary other liabilities	334.153	5.946	-	130.893	621.970
15b. Non-monetary other liabilities	-	-	-	-	-
16. Long term liabilities (13+14+15a+15b)	13.059.828	378.232	-	130.893	14.012.114
17. Total liabilities (12+16)	43.715.591	1.210.664	15.805	1.727.685	44.421.781
18. Net (liability)/asset contract value of derivative instruments (18a-18b)	(9.318.114)	(272.500)	-	-	(9.448.530)
18a. Amount of asset contract value of derivative instruments	1.876.655	55.000	-	-	3.753.507
18b. Amount of liability contract value of derivative instruments	11.194.769	327.500	-	-	13.202.037
19. Net foreign (liability)/ asset position (8-17+18)	(44.206.094)	(1.268.385)	23.447	(1.726.877)	(42.603.411)
20. Net foreign currency (liability)/asset Position of monetary items (TFRS 7.B23) (=1+2a+4+5a-9-10-11a-13-14-15a)	(34.887.980)	(995.885)	23.447	(1.726.877)	(33.154.881)
21. Total fair value of financial instruments used for foreign currency hedging	(36.346)	(1.066)	-	-	(20.907)
22. Hedged amount for foreign currency assets	1.876.655	55.000	-	-	3.753.506
23. Hedged amount for foreign currency liabilities	11.194.769	327.500	-	-	13.202.037
24. Export	22.914.335	462.520	141.079	354.410	32.812.187
25. Import	20.075.119	478.225	60.700	133.432	29.354.718

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and September 30, 2024**

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

21. Financial instruments and financial risk management (Continued)**Table of sensitivity analysis for foreign currency risk****September 30, 2024**

	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TRY:				
1- Asset/Liability denominated in USD - net	(3.398.059)	3.398.059	(3.398.059)	3.398.059
2- The part hedged for USD risk (-)	-	-	187.666	(187.666)
3- USD effect - net (1+2)	(3.398.059)	3.398.059	(3.210.393)	3.210.393
Change of EUR by 10% against TRY:				
4- Asset/Liability denominated in EUR - net	89.500	(89.500)	89.500	(89.500)
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR effect - net (4+5)	89.500	(89.500)	89.500	(89.500)
Change of other currencies by 10% against TRY:				
7- Assets/Liabilities denominated in other foreign currencies - net	113.454	(113.456)	113.454	(113.456)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other foreign currency effect - net (7+8)	113.454	(113.456)	113.454	(113.456)
Total (3+6+9)	(3.195.105)	3.195.103	(3.007.439)	3.007.437

December 31, 2023

	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TRY:				
1- Asset/Liability denominated in USD - net	(3.332.586)	3.332.586	(3.332.586)	3.332.586
2- The part hedged for USD risk (-)	-	-	317.959	(317.959)
3- USD effect - net (1+2)	(3.332.586)	3.332.586	(3.014.627)	3.014.627
Change of EUR by 10% against TRY:				
4- Asset/Liability denominated in EUR - net	64.944	(64.944)	64.944	(64.944)
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR effect - net (4+5)	64.944	(64.944)	64.944	(64.944)
Change of other currencies by 10% against TRY:				
7- Assets/Liabilities denominated in other foreign currencies - net	9.953	(9.953)	9.953	(9.953)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other foreign currency effect - net (7+8)	9.953	(9.953)	9.953	(9.953)
Total (3+6+9)	(3.257.689)	3.257.689	(2.939.730)	2.939.730

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21. Financial instruments and financial risk management (Continued)

Fair value estimation

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

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

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

September 30, 2024	Level 1	Level 2	Level 3	Total
Financial Investments	-	600.356	-	600.356
Derivative financial instruments	-	36.344	-	36.344
Investment properties- Land	-	19.088.265	-	19.088.265
Total assets	-	19.724.965	-	19.724.965
Derivative financial liabilities	-	(47.158)	-	(47.158)
Total liabilities	-	(47.158)	-	(47.158)

December 31, 2023	Level 1	Level 2	Level 3	Total
Financial Investments	-	406.156	-	406.156
Derivative financial instruments	-	137.640	-	137.640
Investment properties- Land	-	22.863.904	-	22.863.904
Total assets	-	23.407.700	-	23.407.700
Derivative financial liabilities	-	(20.975)	-	(20.975)
Total liabilities	-	(20.975)	-	(20.975)

22. Investment accounted by using equity method

	September 30, 2024		December 31, 2023	
	Participation Rate (%)	Amount	Participation Rate (%)	Amount
Rafineri Holding A.Ş.	20	29.556.175	20	32.644.098
		29.556.175		32.644.098

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

22. Investment accounted for using equity method (Continued)

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

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

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

	September 30, 2024	December 31, 2023
Current assets	149	205
Non-current assets	147.783.228	163.221.431
Total Assets	147.783.377	163.221.636
Short-term liabilities	2.500	1.141
Equity	147.780.877	163.220.495
Total liabilities and equity	147.783.377	163.221.636
Partnership share of the firm	%20	%20
Carrying value of investments accounted for using the equity method	29.556.175	32.644.098

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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

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

22. Investment accounted for using equity method (Continued)

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

	2024
January 1	32.644.098
Shares of profit and losses	1.548.731
Shares of other comprehensive income/expense	32.125
Foreign currency translation differences	(4.668.779)
September 30	29.556.175

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

	September 30, 2024
Current period profit	1.548.731
	1.548.731

23. Event after balance sheet date

None.

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