

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

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

**CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS FOR THE PERIOD  
FROM 1 JANUARY TO 30 SEPTEMBER 2020**

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

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FOR THE INTERIM PERIOD 1 JANUARY - 30 SEPTEMBER 2020**

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**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT  
30 SEPTEMBER 2020 AND 31 DECEMBER 2019**

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

	Notes	Unaudited 30 September 2020	Audited 31 December 2019
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	5,317,312	4,037,170
Financial investments		1,077	-
Trade receivables		1,477,075	1,552,153
- Trade receivables from related parties	18	221,935	151,715
- Trade receivables from third parties	7	1,255,140	1,400,438
Other receivables		8,281	12,759
- Other receivables from related parties	18	336	8,672
- Other receivables from third parties		7,945	4,087
Inventories	6	991,894	929,156
Prepaid expenses		3,889,703	2,895,185
- Prepaid expenses to related parties	18	3,754,381	2,854,889
- Prepaid expenses to third parties	11	135,322	40,296
Current income tax assets	14	-	3,997
Other current assets		106,458	116,227
- Other current assets related to third parties		106,458	116,227
<b>TOTAL CURRENT ASSETS</b>		<b>11,791,800</b>	<b>9,546,647</b>
<b>NON-CURRENT ASSETS</b>			
Financial investments		8,910	8,910
- Available for sale financial investments	5	8,910	8,910
Other receivables		7,984	6,462
- Other receivables from related parties	18	7,917	6,462
- Other receivables from third parties		67	-
Investment properties		1,476	1,476
Property, plant and equipment	9	5,365,968	4,691,147
Right-of-use assets		204,273	173,979
Intangible assets		34,503	35,702
Prepaid expenses		66,992	59,226
- Prepaid expenses to related parties	18	21,632	23,416
- Prepaid expenses to third parties	11	45,360	35,810
Deferred income tax assets	14	295,755	261,426
Other non-current assets		16,002	16,358
- Other non-current assets related to third parties		16,002	16,358
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,001,863</b>	<b>5,254,686</b>
<b>TOTAL ASSETS</b>		<b>17,793,663</b>	<b>14,801,333</b>

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

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**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT  
30 SEPTEMBER 2020 AND 31 DECEMBER 2019**

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

	Notes	Unaudited 30 September 2020	Audited 31 December 2019
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Short-term borrowings		4,280,665	3,741,354
- Short-term borrowings from related parties		32,943	25,674
- Lease Liabilities	18	32,943	25,674
- Short-term borrowings from third parties		4,247,722	3,715,680
- Bank borrowings	8	1,858,621	2,180,590
- Lease Liabilities	8	40,450	24,815
- Other financial liabilities	8	2,348,651	1,510,275
Short-term portion of long-term borrowings		353,088	295,890
- Short-term portion of long-term borrowings from third parties		353,088	295,890
- Bank borrowings	8	313,670	223,245
- Bonds issued	8	39,418	72,645
Derivative instruments		17,553	942
Trade payables		1,033,358	957,019
- Trade payables to related parties	18	592,178	533,668
- Trade payables to third parties	7	441,180	423,351
Payables related to employee benefits		11,516	19,939
Other payables		7,612	13,239
- Other payables to related parties	18	87	87
- Other payables to third parties		7,525	13,152
Deferred revenue (except contractual obligations)		214,062	42,723
- Deferred revenue from related parties	18	9,587	184
- Deferred revenue from third parties	10	204,475	42,539
Short-term provisions		32,549	36,415
- Provision for employee benefits	12	29,914	33,780
- Other short term provisions	19	2,635	2,635
Current tax liabilities	14	49,499	-
Other current liabilities		19,217	21,032
- Other current liabilities related to third parties		19,217	21,032
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,019,119</b>	<b>5,128,553</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financial liabilities		6,149,789	4,487,000
- Long-term borrowings from related parties		153,022	103,561
- Lease Liabilities	18	153,022	103,561
- Long-term financial liabilities from third parties		5,996,767	4,383,439
- Bank borrowings	8	2,058,670	1,385,373
- Lease Liabilities	8	43,534	36,425
- Bonds issued	8	3,894,563	2,961,641
Derivative financial instruments		56,545	23,176
Deferred revenue (except contractual obligations)		253,858	194,600
- Deferred revenue from related parties	18	247,538	194,600
- Deferred revenue from third parties	10	6,320	-
Long-term provisions		136,203	119,123
- Provision for employee termination benefits	12	136,203	119,123
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,596,395</b>	<b>4,823,899</b>
<b>TOTAL LIABILITIES</b>		<b>12,615,514</b>	<b>9,952,452</b>

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**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET AS AT  
30 SEPTEMBER 2020 AND 31 DECEMBER 2019**

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

	Notes	Unaudited 30 September 2020	Audited 31 December 2019
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent company</b>		<b>5,178,530</b>	<b>4,859,836</b>
Share capital	13	2,112,000	2,112,000
Adjustment to share capital	13	238,988	238,988
Share premium		64,188	64,188
Other comprehensive income/(expense) not to be reclassified to profit or loss		(37,861)	(37,861)
- Actuarial loss arising from defined benefit plan		(37,861)	(37,861)
Other comprehensive (expense)/income to be reclassified to profit or loss		(181,045)	(75,057)
- Currency translation differences		(139,482)	(61,549)
- (Loss) on cash flow hedges		(41,563)	(13,508)
Restricted reserves		330,000	330,000
Retained earnings		2,227,578	1,414,287
Net profit for the period/year		424,682	813,291
<b>Non-controlling interest</b>		<b>(381)</b>	<b>(10,955)</b>
<b>TOTAL EQUITY</b>		<b>5,178,149</b>	<b>4,848,881</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>17,793,663</b>	<b>14,801,333</b>

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH INTERIM  
PERIOD ENDED 30 SEPTEMBER 2020 AND 30 SEPTEMBER 2019**

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

	Notes	Unaudited 1 January - 30 September 2020	Unaudited 1 July - 30 September 2020	Unaudited 1 January - 30 September 2019	Unaudited 1 July - 30 September 2019
<b>PROFIT OR LOSS</b>					
Revenue		8,045,830	3,037,869	8,877,436	2,936,881
Cost of sales (-)		(6,939,049)	(2,528,515)	(7,607,283)	(2,545,381)
<b>GROSS PROFIT</b>		<b>1,106,781</b>	<b>509,354</b>	<b>1,270,153</b>	<b>391,500</b>
General administrative expenses (-)	15	(253,881)	(82,950)	(211,681)	(60,728)
Selling, marketing and distribution expenses (-)		(86,511)	(30,738)	(69,804)	(23,471)
Research and development expenses (-)		(21,438)	(6,995)	(18,230)	(6,568)
Other operating income		332,880	153,291	270,917	59,068
Other operating expense (-)		(155,791)	(65,539)	(248,645)	(70,414)
<b>OPERATING PROFIT</b>		<b>922,040</b>	<b>476,423</b>	<b>992,710</b>	<b>289,387</b>
Income from investing activities		33,335	8,536	29,185	13,200
Expense from investing activities (-)		(626)	(280)	(18)	(3)
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)</b>		<b>954,749</b>	<b>484,679</b>	<b>1,021,877</b>	<b>302,584</b>
Financial income	16	2,454,085	1,156,295	1,496,073	321,939
Financial expenses (-)	16	(2,837,382)	(1,273,012)	(1,784,058)	(398,786)
<b>PROFIT BEFORE TAX FROM CONTINUED OPERATIONS</b>		<b>571,452</b>	<b>367,962</b>	<b>733,892</b>	<b>225,737</b>
Tax (expense)/income from continuing operations		(125,029)	(56,955)	(65,150)	3,762
- Current tax (expense)/income	14	(77,552)	(54,522)	(40,867)	2,764
- Deferred tax (expense)/income	14	(47,477)	(2,433)	(24,283)	998
<b>PROFIT FOR THE PERIOD CONTINUED OPERATIONS</b>		<b>446,423</b>	<b>311,007</b>	<b>668,742</b>	<b>229,499</b>
<b>PROFIT FOR THE PERIOD</b>		<b>446,423</b>	<b>311,007</b>	<b>668,742</b>	<b>229,499</b>
<b>DISTRIBUTION OF INCOME FOR THE PERIOD</b>					
- Non-controlling interest		21,741	20,441	(40,583)	(6,381)
- Owners of the parent company		424,682	290,566	709,325	235,880
<b>Earnings Per Share</b>	17	<b>0.2011</b>	<b>0.1376</b>	<b>0.3359</b>	<b>0.1117</b>
- Earnings per Kr 1 number of 1 shares From continued operations		<b>0.2011</b>	<b>0.1376</b>	<b>0.3359</b>	<b>0.1117</b>

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**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME FOR THE NINE-MONTH INTERIM  
PERIOD ENDED 30 SEPTEMBER 2020 AND 30 SEPTEMBER 2019**

