

**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 JUNE 2022  
TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT**

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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**INDEX TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE INTERIM PERIOD 1 JANUARY - 30 JUNE 2022**

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**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS  
AS AT 30 JUNE 2022 AND 31 DECEMBER 2021**

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

	Notes	Reviewed 30 June 2022	Audited 31 December 2021
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	5,215,431	3,665,331
Financial investments	5	2,229,324	48,654
Trade receivables		6,220,139	5,106,588
- Trade receivables from related parties	20	1,000,677	746,142
- Trade receivables from third parties	7	5,219,462	4,360,446
Other receivables		28,971	26,899
- Other receivables from related parties	20	4,984	8,331
- Other receivables from third parties		23,987	18,568
Inventories	6	5,883,291	3,539,843
Prepaid expenses		8,421,012	6,816,363
- Prepaid expenses to related parties	20	8,093,034	6,418,168
- Prepaid expenses to third parties	11	327,978	398,195
Derivative financial instruments	24	1,379	8,534
Other current assets		875,541	411,079
- Other current assets to third parties	11	875,541	411,079
Current income tax liabilities	14	133,800	-
<b>TOTAL CURRENT ASSETS</b>		<b>29,008,888</b>	<b>19,623,291</b>
<b>NON-CURRENT ASSETS</b>			
Financial investments	5	8,910	8,910
Other receivables		11,462	10,412
- Other receivables from related parties	20	11,395	10,345
- Other receivables from third parties		67	67
Investment property	21	4,166,260	2,872,594
Property, plant and equipment	9	8,517,002	7,303,218
Right-of-use assets		263,092	207,823
Intangible assets		91,556	91,381
Prepaid expenses		375,521	139,427
- Prepaid expenses to related parties	20	26,456	27,815
- Prepaid expenses to third parties	11	349,065	111,612
Deferred tax assets	14	849,876	150,311
Derivative financial instruments	24	20,699	-
Other non-current assets		18,545	20,789
- Other non-current assets related to third parties		18,545	20,789
<b>TOTAL NON-CURRENT ASSETS</b>		<b>14,322,923</b>	<b>10,804,865</b>
<b>TOTAL ASSETS</b>		<b>43,331,811</b>	<b>30,428,156</b>

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

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**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS  
AS AT 30 JUNE 2022 AND 31 DECEMBER 2021**

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

	Notes	Reviewed 30 June 2022	Audited 31 December 2021
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Short-term borrowings		8,179,850	1,606,310
- Short-term borrowings from third parties		8,117,535	1,561,217
- Bank borrowings	8	1,458,228	64,952
- Short term lease liabilities	8	28,482	21,245
- Other financial liabilities	8	6,630,825	1,475,020
- Short-term borrowings from related parties		62,315	45,093
- Short term lease liabilities to related parties	20	62,315	45,093
Short-term portion of long-term borrowings		9,082,369	1,270,454
- Short-term portion of long-term borrowings to third parties		9,082,369	1,270,454
- Bank borrowings	8	534,595	1,103,565
- Bonds issued	8	8,547,774	166,889
Derivative financial instruments	24	4,361	23,760
Trade payables		4,288,816	3,835,847
- Trade payables to related parties	20	2,321,851	1,966,500
- Trade payables to third parties	7	1,966,965	1,869,347
Payables related to employee benefits	12	20,575	13,580
Other payables		11,631	10,905
- Other payables to related parties	20	87	87
- Other payables to third parties		11,544	10,818
Deferred revenue		528,899	288,734
- Deferred revenue from related parties	20	79,739	28,219
- Deferred revenue from third parties	10	449,160	260,515
Short-term provisions		203,495	283,783
- Provision for employee benefits	12	188,029	281,186
- Other short-term provisions	23	15,466	2,597
Other current liabilities		52,166	50,562
- Other current liabilities related to third parties		52,166	50,562
Current income tax liabilities	14	-	271,437
<b>TOTAL CURRENT LIABILITIES</b>		<b>22,372,162</b>	<b>7,655,372</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financial liabilities		2,897,583	9,223,820
- Long-term borrowings from third parties	8	2,647,012	9,018,998
- Bank borrowings	8	2,579,152	2,291,409
- Long-term lease liabilities to third parties	8	67,860	58,458
- Bonds issued	8	-	6,669,131
- Long-term borrowings from related parties		250,571	204,822
- Long term lease liabilities to related parties	20	250,571	204,822
Derivative financial instruments		-	30,419
Deferred revenue		762,983	608,081
- Deferred revenue from related parties	20	762,983	607,331
- Deferred revenue from third parties	10	-	750
Long-term provisions		309,749	191,434
- Provision for employee termination benefits	12	309,749	191,434
Deferred income tax liabilities		15,047	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,985,362</b>	<b>10,053,754</b>
<b>TOTAL LIABILITIES</b>		<b>26,357,524</b>	<b>17,709,126</b>

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**CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS  
AS AT 30 JUNE 2022 AND 31 DECEMBER 2021**

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

	Notes	Reviewed 30 June 2022	Audited 31 December 2021
<b>EQUITY</b>			
<b>Equity Attributable to Owners of the Parent Company</b>		<b>16,913,969</b>	<b>12,722,324</b>
Share capital	13	2,534,400	2,534,400
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			
- Actuarial loss arising from defined benefit plan		(81,328)	(46,542)
Other comprehensive income/(expense) to be reclassified to profit or loss		(493,026)	(456,604)
- Currency translation differences		(501,135)	(433,091)
- Loss on cash flow hedges		8,109	(23,513)
Restricted reserves		417,325	417,325
Retained earnings		9,970,569	4,518,863
Net profit for the period/year		4,262,853	5,451,706
<b>Non-controlling interest</b>		<b>60,318</b>	<b>(3,294)</b>
<b>TOTAL EQUITY</b>		<b>16,974,287</b>	<b>12,719,030</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>43,331,811</b>	<b>30,428,156</b>