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

Notes	Unaudited 1 January - 30 September 2020	Unaudited 1 July - 30 September 2020	Unaudited 1 January - 30 September 2019	Unaudited 1 July - 30 September 2019
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items to be reclassified to Profit or Loss</b>	<b>(117,155)</b>	<b>(37,201)</b>	<b>(24,627)</b>	<b>358</b>
Currency translation differences	(77,171)	(32,666)	(16,103)	5,244
Other comprehensive (loss)/income related with cash flow hedges	(49,980)	(5,669)	(10,655)	(6,107)
Tax relating to (loss)/gain on cash flow hedge	9,996	1,134	2,131	1,221
<b>Items not to be reclassified to Profit or Loss</b>	<b>-</b>	<b>-</b>	<b>2,034</b>	<b>-</b>
Actuarial loss arising from defined benefit plan	-	-	2,543	-
Taxes relating to remeasurements of defined benefit plans	-	-	(509)	-
<b>OTHER COMPREHENSIVE INCOME / (EXPENSE)</b>	<b>(117,155)</b>	<b>(37,201)</b>	<b>(22,593)</b>	<b>358</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>329,268</b>	<b>273,806</b>	<b>646,149</b>	<b>229,857</b>
<b>Attributable to:</b>				
Non-controlling interests	10,574	21,397	(47,529)	(7,754)
Owners of parent company	318,694	252,409	693,678	237,611

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE-MONTH  
INTERIM PERIOD ENDED 30 SEPTEMBER 2020 AND 30 SEPTEMBER 2019**

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

	Share capital	Adjustment to share capital	Other comprehensive (expense)/income not to be reclassified to profit or loss Actuarial loss arising from defined benefit plan	Other comprehensive (expense)/income to be reclassified to profit or loss (Loss)/gain on cash flow hedges	Currency translation differences	Share premium	Restricted reserves	Net profit for the period	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
<b>1 January 2019</b>	<b>1,650,000</b>	<b>238,988</b>	<b>(29,607)</b>	<b>(9,911)</b>	<b>(29,645)</b>	<b>64,188</b>	<b>310,644</b>	<b>871,672</b>	<b>1,023,971</b>	<b>4,090,300</b>	<b>44,636</b>	<b>4,134,936</b>
Transfers	462,000	-	-	-	-	-	19,356	(871,672)	390,316	-	-	-
- Net profit for the period	-	-	-	-	-	-	-	709,325	-	709,325	(40,583)	668,742
- Other comprehensive income (expense)	-	-	2,034	(1,072)	(16,609)	-	-	-	-	(15,647)	(6,946)	(22,593)
Total comprehensive income	-	-	2,034	(1,072)	(16,609)	-	-	709,325	-	693,678	(47,529)	646,149
<b>30 September 2019</b>	<b>2,112,000</b>	<b>238,988</b>	<b>(27,573)</b>	<b>(10,983)</b>	<b>(46,254)</b>	<b>64,188</b>	<b>330,000</b>	<b>709,325</b>	<b>1,414,287</b>	<b>4,783,978</b>	<b>(2,893)</b>	<b>4,781,085</b>
<b>1 January 2020</b>	<b>2,112,000</b>	<b>238,988</b>	<b>(37,861)</b>	<b>(13,508)</b>	<b>(61,549)</b>	<b>64,188</b>	<b>330,000</b>	<b>813,291</b>	<b>1,414,287</b>	<b>4,859,836</b>	<b>(10,955)</b>	<b>4,848,881</b>
Transfers	-	-	-	-	-	-	-	(813,291)	813,291	-	-	-
- Net profit for the period	-	-	-	-	-	-	-	424,682	-	424,682	21,741	446,423
- Other comprehensive income (expense)	-	-	-	(28,055)	(77,933)	-	-	-	-	(105,988)	(11,167)	(117,155)
Total comprehensive income	-	-	-	(28,055)	(77,933)	-	-	424,682	-	318,694	10,574	329,268
<b>30 September 2020</b>	<b>2,112,000</b>	<b>238,988</b>	<b>(37,861)</b>	<b>(41,563)</b>	<b>(139,482)</b>	<b>64,188</b>	<b>330,000</b>	<b>424,682</b>	<b>2,227,578</b>	<b>5,178,530</b>	<b>(381)</b>	<b>5,178,149</b>

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW FOR THE NINE-  
MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2020 AND  
30 SEPTEMBER 2019**

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

	Notes	Unaudited 1 January - 30 September 2020	Unaudited 1 January - 30 September 2019
<b>A. Cash flows from operating activities:</b>		<b>1,713,334</b>	<b>1,271,425</b>
Net profit for the period (I)		446,423	668,742
<b>Adjustments related to reconciliation of (II) net profit (loss) for the year:</b>		<b>1,310,592</b>	<b>651,181</b>
Adjustments for depreciation and amortization		301,814	248,391
Adjustments for impairments/reversals			
- Adjustments for impairment/(reversal) of inventories	6	2,245	(16,508)
Adjustments for provisions			
- Adjustments for provision employment termination benefits		58,092	46,880
- Adjustments for provision/other cases		(818)	(3,725)
Adjustments for interest income/(expense)			
- Adjustments for interest income	16	(87,585)	(91,833)
- Adjustments for interest expense	16	309,171	294,979
Adjustments for unrealized foreign currency translation differences		610,654	113,044
Adjustments for tax losses	14	125,029	65,150
Adjustments for (gain)/losses on sale of property, plant and equipment		(8,010)	(5,197)
<b>Changes in working capital (III)</b>		<b>29,250</b>	<b>53,040</b>
Adjustments related to increase/(decrease) in trade receivables		(35,019)	(412,769)
Adjustments related to increase/(decrease) in other receivables		2,484	(13,424)
Adjustments related to increase in inventory		(49,153)	276,660
Increase/(decrease) in prepaid expenses		(96,602)	(41,827)
Adjustments for (decrease)/increase in trade payables		48,140	141,253
Adjustments for (decrease)/increase in other payable		(5,627)	17,027
Change in derivative financial instruments		(6,584)	-
Increase in payables to employees		(8,423)	10,210
Adjustments for increase/(decrease) in deferred revenue		171,723	135,161
Adjustments for other increase/(decrease) in working capital		8,311	(59,251)
<b>Cash flows from operating activities (I+II+III)</b>		<b>1,786,265</b>	<b>1,372,963</b>
Employee termination benefits paid		(44,878)	(52,809)
Income taxes (paid)	14	(28,053)	(48,729)
<b>B. Cash flows from investing activities</b>		<b>(476,285)</b>	<b>(668,341)</b>
Proceeds from sale of property, plant and equipment		11,635	5,282
Cash outflows from purchases of property, plant and equipment	9	(482,095)	(418,666)
Other cash advances and payables given		(5,825)	10,439
Advances and loans to related parties		-	(500,000)
Proceeds from related party cash advances and loans		-	470,000
Other cash inflow/(outflows)		-	(235,396)
<b>C. Cash flows from financing activities</b>		<b>(159,183)</b>	<b>(357,266)</b>
Proceeds from borrowings	8	2,088,379	2,064,328
Repayments of borrowings	8	(2,401,595)	(1,697,779)
Proceeds from other financial liabilities	8	1,510,061	1,097,965
Repayments of other financial liabilities	8	(1,067,052)	(1,559,790)
Principal elements of lease payments		(40,101)	(45,773)
Interest paid		(330,390)	(304,889)
Interest received		82,515	88,672
Other cash inflow/(outflows)		(1,000)	-
<b>D. Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)</b>		<b>1,077,866</b>	<b>245,818</b>
<b>E. Effect of currency translation differences on cash and cash equivalents</b>		<b>202,276</b>	<b>(103,009)</b>
<b>Net increase/(decrease) in cash and cash equivalents (D+E)</b>		<b>1,280,142</b>	<b>142,809</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>4</b>	<b>4,037,170</b>	<b>3,009,408</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>5,317,312</b>	<b>3,152,217</b>

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THE NINE-MONTH INTERIM PERIOD BETWEEN 1 JANUARY AND  
30 SEPTEMBER 2020**

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

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

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

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

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

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

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').

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

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

As of 30 September 2020 and 31 December 2019 the ultimate shareholder of the Company is State Oil Company of Azerbaijan Republic ('SOCAR').

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

These condensed consolidated interim financial statements were approved to be issued by the Board of Directors on 5 November 2020 and signed by Mr. Anar Mammadov, General Manager and Mr. Elchin Ibadov, Chief Financial Officer, on behalf of the Board of Directors.

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

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

As of 30 September 2020, the Company's subsidiaries ('subsidiaries') the Company and its subsidiaries (hereinafter collectively referred to as the 'Group') and their respective operating segments are as follows:

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

As of 30 September 2020, the average number of employees working for the Group is 2,411 (31 December 2019: 2,494). The details of the employees as of 30 September 2020 and 31 December 2019 are as follows:

	<b>30 September 2020</b>	<b>31 December 2019</b>
Union (*)	1,867	1,899
Non-union (**)	604	648
	<b>2,471</b>	<b>2,547</b>

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

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

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

**2.1 Basis of Presentation**

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

The condensed consolidated interim financial statements are presented in accordance with 'Announcement regarding with TAS Taxonomy' which was published on 15 April 2019 by POA and the format and mandatory information recommended by CMB.

The Group prepared its condensed interim consolidated financial statements for the period ended 30 September 2020 in accordance with ('TAS') 34 'Interim Financial Reporting' in the framework of the Communiqué Serial II, No: 14.1, and its related announcement. The condensed interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information.

The Group's condensed consolidated interim financial statements do not include all disclosure and notes that should be included at year end financial statements. Therefore the condensed consolidated interim financial statements should be read in conjunction with the Group's annual consolidated financial statements dated 31 December 2019 and group's public announcements during the financial year. ,

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

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

According to CMB Communiqué No:14 and announcements made by the CMB, it is obligatory for the companies preparing condensed financial statements in interim periods to present the foreign exchange position table, the hedging ratio of the total foreign exchange liability and the total export and total import amounts in the footnotes of the financial statements (Note 20).

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

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

**2.2 Summary of Significant Accounting Policies**

Significant accounting policies applied in these condensed consolidated interim financial statements are consistent with the accounting policy applied in the consolidated financial statements for the period 1 January - 31 December 2019 except for the followings:

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

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

**2.3 Basis of Consolidation**

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

**a) Subsidiaries**

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

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

The non-controlling share in the net assets and results of subsidiaries for the period are classified within the materiality principle of the account in the consolidated statements of balance sheets and retained earnings. The accounting policies of the subsidiaries have been changed where necessary to be consistent with the accounting policies accepted by the Group.

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

**2.3 Basis of Consolidation (Continued)**

**a) Subsidiaries (Continued)**

The table below sets out all subsidiaries included in the scope of consolidation together with the related voting rights and effective ownership rates at 30 September 2020 and 31 December 2019 are;

<u>Subsidiaries</u>	<u>Direct or Indirect Control</u> <u>Shareholding rates of the Group (%)</u>	
	<u>30 September 2020</u>	<u>31 December 2019</u>
Petlim	73.00	73.00
Petkim Specialities Mühendislik Plastikleri Sanayi ve Ticaret A.Ş.	100.00	100.00

**b) Foreign currency translation**

**i) Functional and presentation currency**

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

**ii) Transactions and balances**

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

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

As of 30 September 2020, Petlim's assets and liabilities are translated into TRY from the foreign exchange rate at the date of that balance sheet date. The income and expenses of Petlim are translated into TRY at the average exchange rate. The effects of conversion of opening net assets of Petlim and the differences arising from the exchange rates at the average exchange rates and balance sheet dates are recognized in 'currency translation differences' in other comprehensive income.

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

**2.3 Basis of consolidation (Continued)**

**b) Foreign currency translation (Continued)**

The balance sheet date rates and average rates used for profit or loss and other comprehensive income translation for the related periods are as follows:

<b><u>The end of the period:</u></b>	<b>30 September 2020</b>	<b>31 December 2019</b>
Turkish Liras/US Dollars	7.8080	5.9402

<b><u>Average:</u></b>	<b>30 September 2020</b>	<b>30 September 2019</b>
Turkish Liras/US Dollars	6.7142	5.6338

**2.4 Amendments in Turkish Financial Reporting Standards**

**a) Standards, amendments and interpretations applicable as at 30 September 2020:**

- **Amendments to TAS 1 and TAS 8 on the definition of material;** effective from Annual periods beginning on or after 1 January 2020. These amendments to TAS 1, 'Presentation of financial statements', and TAS 8, 'Accounting policies', changes in accounting estimates and errors', and consequential amendments to other TFRSs:
  - i) Use a consistent definition of materiality throughout TFRSs and the Conceptual Framework for Financial Reporting,
  - ii) Clarify the explanation of the definition of material and
  - iii) Incorporate some of the guidance in TAS 1 about immaterial information.
- **Amendments to TFRS 3 - 'definition of a business';** effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
- **Amendments to TFRS 9, TAS 39 and TFRS 7 - Benchmark interest rate reform;** It is valid for annual reporting periods starting on January 1, 2020 or after this date. These changes provide certain facilitating practices regarding benchmark interest rate reform. These practices relate to hedge accounting, and the effect of the IBOR reform should generally not lead to the end of hedge accounting. However, any hedging ineffectiveness should continue to be recorded in the income statement. Considering the prevalence of hedge accounting in IBOR-based contracts, these facilitating practices will affect all companies in the industry.

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

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

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

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

- b) **New standards, amendments and interpretations issued and effective as of 30 September 2020 have not been presented since they are not relevant to the operations of the Company or have insignificant impact on the financial statements.**

- c) **Standards, amendments and interpretations that are issued but not effective as at 30 September 2020:**

- **TFRS 17, 'Insurance contracts';** effective from annual periods beginning on or after 1 January 2021. This standard replaces TFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. TFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.
- **Amendments to IAS 1, Presentation of financial statements' on classification of liabilities;** effective from 1 January 2022. These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.
- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from Annual periods beginning on or after 1 January 2022.
  - o **Amendments to IFRS 3, 'Business combinations'** update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.



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

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

**c) Standards, amendments and interpretations that are issued but not effective as at  
30 September 2020 (Continued):**

- **Amendments to IAS 16, 'Property, plant and equipment'** prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets'** specify which costs a company includes when assessing whether a contract will be loss-making.

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

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

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

The Group prepared its condensed consolidated interim financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Group prepared its balance sheet at 30 September 2020 on a comparative basis with balance sheet at 31 December 2019; and statements of profit or loss comprehensive income, cash flows and changes in equity for the period of 1 January - 30 September 2020 on a comparative basis with financial statements for the period of 1 January - 30 September 2019. 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 Significant Accounting Estimates, Judgments and Assumptions**

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

**a) Provision for lawsuits**

Provision for lawsuits is evaluated by the Group based on opinions of Group Legal Counsel and legal consultants. The Group determines the amount of provisions based on best estimates. As of reporting date, provision for lawsuits is stated in Note 19.

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

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

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

The Group determines useful lives of tangible and intangible assets and investment properties in line with opinions of technical experts and recognizes depreciation and amortization expenses during aforementioned useful lives. The Group reviews useful lives of assets subject to aforementioned depreciation in each reporting period and it is estimated that there exist no situation requiring any adjustment in useful lives as of 30 September 2020.

**c) Deferred income tax assets**

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

**d) Provision for employee benefits**

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

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

As a result of correspondence between the Group and its main shareholder SOCAR Turkey Enerji A.Ş. (STEAŞ), a share sale and transfer agreement ('Agreement') has been signed on 9 January 2018 in order to acquire 30% shares of Rafineri Holding A.Ş. (Rafineri Holding) from STEAŞ with a purchase consideration of USD720 million. The shares of Rafineri Holding, which are subject to the Agreement may be purchased by the Group provided that the conditions specified in the Agreement are realized. As Petkim has a share transfer contract that can be terminated at Petkim's own discretion and finalization of share transfer is subject to Group's operational performance and cash flows, advances paid are classified as prepaid expenses to related parties in the balance sheet as of 30 September 2020 and have been subjected to exchange rate valuation.

**2.7 Important Developments Regarding the Current Period**

Necessary actions have been taken by the Group management to minimize the possible effects of COVID-19 on the Group's operations and financial position. Due to epidemic of COVID-19, which affected the whole world, the slowdown in economic activities, supply, production and sales has occurred in country and sector where the Company operates and, in the countries, where the sales are made in parallel with the developments in general economic activities.

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

**2.7 Important Developments Regarding the Current Period (Continued)**

In this process, the necessary actions were taken by the Group to minimize investment expenditures, operational expenses and inventory, also cash management strategy was reconsidered in order to strengthen the Group's liquidity position.

With the reduction of restrictions to prevent the spread of the epidemic, production and sales activities continue uninterrupted as of the date of the balance sheet.

For now, it is not possible to estimate for how long the effect of COVID-19 will carry on in Turkey and also in the world, or how much it may spread. As the severity and duration of the effects become clearer, it will be possible to make a more specific and healthy evaluation for the medium and long term. However, while preparing the interim consolidated financial statements dated 30 September 2020, the possible effects of the COVID-19 outbreak were evaluated, and the estimates and assumptions used in the preparation of the interim condensed consolidated financial statements were reviewed. In this context, the Group evaluated the possible impairment in the values of financial assets, stocks, property, plant and equipment included in the interim financial statements dated 30 September 2020, and no impairment has been identified.