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**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF PROFIT OR LOSS  
FOR SIX MONTH PERIOD ENDED 30 JUNE 2022**

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

	Notes	Reviewed 1 January - 30 June 2022	1 April - 30 June 2022	Reviewed 1 January - 30 June 2021	1 April - 30 June 2021
<b>PROFIT OR LOSS</b>					
Revenue	15	25,789,517	14,368,565	12,430,451	7,396,553
Cost of sales (-)	15	(22,656,337)	(12,910,334)	(9,336,016)	(5,512,569)
<b>GROSS PROFIT</b>		<b>3,133,180</b>	<b>1,458,231</b>	<b>3,094,435</b>	<b>1,883,984</b>
General administrative expenses (-)	16	(441,346)	(219,167)	(198,175)	(104,886)
Selling, marketing and distribution expenses (-)		(213,709)	(130,361)	(74,504)	(41,605)
Other operating income	17	1,314,226	884,773	474,976	165,836
Other operating expense (-)	17	(720,140)	(528,570)	(343,567)	(129,686)
<b>OPERATING PROFIT</b>		<b>3,072,211</b>	<b>1,464,906</b>	<b>2,953,165</b>	<b>1,773,643</b>
Income from investing activities	19	1,601,940	774,975	21,575	10,979
Expense from investing activities (-)	19	(48)	(16)	(12)	(7)
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/(EXPENSE)</b>		<b>4,674,103</b>	<b>2,239,865</b>	<b>2,974,728</b>	<b>1,784,615</b>
Financial income	18	3,484,640	1,984,324	2,168,112	689,634
Financial expenses (-)	18	(4,451,474)	(2,603,081)	(2,270,060)	(743,320)
<b>PROFIT BEFORE TAX FROM CONTINUED OPERATIONS</b>		<b>3,707,269</b>	<b>1,621,108</b>	<b>2,872,780</b>	<b>1,730,929</b>
Tax expense/income from continuing operations		565,398	899,033	(656,521)	(406,427)
- Current tax (expense)/income	14	(115,746)	104,851	(593,223)	(385,451)
- Deferred tax (expense)/income	14	681,144	794,182	(63,298)	(20,976)
<b>PROFIT FOR THE PERIOD FROM CONTINUED OPERATIONS</b>		<b>4,272,667</b>	<b>2,520,141</b>	<b>2,216,259</b>	<b>1,324,502</b>
<b>PROFIT FOR THE PERIOD</b>		<b>4,272,667</b>	<b>2,520,141</b>	<b>2,216,259</b>	<b>1,324,502</b>
<b>DISTRIBUTION OF INCOME FOR THE PERIOD</b>					
- Non-controlling interest		9,814	10,995	(3,752)	(11,503)
- Owners of the parent company		4,262,853	2,509,146	2,220,011	1,336,005
<b>Earnings Per Share</b>		<b>1.682</b>	<b>0.99</b>	<b>0.8760</b>	<b>0.5271</b>
- Earnings per Krl 1 number of 1 shares from continued operations	22	1.682	0.99	0.8760	0.5271

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**CONDENSED CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE  
INCOME FOR SIX MONTH PERIOD ENDED 30 JUNE 2022**

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

Notes	Reviewed 1 January - 30 June 2022	1 April - 30 June 2022	Reviewed 1 January - 30 June 2021	1 April - 30 June 2021
<b>PROFIT FOR THE PERIOD</b>	4,272,667	2,520,141	2,216,259	1,324,502
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not to be Reclassified to Profit or Loss</b>	<b>(34,786)</b>	<b>(34,786)</b>	-	-
Gains (losses) on remeasurements of defined benefit plans	(43,482)	(43,482)	-	-
Taxes relating to (loss)/gain from remeasurements of defined benefit plan	8,696	8,696	-	-
<b>Items to be Reclassified to Profit or Loss</b>	<b>17,374</b>	<b>(46,717)</b>	<b>(59,633)</b>	<b>(22,891)</b>
Currency translation differences	(32,220)	(64,163)	(66,127)	(19,336)
(Losses)/gains from cash flow hedges	61,993	21,808	8,117	(4,444)
Taxes relating to (loss)/gain from cash flow hedges	(12,399)	(4,362)	(1,623)	889
<b>OTHER COMPREHENSIVE EXPENSE</b>	<b>(17,412)</b>	<b>(81,503)</b>	<b>(59,633)</b>	<b>(22,891)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>4,255,255</b>	<b>2,438,638</b>	<b>2,156,626</b>	<b>1,301,611</b>
<b>Attributable to:</b>				
Non-controlling interests	63,612	22,771	(4,403)	(13,281)
Owners of the parent company	4,191,643	2,415,867	2,161,029	1,314,892

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS  
1 JANUARY - 30 JUNE 2022 AND 2021**