**NOTE 3 - SEGMENT REPORTING**

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

The operating segment of the Group are as follows;

- Petrochemical
- Port

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

**a) Revenue**

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Petrochemical	7,950,541	3,003,568	8,799,762	2,910,860
Port	95,289	34,301	77,674	26,021
<b>Total before eliminations and adjustments</b>	<b>8,045,830</b>	<b>3,037,869</b>	<b>8,877,436</b>	<b>2,936,881</b>
Consolidation eliminations and adjustments	-	-	-	-
	<b>8,045,830</b>	<b>3,037,869</b>	<b>8,877,436</b>	<b>2,936,881</b>

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

**b) Operating profit**

Petrochemical	859,689	447,870	1,020,007	283,634
Port	56,711	27,710	12,278	4,856
<b>Total before eliminations and adjustments</b>	<b>916,400</b>	<b>475,580</b>	<b>1,032,285</b>	<b>288,490</b>
Consolidation eliminations and adjustments	5,640	843	(39,575)	897
<b>Operating profit</b>	<b>922,040</b>	<b>476,423</b>	<b>992,710</b>	<b>289,387</b>
Financial (expenses)/income, net	(383,297)	(116,717)	(287,985)	(76,847)
Income from investing activities, net	32,709	8,256	29,167	13,197
<b>Profit before tax from continued operations</b>	<b>571,452</b>	<b>367,962</b>	<b>733,892</b>	<b>225,737</b>
Tax expense	(125,029)	(56,955)	(65,150)	3,762
<b>Profit for the period</b>	<b>446,423</b>	<b>311,007</b>	<b>668,742</b>	<b>229,499</b>

**c) Total assets**

	30 September 2020	31 December 2019
Petrochemical	16,354,275	13,791,030
Port	2,879,343	2,266,664
<b>Total before eliminations and adjustments</b>	<b>19,233,618</b>	<b>16,057,694</b>
Consolidation eliminations and adjustments	(1,439,955)	(1,256,361)
	<b>17,793,663</b>	<b>14,801,333</b>

**d) Total liabilities**

Petrochemical	10,723,716	8,529,570
Port	2,889,989	2,312,556
<b>Total before eliminations and adjustments</b>	<b>13,613,705</b>	<b>10,842,126</b>
Consolidation eliminations and adjustments	(998,191)	(889,674)
	<b>12,615,514</b>	<b>9,952,452</b>

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**NOTE 4 - CASH AND CASH EQUIVALENTS**

	<b>30 September 2020</b>	<b>31 December 2019</b>
Banks	5,312,250	4,037,170
- Demand deposits	11,609	6,049
- TRY	2,109	597
- Foreign currency	9,500	5,452
- Time deposits	5,300,641	4,031,121
- TRY	644,662	593,909
- Foreign currency	4,655,979	3,437,212
Other	5,062	-
	<b>5,317,312</b>	<b>4,037,170</b>

As of 30 September 2020, foreign currency time deposits consist of monthly deposits. The weighted average effective interest rates of USD and EUR monthly deposit is respectively 2.82% 1.24% per annum. (31 December 2019: USD 2.24%, EUR 1.25%).

As of 30 September 2020, the TRY dominated time deposits consist of overnight and montly deposits and the weighted average effective interest rates are 8.00% and 12.49% per annum respectively. (31 December 2019: overnight 9.75% monthly 11.62%).

**NOTE 5 - FINANCIAL INVESTMENTS**

**a) Long-term financial investments**

	<b>30 September 2020</b>		<b>31 December 2019</b>	
	<b>Amount</b>	<b>rate (%)</b>	<b>Amount</b>	<b>rate (%)</b>
SOCAR Power Enerji Yatırımları A.Ş.	8,910	9.90	8,910	9.90
	<b>8,910</b>	<b>9.90</b>	<b>8,910</b>	<b>9.90</b>

TRY8,910,000 shares having a nominal price of TRY0,001 per share corresponding to 9,9% of capital of SOCAR Power Enerji Yatırımları A.Ş. (SOCAR Power) (TRY8,910) owned by SOCAR Turkey Elektrik Yatırımları Holding A.Ş (Power Holding), which is a subsidiary of controlling shareholder of the Group, SOCAR Turkey Enerji A.Ş., in Socar Power are purchased by the Group on 26 January 2015. As of 30 September 2020 and 31 December 2019, the cost of financial assets approximates to its fair value.

**NOTE 6 - INVENTORIES**

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	<b>30 September 2020</b>	<b>31 December 2019</b>
Raw materials	290,887	201,929
Work-in-progress	231,397	275,846
Finished goods	226,844	236,747
Trade goods	108,881	62,775
Goods in transit	68,152	108,851
Other inventories	80,866	55,896
<hr/>		
Less: Provision for impairment on inventories	(15,133)	(12,888)
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	<b>991,894</b>	<b>929,156</b>
<hr/>		

Movements of provision for impairment on inventory for the periods ended 30 September 2020 and 2019 were as follows:

	<b>2020</b>	<b>2019</b>
<b>1 January</b>	<b>(12,888)</b>	<b>(33,315)</b>
Realized due to stock sale	12,888	33,315
Current year additions	(15,133)	(16,807)
<hr/>		
<b>30 September</b>	<b>(15,133)</b>	<b>(16,807)</b>
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**NOTE 7 - TRADE RECEIVABLES AND PAYABLES**

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

	<b>30 September 2020</b>	<b>31 December 2019</b>
Trade receivables	1,278,819	1,424,935
Provision for doubtful trade receivables (-)	(23,679)	(24,497)
<hr/>		
	<b>1,255,140</b>	<b>1,400,438</b>
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**b) Short-term trade payables to third parties:**

Trade payables	441,180	423,351
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	<b>441,180</b>	<b>423,351</b>
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**NOTE 8 - BORROWINGS AND BORROWING COSTS**

	<b>30 September 2020</b>	<b>31 December 2019</b>
Short-term borrowings	1,858,621	2,180,590
Short-term portions of long-term borrowings	313,670	223,245
Bonds issued (**)	39,418	72,645
Operational lease liabilities	40,450	24,815
Other financial liabilities (*)	2,348,651	1,510,275
<b>Short term financial liabilities</b>	<b>4,600,810</b>	<b>4,011,570</b>
Long term borrowings	2,058,670	1,385,373
Bonds issued (**)	3,894,563	2,961,641
Operational lease liabilities	43,534	36,425
<b>Long term borrowings</b>	<b>5,996,767</b>	<b>4,383,439</b>
<b>Total financial liabilities</b>	<b>10,597,577</b>	<b>8,395,009</b>

(\*) Other financial liabilities consist of letters of credits and murabaha loan arising from naphtha purchases. The average remaining maturity of other financial liabilities is 216 days as of 30 September 2020 (31 December 2019: average remaining maturity 147 days).

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

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

	Effective weighted average Interest rate p.a. (%)		Original currency		TRY equivalent	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<b>Short-term borrowings:</b>						
TRY borrowings	No Interest	13.75-No Interest	12,088	33,433	12,088	33,433
USD borrowings	Libor + 0.40 + 0.60	Libor + 0.50 + 2.25	213,111	361,462	1,663,971	2,147,157
Euro borrowings	Libor 0.50	-	20,000	-	182,562	-
<b>Short-term portions of long-term borrowings:</b>						
TRY borrowings	11.26 - 13	11.26 - 13.00	75,449	71,170	75,449	71,170
USD borrowings	Libor + 4.67 - 4.26	Libor + 4.67 - 4.26	17,020	13,017	132,892	77,322
Euro borrowings	Euribor + 0.72 + 3.00 - 1.64	Euribor + 0.72 + 3.00 - 1.64	11,539	11,240	105,329	74,753
Bond issued	5.88	5.88	5,048	12,229	39,418	72,645
<b>Total short-term borrowings</b>					<b>2,211,709</b>	<b>2,476,480</b>
<b>Long-term borrowings:</b>						
USD borrowings	Libor + 0.75 + 4.67 - 4.26	Libor + 4.67 - 4.26	242,862	202,830	1,896,266	1,204,849
Euro borrowings	Euribor + 0,72 + 3,00 - 1,64	Euribor + 0.72 + 3.00 - 1.64	17,792	27,144	162,404	180,524
Bond issued	5.88	5.88	498,791	498,576	3,894,563	2,961,641
<b>Total long-term borrowings</b>					<b>5,953,233</b>	<b>4,347,014</b>
<b>Total borrowings</b>					<b>8,164,942</b>	<b>6,823,494</b>



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

The redemption schedule of long-term bank borrowings and bonds issued as of 30 September 2020 and 31 December 2019 is as follows:

	<b>30 September 2020</b>
1 October 2021-30 September 2022	620,657
1 October 2022-30 September 2023	4,169,509
1 October 2023-30 September 2024	234,280
1 October 2024-30 September 2025	331,059
1 October 2025-30 September 2026	306,230
1 October 2026 and over	291,498
	<b>5,953,233</b>
	<b>31 December 2019</b>
2021	171,302
2022	194,664
2023	3,135,916
2024	195,195
2025	245,568
2026 and over	404,369
	<b>4,347,014</b>

Fair values of the short-term bank borrowings and other financial liabilities due to their short-term nature and long-term borrowings due to having floating interest rate updated with market conditions approximates their carrying values. As of 30 September 2020, the fair value of bonds issued is TRY 4,455,244 which are in fixed interest rate financial liabilities and whose carrying value is TRY 3,933,981.

As of 30 September 2020, details of collaterals given by the Group for US Dollar and Euro loans are explained in Note 19. As of 30 September 2020, the Group has meet a number of key performance indicators related to the contractual obligations of the Group in relation to long-term US dollar debts and other debt instruments issued.

Movements of financial liabilities are as of 30 September 2020 ve 30 September 2019 as follows:

	<b>2020</b>	<b>2019</b>
<b>1 January</b>	<b>4,296,599</b>	<b>4,315,873</b>
Proceeds from financial liabilities	3,598,440	3,162,293
Repayments of financial liabilities	(3,468,647)	(3,257,569)
Changes in foreign exchange	2,085,650	334,306
Changes in interest accrual	(35,615)	(42,656)
Changes in cash and cash equivalents	(1,280,146)	(142,809)
<b>30 September</b>	<b>5,196,281</b>	<b>4,369,438</b>

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

	<b>1 January 2020</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>Foreign currency translation differences</b>	<b>30 September 2020</b>
<b>Cost:</b>						
Land	123,896	-	-	-	-	123,896
Land improvements	225,088	-	22,793	-	963	248,844
Buildings	189,637	-	2,966	-	302	192,905
Machinery and equipment	7,660,869	-	188,534	(1,885)	-	7,847,518
Motor vehicles	11,628	-	698	(591)	-	11,735
Furniture and fixtures	144,586	-	7,268	(2,401)	206	149,659
Other fixed assets	996	-	-	-	-	996
Leasehold improvements	671	-	-	-	-	671
Assets subject to operating lease	1,818,385	-	949	-	533,531	2,352,865
Construction in progress	838,492	482,095	(229,101)	-	228	1,091,714
	<b>11,014,248</b>	<b>482,095</b>	<b>(5,893)</b>	<b>(4,877)</b>	<b>535,230</b>	<b>12,020,803</b>
<b>Accumulated depreciation (-):</b>						
Land improvements	(106,454)	(9,247)	-	-	(383)	(116,084)
Buildings	(115,453)	(3,504)	-	-	(188)	(119,145)
Machinery and equipment	(5,865,400)	(209,420)	-	151	-	(6,074,669)
Motor vehicles	(10,618)	(572)	-	586	-	(10,604)
Furniture and fixtures	(77,103)	(10,600)	-	1,574	(187)	(86,316)
Other fixed assets	(996)	-	-	-	-	(996)
Leasehold improvements	(671)	-	-	-	-	(671)
Assets subject to operating lease	(146,406)	(48,981)	-	-	(50,963)	(246,350)
	<b>(6,323,101)</b>	<b>(282,324)</b>	<b>-</b>	<b>2,311</b>	<b>(51,721)</b>	<b>(6,654,835)</b>
<b>Net book value</b>	<b>4,691,147</b>					<b>5,365,968</b>

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

	<b>1 January 2019</b>	<b>Additions</b>	<b>Transfers</b>	<b>Disposals</b>	<b>Foreign currency translation differences</b>	<b>30 September 2019</b>
<b>Cost:</b>						
Land	16,216	-	-	(2)	-	16,214
Land improvements	206,498	-	-	-	205	206,703
Buildings	187,797	-	-	-	64	187,861
Machinery and equipment	7,408,282	-	71,398	-	-	7,479,680
Motor vehicles	11,628	-	-	-	-	11,628
Furniture and fixtures	124,523	-	11,926	(132)	49	136,366
Other fixed assets	996	-	-	-	-	996
Leasehold improvements	671	-	-	-	-	671
Assets subject to operating lease	1,624,656	-	-	-	113,731	1,738,387
Construction in progress	555,530	418,666	(97,407)	-	250	877,038
	<b>10,136,797</b>	<b>418,666</b>	<b>(14,083)</b>	<b>(134)</b>	<b>114,299</b>	<b>10,655,544</b>
<b>Accumulated depreciation (-):</b>						
Land improvements	(97,567)	(6,404)	-	-	(49)	(104,020)
Buildings	(110,919)	(3,346)	-	-	(31)	(114,296)
Machinery and equipment	(5,687,677)	(166,626)	-	-	-	(5,854,303)
Motor vehicles	(9,758)	(653)	-	-	-	(10,411)
Furniture and fixtures	(65,887)	(8,789)	-	47	(37)	(74,666)
Other fixed assets	(996)	-	-	-	-	(996)
Leasehold improvements	(671)	-	-	-	-	(671)
Assets subject to operating lease	(77,927)	(42,345)	-	-	(5,717)	(125,989)
	<b>(6,051,402)</b>	<b>(228,163)</b>	<b>-</b>	<b>47</b>	<b>(5,834)</b>	<b>(6,285,352)</b>
<b>Net book value</b>	<b>4,085,395</b>					<b>4,370,192</b>

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**NOTE 10 - DEFERRED REVENUE**

**a) Short-term deferred revenue**

	<b>30 September 2020</b>	<b>31 December 2019</b>
Advances received	199,728	42,028
Deferred revenue	4,747	511
	<b>204,475</b>	<b>42,539</b>

Advances received from customers for the sales in the subsequent periods are all short term and mature within less than one year. (31 December 2019: less than one year). The fair values of advances received are assumed to approximate their carrying values.

**b) Long-term deferred revenue**

	<b>30 September 2020</b>	<b>31 December 2019</b>
Deferred income	6,320	-
	<b>6,320</b>	-

**NOTE 11 - PREPAID EXPENSES**

**a) Short-term prepaid expenses**

	<b>30 September 2020</b>	<b>31 December 2019</b>
Advances given for inventory	110,868	28,531
Prepaid rent, insurance and other expenses	24,454	8,439
Advances given for customs procedures	-	3,326
	<b>135,322</b>	<b>40,296</b>

**b) Long-term prepaid expenses**

Advances given for property, plant and equipment	43,522	33,941
Prepaid rent, insurance and other expenses	1,838	1,869
	<b>45,360</b>	<b>35,810</b>

**NOTE 12 - EMPLOYEE BENEFITS**

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

	<b>30 September 2020</b>	<b>31 December 2019</b>
Provision for bonus premium	20,823	24,500
Provision for seniority incentive bonus	9,091	9,280
	<b>29,914</b>	<b>33,780</b>

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**NOTE 12 - EMPLOYEE BENEFITS (Continued)**

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

	<b>30 September 2020</b>	<b>31 December 2019</b>
Provision for employment termination benefits	96,968	94,821
Provision for unused vacation rights	30,631	19,196
Provision for seniority incentive bonus	8,604	5,106
	<b>136,203</b>	<b>119,123</b>

**Provision for unused vacation:**

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

	<b>2020</b>	<b>2019</b>
<b>1 January</b>	<b>19,196</b>	<b>16,702</b>
Changes in the period, net	11,435	4,767
	<b>30,631</b>	<b>21,469</b>

**Provision for employment termination benefits:**

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

The amount payable consists of one month's salary limited to a maximum of full TRY7,117.17 for each year of service as of 30 September 2020 (31 December 2019: TRY6,379.86).

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

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

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

	<b>30 September 2020</b>	<b>31 December 2019</b>
Net discount rate (%)	3.50	5.00
Probability of retirement (%)	100.00	100.00

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 TRY7,117.17 which is effective from 1 July 2020, has been taken into consideration in the calculation of employment termination benefits of the Group (1 January 2020: TRY6,730.15).

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**NOTE 12 - EMPLOYEE BENEFITS (Continued)**

**Provision for seniority incentive bonus:**

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

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

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

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

TAS 19 requires that actuarial valuation methods to be developed to estimate the employee benefit provisions. The following actuarial assumptions have been used in the calculation of the total provision:

	<b>30 September 2020</b>	<b>31 December 2019</b>
Net discount rate (%)	3.50	3.50
Used rate related to retirement probability (%)	100.00	100.00

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**NOTE 13 - EQUITY**

The shareholders of the Company and their shareholdings as of 30 September 2020 and 31 December 2019 were as follows:

<b>Group: Shareholder:</b>	<b>30 September 2020</b>		<b>31 December 2019</b>	
	<b>Amount</b>	<b>Share (%)</b>	<b>Amount</b>	<b>Share (%)</b>
A Socar Turkey Petrokimya A.Ş.	1,077,120	51.00	1,077,120	51.00
A Publicly traded and other	1,034,880	49.00	1,034,880	49.00
C Privatization Administration	-	0.01	-	0.01
<b>Total paid share capital</b>	<b>2,112,000</b>	<b>100</b>	<b>2,112,000</b>	<b>100</b>
Adjustment to share capital	238,988		238,988	
<b>Total share capital</b>	<b>2,350,988</b>		<b>2,350,988</b>	

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

**NOTE 14 - TAX ASSETS AND LIABILITIES**

**a) Corporate tax:**

Current tax liabilities at 30 September 2020 and 31 December 2019 are summarized below:

	<b>30 September 2020</b>	<b>31 December 2019</b>
Calculated corporation tax	77,552	50,677
Less: Prepaid taxes (-)	(28,053)	(54,674)
<b>Total corporation tax (asset)/liability</b>	<b>49,499</b>	<b>(3,997)</b>

Tax expenses included in the income statement for the condensed consolidated interim periods ended 30 September 2020 and 2019 are summarized below:

	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>
Deferred tax (expense)/income	(47,477)	(2,433)	(24,283)	998
Current period tax (expense)/income	(77,552)	(54,522)	(40,867)	2,764
<b>Total tax (expense)/gains</b>	<b>(125,029)</b>	<b>(56,955)</b>	<b>(65,150)</b>	<b>3,762</b>

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**NOTE 14 - TAX ASSETS AND LIABILITIES (Continued)**

**b) Deferred taxes**

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

In accordance with the regulation numbered 7061, published in Official Gazette on 5 December 2017, 'Bazı Vergi Kanunları ile Diğer Bazı Kanunlarda Değişiklik Yapılmasına Dair Kanun', corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%.