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

	Share capital	Adjustment to share capital	Other comprehensive income/(expense) not to be reclassified to profit or loss Actuarial loss arising from defined benefit plan	Cash flow hedges	Other comprehensive income/(expense) to be reclassified to profit or loss 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 2022</b>	<b>2,534,400</b>	<b>238,988</b>	<b>(46,542)</b>	<b>(23,513)</b>	<b>(433,091)</b>	<b>64,188</b>	<b>417,325</b>	<b>5,451,706</b>	<b>4,518,863</b>	<b>12,722,324</b>	<b>(3,294)</b>	<b>12,719,030</b>
Transfers	-	-	-	-	-	-	-	(5,451,706)	5,451,706	-	-	-
Total comprehensive income	-	-	(34,786)	31,622	(68,044)	-	-	4,262,853	-	4,191,645	63,612	4,255,257
- Other comprehensive income (expense)	-	-	(34,786)	31,622	(68,044)	-	-	-	-	(71,208)	53,798	(17,410)
- Net profit for the period	-	-	-	-	-	-	-	4,262,853	-	4,262,853	9,814	4,272,667
<b>30 June 2022</b>	<b>2,534,400</b>	<b>238,988</b>	<b>(81,328)</b>	<b>8,109</b>	<b>(501,135)</b>	<b>64,188</b>	<b>417,325</b>	<b>4,262,853</b>	<b>9,970,569</b>	<b>16,913,969</b>	<b>60,318</b>	<b>16,974,287</b>
<b>1 January 2021</b>	<b>2,534,400</b>	<b>238,988</b>	<b>(28,079)</b>	<b>(35,659)</b>	<b>(117,397)</b>	<b>64,188</b>	<b>371,941</b>	<b>1,087,675</b>	<b>3,476,572</b>	<b>7,592,629</b>	<b>(34,004)</b>	<b>7,558,625</b>
Transfers	-	-	-	-	-	-	-	(1,087,675)	1,087,675	-	-	-
Total comprehensive income	-	-	-	4,061	(63,039)	-	-	2,220,011	-	2,161,033	(4,405)	2,156,628
- Other comprehensive income/ (expense)	-	-	-	4,061	(63,039)	-	-	-	-	(58,978)	(653)	(59,631)
- Net profit for the period	-	-	-	-	-	-	-	2,220,011	-	2,220,011	(3,752)	2,216,259
<b>31 June 2021</b>	<b>2,534,400</b>	<b>238,988</b>	<b>(28,079)</b>	<b>(31,598)</b>	<b>(180,436)</b>	<b>64,188</b>	<b>371,941</b>	<b>2,220,011</b>	<b>4,564,247</b>	<b>9,753,662</b>	<b>(38,409)</b>	<b>9,715,253</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE  
INTERIM PERIODS 1 JANUARY - 30 JUNE 2022 AND 2021**

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

Notes	Reviewed 1 January - 30 June 2022	Reviewed 1 January - 30 June 2021
<b>A. Cash flows from operating activities:</b>	<b>(35,794)</b>	<b>1,554,516</b>
Net profit for the year (I)	4,272,667	2,216,259
<b>Adjustments related to reconciliation of (II) net profit for the year:</b>	<b>(583,638)</b>	<b>1,313,800</b>
Adjustments for tax losses	14 (565,398)	656,521
Adjustments for depreciation and amortization	374,018	241,240
Adjustments for impairments/reversals		
- Adjustments for impairment of inventories	6 35,439	423
Adjustments for provisions		
- Adjustments for provision employment termination benefits	207,941	33,088
- Adjustments for provision litigation	-	6,779
- Adjustments for provision/other provisions	12,582	-
Adjustments for interest income/(expense)		
- Adjustments for interest income	18 (102,920)	(164,191)
- Adjustments for interest expense	18 551,187	215,913
Adjustments for unrealized foreign currency translation differences	469,878	327,849
Adjustments for fair value losses (gains)	(1,562,753)	-
- Adjustments for Fair Value Losses (Gains) of Investment Property	(1,293,666)	-
- Adjustments for Fair Value Losses (Gains) of Financial Assets	(269,087)	-
Adjustments for gain/(losses) on sale of tangible assets	(1,041)	(458)
Adjustments to revenues from government grants	(2,571)	(3,364)
<b>Changes in working capital (III)</b>	<b>(3,012,503)</b>	<b>(1,692,400)</b>
Adjustments related to increase/(decrease) in trade receivables	(844,366)	(1,581,599)
Adjustments related to increase/(decrease) in other receivables	(2,969)	(23,012)
Adjustments related to increase in inventory	(2,338,520)	(752,540)
Increase/(decrease) in prepaid expenses	(22,164)	(319,238)
Adjustments for (decrease)/increase in trade payables	405,848	981,115
Adjustments for (decrease)/increase in other payable	724	(1,560)
Change in derivative financial instruments	(12,751)	(8,679)
Increase in payables to employees	15,692	1,197
Adjustments for increase/(decrease) in deferred revenue	246,617	31,968
Adjustments for other increase/(decrease) in working capital	(460,614)	(20,052)
<b>Cash flows from operating activities (I+II+III)</b>	<b>676,526</b>	<b>1,837,659</b>
Employee termination benefits paid	(226,266)	(29,378)
Income taxes paid	(486,054)	(253,765)
<b>B. Cash flows from investing activities</b>	<b>(2,727,139)</b>	<b>(376,051)</b>
Cash outflows from purchases of tangible and intangible assets	(675,472)	(319,883)
Proceeds from sale of tangible and intangible assets	1,041	487
Other advances given and payables	(234,426)	(56,655)
Other cash inflows/(outflows)	(1,818,282)	-
<b>C. Cash flows from financing activities</b>	<b>4,266,691</b>	<b>(570,278)</b>
Proceeds from borrowings	8 1,457,439	703,728
Repayments of borrowings	8 (1,097,501)	(1,839,530)
Proceeds from other financial liabilities	8 5,724,695	1,415,299
Repayments of other financial liabilities	8 (1,450,549)	(799,868)
Cash outflows for lease payments	(67,932)	(31,218)
Interest received	116,368	166,266
Interest paid	(324,479)	(183,315)
Other cash outflows	(91,350)	(1,640)
<b>D. Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)</b>	<b>1,503,758</b>	<b>608,187</b>
<b>E. Effect of currency translation differences on cash and cash equivalents</b>	<b>46,342</b>	<b>64,147</b>
<b>Net increase/(decrease) in cash and cash equivalents (D+E)</b>	<b>1,550,100</b>	<b>672,334</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>4 3,665,331</b>	<b>5,502,010</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4 5,215,431</b>	<b>6,174,344</b>

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS  
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(Amounts expressed in thousands Turkish Lira ('TRY') unless otherwise indicated.)

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

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

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

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

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

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. ('STEAŞ').

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. ('STEAŞ'). STEAŞ and SİPAŞ merged on 22 September 2014 under STEAŞ.

As of 30 June 2022 and 31 December 2021 the ultimate shareholder of the Company is State Oil Company of Azerbaijan Republic ('SOCAR').

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

These condensed consolidated interim financial statements were approved to be issued by the Board of Directors on 11 August 2022 and signed by Mr. Anar Mammadov, General Manager and Elchin Ibadov, Vice President of Finance, 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 June 2022, the Company's subsidiaries ('subsidiaries') the Company and its subsidiaries (hereinafter collectively referred to as the 'Group') and their respective operating segments are as follows:

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

The number of personnel in the Group is 2,346 as of 30 June 2022 (31 December 2021: 2,355). The details of the employees as of 30 June 2022 and 31 December 2021 are as follows:

	<b>30 June 2022</b>	<b>31 December 2021</b>
Union (*)	1,731	1,809
Non-union (**)	582	568
	<b>2,313</b>	<b>2,377</b>

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

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

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

**2.1 Basis of Presentation of Financial Statements**

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

The condensed interim consolidated financial statements are presented in accordance with 'Announcement regarding with TAS Taxonomy' which was published on 15 April 2020 by POA and the format and mandatory information recommended by CMB.

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

The Group prepared its condensed interim consolidated financial statements for the period ended 30 June 2022 in accordance with ('TAS') 34 'Interim Financial Reporting' in the framework of the Communiqué Serial II, No: 14.1, and its related announcement. The condensed interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information.

In compliance with the TAS 34, entities have preference in presenting their interim financial statements whether full set or condensed. In this framework, the Group preferred to present its interim financial statements in condensed.

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

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

The consolidated financial statements, except for the financial assets and liabilities presented with 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 foreign exchange position table of the companies preparing the summary financial statements in interim periods to present the hedging ratio of the total foreign exchange liability and the total export and total import amounts in the footnotes of the financial statements. (Note 24).

The Group's interim condensed consolidated 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 INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENT (Continued)**

**2.2 Summary of Significant Accounting Policies**

Significant accounting policies applied in the preparation of the financial statements in the interim condensed consolidated statements are consistent with the explanations in the financial statements for the period 1 January - 31 December 2021 except for the following:

Income tax expense is recognised in each 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 INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENT (Continued)**

**2.3 Basis of Consolidation (Continued)**

**a) Subsidiaries (Continued)**

The table below sets out the associates and the proportion of ownership interest as of 30 June 2022 and 31 December 2021.

<u>Subsidiaries</u>	<u>Direct or Indirect Control Shares of Company (%)</u>	
	<u>30 June 2022</u>	<u>31 December 2021</u>
Petlim	73.00	73.00
Petkim Specialities Mühendislik Plastikleri Sanayi ve Ticaret A.Ş.	100.00	100.00

**b) Foreign currency translation**

**i) Functional and presentation currency**

The financial statements of each company of 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, a subsidiary of the Group, has been designated as US Dollars beginning from 1 January 2017. In the interim condensed consolidated financial statements, the financial statements have been prepared and presented in Turkish lira ('TRY') which is the parent company's functional and presentation currency of the Group.

**ii) Transactions and balances**

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

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

Assets in the condensed consolidated interim balance sheet as of 30 June 2022 are translated into TRY from the foreign exchange buying rates effective as of balance sheet date announced by the Central Bank of the Republic of Turkey as 16.6614 TRY = 1 USD, and liabilities are translated into TRY from the foreign exchange selling rates announced by Central Bank of the Republic of Turkey as 16.6914 TRY = 1 USD (31 December 2021: buying rate as 13.3290 TRY = 1 USD, selling rate as 13.3530 TRY = 1 USD).

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

**2.4 Amendments in Turkish Financial Reporting Standards**

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

- **Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021);** The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.
- **Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021);** As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 June 2021 to 30 June 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

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

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

- **A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16;** effective from annual periods beginning on or after 1 January 2022.
- **Amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.**
- **Amendments to IAS 16, 'Property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.**
- **Amendments to IAS 37, 'Provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making. Annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial Instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'.**

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

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

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

Group will evaluate the effects of these alterations above to the their operations and will follow them from the validation date. The impacts of the new standards, amendments and improvements on the financial position and performance of the Group is being assessed.