Details of cumulative temporary differences and the resulting deferred income tax assets and liabilities provided as of 30 September 2020 and 31 December 2019 were as follows:

	<b>Taxable Temporary Differences</b>		<b>Deferred Income Tax Assets/(Liabilities)</b>	
	<b>30 September 2020</b>	<b>31 December 2019</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
Difference between the carrying values and tax bases of property, plant, equipment and intangible assets	(279,275)	(185,629)	(55,855)	(37,126)
Other	1,932	-	386	-
<b>Deferred income tax liabilities</b>	<b>(277,343)</b>	<b>(185,629)</b>	<b>(55,469)</b>	<b>(37,126)</b>
Unused investment incentives	846,924	860,956	224,318	228,251
Carry forward tax losses	288,916	121,212	57,783	24,242
Provision for employee benefits	166,117	152,903	33,223	30,580
Fair value difference of derivative financial instruments	74,098	24,118	14,820	4,824
Inventory provision	15,133	12,888	3,027	2,578
Deferred revenue related to the transfer of operating rights	8,238	14,504	1,648	2,901
Rent allowance fee	4,016	4,141	803	828
Provision for legal cases	2,635	2,635	527	527
Other	75,375	19,105	15,075	3,821
<b>Deferred income tax assets</b>	<b>1,481,452</b>	<b>1,212,462</b>	<b>351,224</b>	<b>298,552</b>
<b>Deferred tax assets/(liabilities) - net</b>			<b>295,755</b>	<b>261,426</b>



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**NOTE 14 - TAX ASSETS AND LIABILITIES (Continued)**

The movement of deferred tax asset is as follows:

	2020	2019
<b>1 January</b>	<b>261,426</b>	<b>270,900</b>
Recognized in the profit or loss statement	(47,477)	(24,283)
Recognized in other comprehensive income	9,996	1,622
Foreign currency translation differences	71,810	17,844
<b>30 September</b>	<b>295,755</b>	<b>266,083</b>

As of 30 September 2020, the Group has TRY846,924 unused investment spending for which the realization of the related tax benefit through the future taxable profit has deemed probable with respect to its projections (31 December 2019: TRY860,956).

**NOTE 15 - GENERAL ADMINISTRATIVE EXPENSES**

	1 January - 30 September 2020	1 July - 30 September 2020	1 January - 30 September 2019	1 July - 30 September 2019
Personnel expense	137,245	40,437	100,281	25,935
Outsourced services	41,846	18,867	36,826	15,905
Depreciation and amortization	36,368	12,576	32,090	10,076
Energy expenses	11,881	1,051	12,246	1,943
Taxes, funds and fees	5,226	1,393	7,685	1,302
Other	21,315	8,626	22,553	5,567
	<b>253,881</b>	<b>82,950</b>	<b>211,681</b>	<b>60,728</b>

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**NOTE 16 - FINANCIAL INCOME/EXPENSES**

**a) Finance income**

	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>
Foreign exchange gains	2,361,515	1,122,962	1,402,330	294,448
Interest income	87,585	30,878	91,833	27,089
Other	4,985	2,455	1,910	402
	<b>2,454,085</b>	<b>1,156,295</b>	<b>1,496,073</b>	<b>321,939</b>

**b) Finance expense**

	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>
Foreign exchange loss	(2,486,374)	(1,152,404)	(1,460,241)	(299,932)
Interest expense	(309,171)	(101,591)	(294,979)	(89,549)
Commission expense	(33,007)	(16,073)	(17,276)	(5,452)
Other	(8,830)	(2,944)	(11,562)	(3,853)
	<b>(2,837,382)</b>	<b>(1,273,012)</b>	<b>(1,784,058)</b>	<b>(398,786)</b>

**NOTE 17 - EARNINGS PER SHARE**

	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>
Net profit for the period of the equity holders of the parent	424,682	290,566	709,325	235,880
Weighted average number of shares with nominal value of Krl each (thousand)	211,200	211,200	211,200	211,200
<b>Earnings per share (Kr)</b>	<b>0.2011</b>	<b>0.1376</b>	<b>0.3359</b>	<b>0.1117</b>

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**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Summary of the intercompany balances as of 30 September 2020 and 31 December 2019 and significant intercompany transactions during the period were as follows:

**i) Balances with related parties**

	<b>30 September 2020</b>	<b>31 December 2019</b>
<b>a) Short-term trade receivables from related parties:</b>		
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup> (*)	201,688	151,695
SOCAR Turkey Petrol Ener. Dağ. A.Ş. <sup>(2)</sup>	19,984	-
SOCAR Turkey Araştırma Geliş. ve İnovasyon A.Ş. <sup>(2)</sup>	133	-
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	92	-
SOCAR Azerikimya Production Union. <sup>(2)</sup>	38	-
Kayseregaz Kayseri Doğalgaz Dağ Paz. ve Tic A.Ş. <sup>(2)</sup>	-	20
	<b>221,935</b>	<b>151,715</b>

(\*) The last installment of total rental fee prepayments regarding the agreement between the Group and SOCAR

Aliğa Liman İşletmeciliği A.Ş. and the process of the transferring all land and operation rights has not yet completed. The Group will bill 20 million USD after all legal requirements will be fulfilled.

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

STAR <sup>(2)</sup>	153	541
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	74	71
STEAS <sup>(1)</sup>	71	164
SOCAR Turkey Fiber Optik A.Ş. <sup>(2)</sup>	28	-
SOCAR Turkey Araştırma Geliş. ve İnovasyon A.Ş. <sup>(2)</sup>	8	7,009
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	1	38
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	1	6
SOCAR Turkey Petrol Ener. Dağ. A.Ş. <sup>(2)</sup>	-	679
SOCAR Trading SA <sup>(2)</sup>	-	164
	<b>336</b>	<b>8,672</b>

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

	<b>30 September 2020</b>	<b>31 December 2019</b>
SOCAR Power Enerji Yatırımları A.Ş. <sup>(2)</sup>	7,917	6,462
	<b>7,917</b>	<b>6,462</b>

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

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

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**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

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

	30 September 2020	31 December 2019
STAR <sup>(2)</sup>	402,777	273,692
STEAŞ <sup>(1)</sup>	118,122	115,374
SOCAR Enerji Ticaret AŞ. <sup>(2)</sup>	60,819	-
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	5,540	-
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	4,686	15,235
Azoil Petrolcülük A.Ş. <sup>(2)</sup>	229	868
SOCAR Turkey Petrokimya A.Ş. <sup>(1)</sup>	-	71,285
SOCAR Turkey Petrol Ener. Dağ. A.Ş. <sup>(2)</sup>	-	45,051
SOCAR Turkey Fiber Optik A.Ş. <sup>(2)</sup>	-	244
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	-	11,810
Other <sup>(2)</sup>	5	109
	<b>592,178</b>	<b>533,668</b>

Short-term trade payables to related parties mainly consist of product and consulting services purchases. Average maturity of short term trade payables is 8 days. (31 December 2019: 11 days).

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

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

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

STAR <sup>(2)</sup>	8,690	184
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	653	-
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	198	-
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	46	-
	<b>9,587</b>	<b>184</b>

**g) Long-term deferred revenue from related parties**

	30 September 2020	31 December 2019
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	243,305	190,228
STAR <sup>(2)</sup>	4,233	4,372
	<b>247,538</b>	<b>194,600</b>

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

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**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

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

	<b>30 September 2020</b>	<b>31 December 2019</b>
STEAŞ <sup>(1) (*)</sup>	3,749,263	2,852,279
SOCAR Logistics DMCC <sup>(2)</sup>	3,178	604
STAR <sup>(2)</sup>	1,813	1,813
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	91	-
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	36	-
Other <sup>(2)</sup>	-	193
	<b>3,754,381</b>	<b>2,854,889</b>

(\*) As a result of negotiations between the Group and its main shareholder SOCAR Turkey Enerji A.Ş. (STEAŞ), a share sale and transfer agreement ("Agreement") has been signed on 9 January 2018 in order to acquire 30% shares of Rafineri Holding A.Ş. (Rafineri Holding) from STEAŞ with a purchase price of USD720 million. Rafineri Holding A.Ş. owns 60% shares of SOCAR Turkey Yatırım A.Ş. The shares of Rafineri Holding which are subject to the contract may be purchased by the Group provided that the conditions specified in the Agreement are realized on a date which is defined as the closing date in the contract. Closing date defined as 31 March 2019 as per agreement is modified as no later than 30 June 2021 by modification memorandum signed at 15 May 2020. As the agreement, Petkim has a share transfer contract that can be terminated at Petkim's own discretion and finalisation of the share transfer is subject to Group's operational performance and cash flows, advances paid are reclassified as prepaid expenses to related parties in the balance sheet as of 30 September 2020 and have been subject to exchange rate valuation.