**2.5 Comparative Information and Restatement of Previous Year Financial Statements**

The Group prepared its interim condensed consolidated financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Company prepared its balance sheet at 30 June 2022 on a comparative basis with balance sheet at 31 December 2021; and statements of comprehensive income, cash flows and changes in equity for the period of 1 January - 30 June 2022 on a comparative basis with financial statements for the period of 1 January - 30 June 2021.

For the purpose of convenience with the presentation of current period consolidated financial statements, comparative information is restated when necessary and major changes are disclosed.

**2.6 Critical Accounting Estimates and Judgments**

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



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

**2.6 Critical Accounting Estimates and Judgments (Continued)**

**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 23.

**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 June 2022.

**c) Deferred income tax assets**

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

**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 USD 720 million. Rafineri Holding has 60% shares in SOCAR Turkey Yatırım A.Ş., which holds all of the shares of STAR Rafineri A.Ş. ("STAR").

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 June 2022 and have been subjected to exchange rate valuation.

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

**2.6 Critical Accounting Estimates and Judgments (Continued)**

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

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

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

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

**NOTE 3 - SEGMENT REPORTING**

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

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.

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

**a) Revenue**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Petrochemical	25,632,797	14,286,157	12,352,682	7,356,193
Port	156,720	82,408	77,769	40,360
<b>Total before eliminations and adjustments</b>	<b>25,789,517</b>	<b>14,368,565</b>	<b>12,430,451</b>	<b>7,396,553</b>
Consolidation eliminations and adjustments	-	-	-	-
	<b>25,789,517</b>	<b>14,368,565</b>	<b>12,430,451</b>	<b>7,396,553</b>

**b) Operating profit**

Petrochemical	2,895,683	1,363,859	2,882,068	1,751,797
Port	149,805	89,722	64,980	18,631
<b>Total before eliminations and adjustments</b>	<b>3,045,488</b>	<b>1,453,581</b>	<b>2,947,048</b>	<b>1,770,428</b>
Consolidation eliminations and adjustments	26,723	11,325	6,117	3,215
<b>Operating profit</b>	<b>3,072,211</b>	<b>1,464,906</b>	<b>2,953,165</b>	<b>1,773,643</b>
Financial (expenses)/income, net	(966,834)	(618,757)	(101,948)	(53,686)
Income from investing activities, net	1,601,892	774,959	21,563	10,972
<b>Profit before tax from continued operations</b>	<b>3,707,269</b>	<b>1,621,108</b>	<b>2,872,780</b>	<b>1,730,929</b>
Tax (expense)/income	565,398	899,033	(656,521)	(406,427)
<b>Profit for the period</b>	<b>4,272,667</b>	<b>2,520,141</b>	<b>2,216,259</b>	<b>1,324,502</b>

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

**c) Total assets**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Petrochemical	40,119,024	27,897,269
Port	5,550,729	4,474,972
<b>Total before eliminations and adjustments</b>	<b>45,669,753</b>	<b>32,372,241</b>
Consolidation eliminations and adjustments	(2,337,942)	(1,944,085)
	<b>43,331,811</b>	<b>30,428,156</b>

**d) Total liabilities**

Petrochemical	22,558,570	14,518,117
Port	5,359,037	4,495,321
<b>Total before eliminations and adjustments</b>	<b>27,917,607</b>	<b>19,013,438</b>
Consolidation eliminations and adjustments	(1,560,083)	(1,304,312)
	<b>26,357,524</b>	<b>17,709,126</b>

**NOTE 4 - CASH AND CASH EQUIVALENTS**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Banks	5,175,075	3,665,121
- Demand deposits	34,289	4,861
- Turkish Lira	6,042	908
- Foreign currency	28,247	3,953
- Time deposits	5,140,786	3,660,260
- Turkish Lira	1,761,456	622,890
- Foreign currency	3,379,330	3,037,370
Other	40,356	210
	<b>5,215,431</b>	<b>3,665,331</b>

As of 30 June 2022, foreign currency time deposits consist of monthly deposits. The weighted average effective interest rates of USD and EUR monthly deposits are 3.62% and 2.54% per annum, respectively. (31 December 2021: USD - 1.32%, EUR - 0.71%).

As of 30 June 2022, the TRY dominated time deposits consist of overnight deposits and the weighted average effective interest rate is monthly 19.90% per annum and daily 19.91% per annum (31 December 2021: consist of monthly and daily deposits and the weighted average effective interest rate is monthly 18.12% and daily 24.99% per annum).

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**NOTE 5 - FINANCIAL INVESTMENTS**

**a) Short-term financial investments**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Exchange rate-protected TRY time deposits (*)	2,087,369	-
Other	141,955	48,654
	<b>2,229,324</b>	<b>48,654</b>

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

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

<b>30 Haziran 2022</b>			
<b>Currency</b>	<b>Nominal amount (original currency)</b>	<b>Fair Value (in TRY)</b>	<b>Maturity</b>
TL	1,818,282	2,087,369	August - September 2022
		<b>2,087,369</b>	

**b) Long-term financial investments**

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

8,910,000 shares having a nominal price of TRY0.001 per share corresponding to 9.9% of capital of SOCAR Power Enerji Yatırımları A.Ş. (SOCAR Power) (TRY8,910) owned by SOCAR Turkey Elektrik Yatırımları Holding A.Ş (Power Holding), which is a subsidiary of controlling shareholder of the Group, SOCAR Turkey Enerji A.Ş., in Socar Power are purchased by the Group on 26 January 2015.

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**NOTE 6 - INVENTORIES**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Raw materials	1,394,228	946,058
Work-in-progress	732,310	537,905
Finished goods	1,895,981	1,045,919
Trade goods	351,252	257,182
Goods in transit	1,380,336	659,342
Other inventories	170,767	99,581
<b>Less: Provision for impairment on inventories</b>	<b>(41,583)</b>	<b>(6,144)</b>
	<b>5,883,291</b>	<b>3,539,843</b>

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

	<b>2022</b>	<b>2021</b>
<b>1 January</b>	<b>(6,144)</b>	<b>(5,650)</b>
Realised due to sale of inventory	6,144	5,650
Charged within the period	(41,583)	(6,073)
<b>30 June</b>	<b>(41,583)</b>	<b>(6,073)</b>

**NOTE 7 - TRADE RECEIVABLES AND PAYABLES**

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
Trade receivables	5,240,307	4,381,578
Provision for doubtful trade receivables (-)	(20,845)	(21,132)
	<b>5,219,462</b>	<b>4,360,446</b>

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

Trade payables	1,966,965	1,869,347
	<b>1,966,965</b>	<b>1,869,347</b>

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**NOTE 8 - BORROWINGS AND BORROWING COSTS**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Short-term borrowings	1,458,228	64,952
Short-term portions of long-term borrowings	534,595	1,103,565
Bonds issued (**)	8,547,774	166,889
Lease liabilities	28,482	21,245
Other financial liabilities (*)	6,630,825	1,475,020
<b>Short-term financial liabilities</b>	<b>17,199,904</b>	<b>2,831,671</b>
Long-term borrowings	2,579,152	2,291,409
Bond issued (**)	-	6,669,131
Lease liabilities	67,860	58,458
<b>Long-term financial borrowings</b>	<b>2,647,012</b>	<b>9,018,998</b>
<b>Total financial liabilities</b>	<b>19,846,916</b>	<b>11,850,669</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 206 days (31 December 2021: Average remaining maturity is 110 days).

(\*\*) Petkim issued bonds listed on Ireland stock exchange and release of these bonds were realized on 26 January 2018. Total amount of these issued bonds USD500 million, 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)**

**Bank borrowings and bonds issued:**

	Effective weighted average Interest rate p.a. (%)		Original currency		TRY equivalent	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<b>Short-term borrowings:</b>						
TRY borrowings	14.75 – 31.80	-	1,324,500	-	1,324,500	-
USD borrowings	5.9	Libor + 0.20 - 0.70 - 0.75	8,012	4,864	133,728	64,952
<b>Short-term portions of long-term borrowings:</b>						
USD borrowings	Libor + 4.67 - 4.26	Libor + 4.67 - 4.26	24,296	72,004	405,540	961,464
Euro borrowings	Euribor + 0.72 – 1.64	Euribor + 0.72 + 3.00 - 1.64	7,416	9,402	129,055	142,101
Bond issued	5.88	5.88	512,107	12,498	8,547,774	166,889
<b>Total short-term borrowings</b>					<b>10,540,597</b>	<b>1,335,406</b>
<b>Long-term borrowings:</b>						
USD borrowings	Libor + 4.67	Libor + 4.67 – 4.26	151,813	164,533	2,533,978	2,197,008
Euro borrowings	Euribor + 0.72 – 1.64	Euribor + 0.72 + 3.00 – 1.64	2,596	6,246	45,174	94,401
Bond issued	-	5.88	-	499,448	-	6,669,131
<b>Total long-term borrowings</b>					<b>2,579,152</b>	<b>8,960,540</b>
<b>Total borrowings</b>					<b>13,119,749</b>	<b>10,295,946</b>



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

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

	<b>30 June 2022</b>
1 July 2023-30 June 2024	452,114
1 July 2024-30 June 2025	672,330
1 July 2025-30 June 2026	672,329
1 July 2026-30 June 2027	601,558
1 July 2027 and over	180,821
	<b>2,579,152</b>

	<b>31 December 2021</b>
2023	7,060,766
2024	438,780
2025	552,013
2026	537,859
2027 and over	371,122
	<b>8,960,540</b>

Fair values of the short-term bank borrowings and other financial liabilities approximate their carrying values due to their short-term nature and long-term borrowings due to having floating interest rate updated with market conditions. As of 30 June 2022, the fair value of bonds issued is TRY8,705,519 which are in fixed interest rate financial liabilities and whose carrying value is TRY8,547,774.

As of 30 June 2022, the collaterals given by the Group against US Dollar and Euro loans held are explained in Note 23. The Group is subject to some key performance indicators to for the bonds issued and the Group has met those indicators as of 30 June 2022.

Movements of financial liabilities are as of 30 June 2022 and 2021 as follows:

	<b>2022</b>	<b>2021</b>
<b>1 January</b>	<b>8,105,635</b>	<b>4,393,566</b>
Proceeds from financial liabilities	7,182,134	2,119,027
Repayments of financial liabilities	(2,548,050)	(2,639,398)
Changes in foreign exchange	3,134,800	1,465,095
Changes in interest accrual	210,724	20,643
Change in cash and cash equivalents and financial investments (*)	(3,563,513)	(672,334)
<b>30 June</b>	<b>12,521,730</b>	<b>4,686,599</b>