**i) Long-term prepaid expense to related parties**

	<b>30 September 2020</b>	<b>31 December 2019</b>
STAR <sup>(2)</sup>	20,574	21,935
STEAŞ <sup>(1)</sup>	1,058	1,481
	<b>21,632</b>	<b>23,416</b>

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

SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	28,580	22,793
STAR <sup>(2)</sup>	1,071	-
STEAŞ <sup>(1)</sup>	3,292	2,881
	<b>32,943</b>	<b>25,674</b>

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**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

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

	<b>30 September 2020</b>	<b>31 December 2019</b>
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	148,583	92,293
STEAŞ <sup>(1)</sup>	4,439	11,268
	<b>153,022</b>	<b>103,561</b>

**ii) Transactions with related parties**

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

	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>
STEAŞ <sup>(1)</sup>	892,941	462,028	184,194	(54,349)
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	4,753	2,248	-	-
SOCAR Turkey Araştırma Geliş. ve İnovasyon A.Ş. <sup>(2)</sup>	2,553	(35)	-	-
SOCAR Power Enerji Yatırımları A.Ş. <sup>(2)</sup>	1,240	202	14,799	1,121
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	1,128	(90)	509	188
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	450	(852)	-	-
SOCAR Logistics DMCC <sup>(2)</sup>	138	138	-	-
SOCAR Azerikimya Production Union <sup>(2)</sup>	6	6	(13)	(12)
SOCAR Turkey Fiber Optik A.Ş. <sup>(2)</sup>	3	3	-	-
SOCAR Trading SA <sup>(2)</sup>	-	-	(136)	(156)
SOCAR Turkey Petrol Ener. Dağ. A.Ş. <sup>(2)</sup>	(293)	1,904	6,042	12,648
STAR <sup>(2)</sup>	(37,096)	(23,188)	3,557	9,183
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	(61,845)	(28,935)	(14,594)	(453)
	<b>803,978</b>	<b>413,429</b>	<b>194,358</b>	<b>(31,830)</b>

TL 34,290 of the expenses arising from STAR consists of exchange difference expenses and TL 2,806 is from other expenses, TL 898,055 of the income obtained from STEAŞ is foreign exchange income and TL 5,114 consists of other expenses. Income obtained from SOCAR Power Enerji Yatırımları A.Ş. consists of interest income.

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**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

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

	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	25,491	12,125	-	-
STEAŞ <sup>(1)</sup>	25,061	6,703	13,194	4,179
SCR Gayrimenkul İnşaat ve Müşavirlik A.Ş. <sup>(2)</sup>	9,007	2,816	15,712	5,687
STAR <sup>(2)</sup>	5,516	1,371	11,803	3,103
SOCAR Turkey Petrol Ener. Dağ. A.Ş. <sup>(2)</sup>	886	7	33	16
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	513	487	-	-
SOCAR Power Enerji Yatırımları A.Ş. <sup>(2)</sup>	-	-	50	-
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	-	-	120	-
Other <sup>(2)</sup>	298	298	-	-
	<b>66,772</b>	<b>23,807</b>	<b>40,912</b>	<b>12,985</b>

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

	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>
STAR <sup>(2)</sup>	1,981,206	952,078	1,489,285	761,680
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	537,555	153,852	-	-
SOCAR Logistics DMCC <sup>(2)</sup>	69,684	10,061	-	-
Azoil Petrolcülük A.Ş. <sup>(2)</sup>	1,424	590	2,111	-
SOCAR Turkey Petrol Enerji Dağıtım A.Ş. <sup>(2)</sup>	-	-	422,492	57,948
SOCAR Turkey Petrokimya A.Ş. <sup>(1)</sup>	-	-	461,458	152,787
	<b>2,589,869</b>	<b>1,116,581</b>	<b>2,375,346</b>	<b>972,415</b>

Goods purchases from related parties consist of raw material and commercial product purchases. Purchases from STAR consist of 931,666 tons of 1,963,153 TL naphtha purchases, 18,053 TL other purchases.

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

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**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

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

	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>
STAR <sup>(2)</sup>	150,920	53,243	53,459	20,026
SOCAR Aliağa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	98,361	35,424	80,979	27,451
SOCAR Turkey Petrol Enerji Dağıtım A.Ş. <sup>(2)</sup>	60,906	60,906	-	-
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	2,649	660	2,626	507
SOCAR Azerikimya Production Union <sup>(2)</sup>	1,908	855	3,788	1,434
STEAŞ <sup>(1)</sup>	47	47	441	175
SCR İnşaat ve Müşavirlik A.Ş. <sup>(2)</sup>	162	29	129	-
	<b>314,953</b>	<b>151,164</b>	<b>141,422</b>	<b>49,593</b>

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

STAR <sup>(2)</sup>	25,535	8,512	27,765	8,195
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	1,227	574	1,609	538
Other <sup>(2)</sup>	973	343	-	-
	<b>27,735</b>	<b>9,429</b>	<b>29,374</b>	<b>8,733</b>

**f) Key management compensation:**

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

	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>
Payments for salary and seniority incentives	25,303	7,039	21,275	5,913
	<b>25,303</b>	<b>7,039</b>	<b>21,275</b>	<b>5,913</b>

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**NOTE 18 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

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

	<b>1 January - 30 September 2020</b>	<b>1 July - 30 September 2020</b>	<b>1 January - 30 September 2019</b>	<b>1 July - 30 September 2019</b>
Provision for unused vacation	588	193	603	(208)
Provision for seniority incentives	471	110	176	(2)
Provision for employment termination benefits	33	8	33	8
	<b>1,092</b>	<b>311</b>	<b>812</b>	<b>(202)</b>
	<b>26,395</b>	<b>7,350</b>	<b>22,087</b>	<b>5,711</b>

The Group classifies the general manager, assistant general managers, and board of directors and audit committee members as executive management. Key management compensation 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.

**NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**a) Short-term provisions:**

	<b>30 September 2020</b>	<b>31 December 2019</b>
Provision for legal cases	2,635	2,635
	<b>2,635</b>	<b>2,635</b>

**b) Guaranties received:**

	<b>30 September 2020</b>	<b>31 December 2019</b>
Bank guarantees within the context of DOCS	1,183,240	1,059,061
Receivable insurance	745,957	617,505
Letters of guarantee received from customers	728,473	596,343
Letters of guarantee received from suppliers	332,415	251,510
Letters of credit	157,354	131,342
Mortgages	2,000	2,000
	<b>3,149,439</b>	<b>2,657,761</b>

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**NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

<b>c) Guaranties given:</b>	<b>30 September 2020</b>	<b>31 December 2019</b>
Guaranties given to banks	3,013,006	2,511,496
Mortgage given to banks (*)	1,465,102	1,127,219
Custom offices	124,588	99,400
Other	28,173	26,869
	<b>4,630,869</b>	<b>3,764,984</b>

(\*) Mortgages given to banks consist of pledge and mortgage for loan of Petlim Limancılık Ticaret A.Ş. at an amount of USD212 million which Petlim has remaining loan balance amounting to TRY1,465 thousand as of 30 September 2020. Petkim has guaranteed the loan repayment and its shares in Petlim Limancılık Ticaret A.Ş. amounting TRY105 thousand has been pledged. On 20 November 2015, a mortgage amounting to USD350 million was established on Petlim's land which was sold by Petkim at a price of TRY5,650. Guarantees given has been considered as total risk amount.

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

	<b>30 September 2020</b>	<b>31 December 2019</b>
<b>A.</b> Total amount of CPMs given for the Company's own legal personality	3,165,767	2,637,765
<b>B.</b> Total amount of CPMs given on behalf of fully consolidated companies	1,465,102	1,127,219
<b>C.</b> Total amount of CPMs given for continuation of its economic activities on behalf of third parties	-	-
<b>D.</b> Total amount of other CPMs		
<b>i.</b> Total amount of CPMs given on behalf of the majority shareholder	-	-
<b>ii.</b> Total amount of CPMs given to on behalf of other group companies which are not in scope of B and C	-	-
<b>iii.</b> Total amount of CPMs given to on behalf of third parties which are not in scope of C	-	-
	<b>4,630,869</b>	<b>3,764,984</b>

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**NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**d) Ongoing cases and investigations**

The Customs Administration levied an incremental VAT charge and fine to Group in, with the claim that the customs tariff statistical position of Pygas, which was imported by the group in 2014, requires SCT. The Group objected to the VAT charge and fine, then started legal proceedings when its objection was rejected by the Customs Administration.

While these lawsuits were in process, the Turkish Ministry of Finance started a limited tax inspection for the 2014 SCT with the claim that the customs tariff statistical position of Pygas requires SCT. As a result of this inspection, the Group was notified on 25 August 2017 of the imposition of a tax charge amounting TL66 thousand and penalty of TL99 thousand. A compromise meeting was attended for the tax and penalties communicated and no compromise was achieved. The case was filed on January 22, 2020 regarding the issue.

Subsequently on 28 September 2017 all the lawsuits which were heard at the Regional Administrative Court (the "Court of Appeals") were concluded in favour of the Group with rulings that the product's customs tariff statistical position does not require SCT, and a lawsuit was filed with the Council of State by the Customs Administration.

Furthermore, the Turkish Ministry of Finance started a new tax inspection for 2013, 2015 and 2016 regarding our use of Pygas, following the tax loss and late payment interest notification about SCT for 2014. As a result of this inspection, an SCT loss and late payment penalty of 0.75% of the total amount was calculated by the Turkish Ministry of Finance for the relevant years, considering that the Group is entitled to receive a tax refund of 99.25%. This result is different from the result of the inspection conducted in 2014, and the tax principal and tax losses for 2013, 2015 and 2016 were accrued and the Group was informed that the sum of such losses were TL937 and TL1,405, respectively. In accordance with 7143 numbered Law regarding restruction, a fine amounting TL479 was levied to the Group. Group has paid TL 479 and these inspections has been closed.