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

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

	1 January 2022	Additions	Transfers	Disposals	Foreign currency translation differences	30 June 2022
<b><u>Cost:</u></b>						
Land	125,063	-	-	(18)	785	125,830
Land improvements	469,147	-	185	-	1,903	471,235
Buildings	197,348	-	-	-	596	197,944
Machinery and equipment	8,699,122	-	106,555	-	-	8,805,677
Motor vehicles	76,912	-	10,280	-	-	87,192
Furniture and fixtures	199,875	-	4,016	(320)	382	203,953
Other fixed assets	996	-	-	-	-	996
Leasehold improvements	671	-	-	-	-	671
Assets subject to operating lease	3,829,569	-	-	-	1,054,611	4,884,180
Construction in progress (*)	1,204,919	675,472	(127,887)	-	450	1,752,954
	<b>14,803,622</b>	<b>675,472</b>	<b>(6,851)</b>	<b>(338)</b>	<b>1,058,727</b>	<b>16,530,632</b>
<b><u>Accumulated depreciation:</u></b>						
Land improvements	(161,003)	(19,317)	-	-	(1,146)	(181,466)
Buildings	(125,897)	(2,525)	-	-	(480)	(128,902)
Machinery and equipment	(6,533,916)	(236,144)	-	-	-	(6,770,060)
Motor vehicles	(13,114)	(7,730)	-	-	-	(20,844)
Furniture and fixtures	(105,468)	(10,856)	-	227	(359)	(116,456)
Other fixed assets	(996)	-	-	-	-	(996)
Leasehold improvements	(559,339)	(70,985)	-	-	(163,911)	(794,235)
Assets subject to operating lease	(671)	-	-	-	-	(671)
	<b>(7,500,404)</b>	<b>(347,557)</b>	<b>-</b>	<b>227</b>	<b>(165,896)</b>	<b>(8,013,630)</b>
<b>Net book value</b>	<b>7,303,218</b>					<b>8,517,002</b>

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

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

	1 January 2021	Additions	Transfers	Disposals	Foreign currency translation differences	30 June 2021
<b><u>Cost:</u></b>						
Land	123,896	-	-	-	-	123,896
Land improvements	412,073	-	18	-	704	412,795
Buildings	194,272	-	-	-	220	194,492
Machinery and equipment	8,047,394	-	119,875	-	-	8,167,269
Motor vehicles	11,144	-	-	(62)	-	11,082
Furniture and fixtures	153,858	-	5,904	(175)	147	159,734
Other fixed assets	996	-	-	-	-	996
Leasehold improvements	671	-	-	-	-	671
Assets subject to operating lease	2,219,152	-	-	-	389,875	2,609,027
Construction in progress (*)	1,011,804	319,883	(132,692)	-	169	1,199,164
	<b>12,175,260</b>	<b>319,883</b>	<b>(6,895)</b>	<b>(237)</b>	<b>391,115</b>	<b>12,879,126</b>
<b><u>Accumulated depreciation:</u></b>						
Land improvements	(123,496)	(17,251)	-	-	(348)	(141,095)
Buildings	(120,291)	(2,442)	-	-	(156)	(122,889)
Machinery and equipment	(6,150,223)	(170,002)	-	-	-	(6,320,225)
Motor vehicles	(10,175)	(277)	-	62	-	(10,390)
Furniture and fixtures	(89,386)	(7,328)	-	146	(139)	(96,707)
Other fixed assets	(996)	-	-	-	-	(996)
Leasehold improvements	(671)	-	-	-	-	(671)
Assets subject to operating lease	(250,955)	(38,194)	-	-	(48,455)	(337,604)
	<b>(6,746,193)</b>	<b>(235,494)</b>	<b>-</b>	<b>208</b>	<b>(49,098)</b>	<b>(7,030,577)</b>
<b>Net book value</b>	<b>5,429,067</b>					<b>5,848,549</b>

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

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**NOTE 10 - DEFERRED REVENUE**

**a) Short-term deferred revenue**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Advances received	448,613	255,429
Deferred revenue	547	5,086
	<b>449,160</b>	<b>260,515</b>

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

**b) Long-term deferred revenue**

Deferred revenue	-	750
	-	<b>750</b>

**NOTE 11 - PREPAID EXPENSES AND OTHER CURRENT ASSETS**

**a) Short-term prepaid expenses**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Advances given for inventory orders	268,576	363,590
Prepaid rent, insurance and other expenses	58,561	33,969
Advances given for customs procedures	841	636
	<b>327,978</b>	<b>398,195</b>

**b) Long-term prepaid expenses**

Advances given for property, plant and equipment	344,240	109,815
Prepaid rent, insurance and other expenses	4,825	1,797
	<b>349,065</b>	<b>111,612</b>

**c) Other current assets**

Value added taxes ("VAT")	874,375	407,249
Other	1,166	3,830
	<b>875,541</b>	<b>411,079</b>

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**NOTE 12 - EMPLOYEE BENEFITS**

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
Provision for bonus premium	175,311	272,091
Provision for seniority incentive bonus	12,718	9,095
	<b>188,029</b>	<b>281,186</b>

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

Provision for employment termination benefits	209,782	129,202
Provision for unused vacation rights	79,713	49,183
Provision for seniority incentive bonus	20,254	13,049
	<b>309,749</b>	<b>191,434</b>

**c) Liabilities for employee benefits:**

Social security contribution	20,280	13,351
Due to personnel	295	229
	<b>20,575</b>	<b>13,580</b>

***Provision for employment termination benefits:***

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

The amount payable consists of one month's salary limited to a maximum of full TRY10,848.59 for each year of service as of 30 June 2022 (31 December 2021: TRY 8,284.51).