The tax principal and the tax loss calculated for 2013, 2015 and 2016 according to the Turkish Ministry of Finance resulted to be 99.25% less than the tax principal and tax loss calculated according to the previous methodology in 2014. The tax calculation method applied by the Turkish Ministry of Finance for 2013, 2015 and 2016 is considered to be applicable and exemplary to the tax principle and tax loss calculation for 2014, which supports the estimation that the tax principal and tax penalty regarding the Group's SCT for 2014 will be concluded with a reconciliation and/or litigation, without creating a material financial risk.

The Group management and the Group legal consultants estimate that since the Court of Appeals has ruled that the customs tariff statistical position of Pygas does not require SCT, the tax principal and penalty communicated by the Turkish Ministry of Finance will then be concluded with a settlement and/or litigation in a way that does not constitute any material financial risk. Thus, no provision has been recognised in the consolidated financial statements as of 30 September 2020.

As a result of this judicial process, the Group expects that Pygas will not have the GTIP number with the excise duty claimed by the Customs administration, and that the Group will have the GTIP number without the excise duty claimed.

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**NOTE 19 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**e) 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 2020 and 31 December 2019 are as follows:

	<b>30 September 2020</b>	<b>31 December 2019</b>
0-5 year	947,420	708,633
5-10 year(s)	938,527	736,636
10 years and more	3,348,856	2,835,333
<b>Total</b>	<b>5,234,803</b>	<b>4,280,602</b>

**NOTE 20 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL  
INSTRUMENTS**

**Foreign exchange risk**

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

Although the raw materials, which comprise the significant portion of production and import volume, are foreign exchange denominated cost items, such exposure is limited with the sales prices impacted by foreign currencies.

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**NOTE 20 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL INSTRUMENTS (Continued)**

**Foreign currency position**

	30 September 2020				31 December 2019			
	TRY Equivalent	US Dollar	Euro	Other	TRY Equivalent	US Dollar	Euro	Other
1. Trade receivables	915,051	93,781	20,027	-	1,132,694	153,573	33,146	-
2a. Monetary financial assets (Cash, bank accounts included)	8,411,578	1,031,025	39,528	519	6,300,018	1,034,880	22,934	102
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
<b>3. Current assets (1+2)</b>	<b>9,326,629</b>	<b>1,124,806</b>	<b>59,555</b>	<b>519</b>	<b>7,432,712</b>	<b>1,188,453</b>	<b>56,080</b>	<b>102</b>
4. Trade receivables	-	-	-	-	-	-	-	-
5a. Monetary financial assets	-	-	-	-	-	-	-	-
5b. Non-monetary financial assets	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-
<b>7. Non-current assets (4+5+6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Total assets (3+7)</b>	<b>9,326,629</b>	<b>1,124,806</b>	<b>59,555</b>	<b>519</b>	<b>7,432,712</b>	<b>1,188,453</b>	<b>56,080</b>	<b>102</b>
9. Trade payables	836,221	72,369	6,349	213,210	743,571	87,119	14,913	149,016
10. Financial liabilities	4,419,362	529,133	31,539	-	3,865,262	638,111	11,240	-
11a. Monetary other liabilities	799,278	4,385	-	765,040	765,040	-	-	765,040
11b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
<b>12. Short-term liabilities (9+10+11)</b>	<b>6,054,861</b>	<b>605,887</b>	<b>37,888</b>	<b>978,250</b>	<b>5,373,873</b>	<b>725,230</b>	<b>26,153</b>	<b>914,056</b>
13. Trade payables	-	-	-	-	-	-	-	-
14. Financial liabilities	4,546,217	561,451	17,792	-	3,242,809	515,519	27,144	-
15a. Monetary other liabilities	114,270	14,635	-	-	-	-	-	-
15b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
<b>16. Long-term liabilities (13+14+15a+15b)</b>	<b>4,660,487</b>	<b>576,086</b>	<b>17,792</b>	<b>-</b>	<b>3,242,809</b>	<b>515,519</b>	<b>27,144</b>	<b>-</b>
<b>17. Total liabilities (12+16)</b>	<b>10,715,348</b>	<b>1,181,973</b>	<b>55,680</b>	<b>978,250</b>	<b>8,616,682</b>	<b>1,240,749</b>	<b>53,297</b>	<b>914,056</b>
<b>18. Net (liability)/asset contract value of derivative instruments (18a-18b)</b>	<b>37</b>	<b>4,681</b>	<b>(4,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18a. Amount of asset contract value of derivative instruments</b>	<b>36,549</b>	<b>4,681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18b. Amount of liability contract value of derivative instruments</b>	<b>(36,512)</b>	<b>-</b>	<b>(4,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>19. Net foreign (liability)/asset position (8-17+19)</b>	<b>(1,388,682)</b>	<b>(52,486)</b>	<b>(125)</b>	<b>(977,731)</b>	<b>(1,183,970)</b>	<b>(52,296)</b>	<b>2,783</b>	<b>(913,954)</b>
<b>20. Net foreign currency (liability)/asset d position of monetary items (TFRS 7.B23) (=1+2a+4+5a-9-10-11a-13-14-15a)</b>	<b>(1,388,719)</b>	<b>(57,167)</b>	<b>3,875</b>	<b>(977,731)</b>	<b>(1,183,970)</b>	<b>(52,296)</b>	<b>2,783</b>	<b>(913,954)</b>
<b>21. Total fair value of financial instruments used for foreign currency hedging</b>	<b>(276)</b>	<b>(35)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>22. Hedged amount for current assets</b>	<b>36,549</b>	<b>4,681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Hedged amount for current liabilities</b>	<b>(36,512)</b>	<b>-</b>	<b>(4,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24. Export</b>	<b>2,750,660</b>	<b>276,793</b>	<b>112,498</b>	<b>78,594</b>	<b>4,666,598</b>	<b>532,289</b>	<b>258,664</b>	<b>14,287</b>
<b>25. Import</b>	<b>3,731,704</b>	<b>508,263</b>	<b>46,398</b>	<b>60,521</b>	<b>5,714,698</b>	<b>941,396</b>	<b>61,936</b>	<b>39,954</b>

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**NOTE 20 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL  
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**Table of sensitivity analysis for foreign currency risk**

**30 September 2020**

	<u>Profit/(Loss)</u>		<u>Equity</u>	
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
<b>Change of USD by 10% against TRY:</b>				
1- Asset/Liability denominated in USD - net	(44,636)	44,636	(44,636)	44,636
2- The part hedged for USD risk (-)	-	-	3,655	(3,655)
<b>3- USD effect - net (1+2)</b>	<b>(44,636)</b>	<b>44,636</b>	<b>(40,981)</b>	<b>40,981</b>
<b>Change of EUR by 10% against TRY:</b>				
4- Asset/Liability denominated in EUR - net	3,537	(3,537)	3,537	(3,537)
5- The part hedged for EUR risk (-)	-	-	(3,651)	3,651
<b>6- EUR effect - net (4+5)</b>	<b>3,537</b>	<b>(3,537)</b>	<b>(114)</b>	<b>114</b>
<b>Change of other currencies by 10% against TRY:</b>				
7- Assets/Liabilities denominated in other foreign currencies - net	96,543	(96,543)	96,543	(96,543)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
<b>9- Other foreign currency effect - net (7+8)</b>	<b>96,543</b>	<b>(96,543)</b>	<b>96,543</b>	<b>(96,543)</b>
<b>Total (3+6+9)</b>	<b>55,444</b>	<b>(55,444)</b>	<b>55,448</b>	<b>(55,448)</b>

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**NOTE 20 - NATURE AND LEVEL OF RISK DERIVING FROM FINANCIAL  
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**31 December 2019**

	<u>Profit/(Loss)</u>		<u>Equity</u>	
	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>	<u>Appreciation of foreign currency</u>	<u>Depreciation of foreign currency</u>
<b>Change of USD by 10% against TL:</b>				
1- Asset/(Liability) denominated in USD - net	(31,065)	31,065	(31,065)	31,065
2- The part hedged for USD risk (-)				
<b>3- USD effect - net (1+2)</b>	-	-	-	-
<b>Change of EUR by 10% against TL:</b>				
4- Asset/(Liability) denominated in EUR - net	1,851	(1,851)	1,851	(1,851)
5- The part hedged for EUR risk (-)	-	-	-	-
<b>6- EUR effect - net (4+5)</b>	<b>1,851</b>	<b>(1,851)</b>	<b>1,851</b>	<b>(1,851)</b>
<b>Change of other currencies by 10% against TL:</b>				
7- Assets/(Liabilities) denominated in other foreign currencies – net	88,807	(88,807)	88,807	(88,807)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
<b>9- Other foreign currency effect - net (7+8)</b>	<b>88,807</b>	<b>(88,807)</b>	<b>88,807</b>	<b>(88,807)</b>
<b>Total (3+6+9)</b>	<b>59,593</b>	<b>(59,593)</b>	<b>59,593</b>	<b>(59,593)</b>

**NOTE 21 - SUBSEQUENT EVENTS**

Ordinary Board of Directors Meeting of the Company for 2019 was held on October 2, 2020. Regarding the 6th Agenda item; Board of Directors' proposal to distribute gross dividend at amount of TL 422,400, corresponding to %20 of the issued capital, to shareholders as bonus shares to be covered from net distributable income, has been approved. Based on this decision, it was decided to increase the issued capital of the Company from TL 2.112.000 to TL 2.534.400, to be covered from the previous year's profit.

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