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

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

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
Net discount rate (%)	3,00	4.40
Probability of retirement (%)	98,25	97.62

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of full TRY 15,371.40 which is effective from 1 July 2022, has been taken into consideration in the calculation of employment termination benefits of the Group (1 January 2021: full TRY7,638.96).

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

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

**NOTE 13 - EQUITY**

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

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

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

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**NOTE 14 - TAX ASSETS AND LIABILITIES**

**a) Corporate tax:**

In Turkey, the corporate tax rate is 23% for 2022 (2021:25%). Institutions tax rate is applied to the tax base that will result in deducting expenses not included in the deduction according to the tax legislation of the corporation's commercial income, deduction in the tax laws (exemption of participation profits, exception of investment discount etc.) and discounts (such as R&D discount). No further tax is payable unless the profit is distributed (except for the withholding tax at the rate of 19.8% calculated and paid on the exemption amount utilized in case of investment reduction exemption utilized under Article 61 of the Income Tax Law).

The law on amending the Tax Procedure Law and the Corporate Tax Law was enacted on January 20, 2022, Law No. It has been enacted with the number 7352 and it has been decided that the financial statements will not be subject to inflation adjustment in the 2021 and 2022 accounting periods, including the temporary accounting periods, and in the provisional tax periods of the 2023 accounting period, regardless of whether the conditions for the inflation adjustment within the scope of the Repeated Article 298 are met.

	<b>30 June 2022</b>	<b>31 December 2021</b>
Calculated corporate tax	118,048	1,136,880
Less: Prepaid taxes	(251,848)	(865,443)
<b>Corporate tax liability/(asset)</b>	<b>(133,800)</b>	<b>271,437</b>

Tax expenses included in the income statement for the condensed consolidated period end 30 June 2022 and 2021 are summarized below:

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Deferred tax (expense)/income	681,144	794,182	(63,298)	(20,976)
Current period tax (expense)/income	(115,746)	104,851	(593,223)	(385,451)
<b>Total tax (expense)/income</b>	<b>565,398</b>	<b>899,033</b>	<b>(656,521)</b>	<b>(406,427)</b>

**b) Deferred taxes**

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

In accordance with the regulation numbered 7316, published in Official Gazette on 22 April 2021, "Amme Alacaklarının Tahsil Usulü Hakkında Kanun ile Bazı Kanunlarda Değişiklik Yapılmasına Dair Kanun", In the provisional tax return declarations to be submitted after July 1, 2021, corporate tax rate has increased from 20% to 25% and to %23 for the year 2022(31 December 2020; %22), it will be applied as 20% from 2023. The exemption to be applied on the capital gains obtained from the sales of the real estates held by the corporate taxpayers for at least two years has been reduced from 75% to 50% with the regulation published in the Official Gazette dated 5 December 2017.

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

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

	<b>Taxable Temporary Differences</b>		<b>Deferred Income Tax Assets/(Liabilities)</b>	
	<b>30 June 2022</b>	<b>31 December 2021</b>	<b>30 June 2022</b>	<b>31 December 2021</b>
Difference between the carrying values and tax bases of property, plant, equipment and intangible assets	4,229,569	330,291	818,823	53,725
Fair value increase in investment properties	(4,156,180)	(2,862,514)	(415,618)	(286,251)
Deferred revenue related to the port rental agreement	95,056	(7,847)	19,011	(1,569)
Fair value difference of derivative financial instrument	(17,717)	-	(3,543)	-
<b>Deferred income tax liabilities</b>	<b>150,728</b>	<b>(2,540,070)</b>	<b>418,673</b>	<b>(234,095)</b>
Unused investment incentives	787,862	787,664	200,657	200,558
Carry forward tax losses	277,881	277,881	56,440	59,440
Provision for employee benefits	497,778	472,620	99,556	94,524
Fair value difference of derivative financial instruments	-	45,645	-	9,129
Inventory provision	41,583	6,144	8,317	1,229
Rent allowance fee	3,723	3,807	745	761
Provision for legal cases	2,597	2,597	519	516
Other	249,617	106,237	49,922	21,249
<b>Deferred income tax assets</b>	<b>1,861,041</b>	<b>1,702,595</b>	<b>416,156</b>	<b>384,406</b>
<b>Deferred tax assets/(liabilities) - net</b>			<b>834,829</b>	<b>150,311</b>

The movement of deferred income tax is as follows:

	<b>2022</b>	<b>2021</b>
<b>1 January</b>	<b>150,311</b>	<b>35,968</b>
Charged to consolidated statement of profit or loss	681,144	(63,298)
Charged to consolidated statement of other comprehensive income	(3,703)	(1,623)
Foreign currency translation differences	7,077	37,620
<b>30 June</b>	<b>834,829</b>	<b>8,667</b>

As of 30 June 2022, the Group has TRY787,862 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 2021: TRY787,664).



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**NOTE 15 - REVENUE AND COST OF SALES**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Domestic sales	13,651,263	6,986,374	7,153,454	3,797,951
Foreign sales	12,810,961	7,835,562	5,579,824	3,786,390
Other sales	120,482	46,579	66,710	36,041
Discounts (-)	(793,189)	(499,950)	(369,537)	(223,829)
<b>Net revenue</b>	<b>25,789,517</b>	<b>14,368,565</b>	<b>12,430,451</b>	<b>7,396,553</b>
Raw materials	(11,935,280)	(6,199,494)	(4,663,196)	(2,580,248)
Cost of trade goods sold	(9,331,317)	(5,838,585)	(3,927,405)	(2,505,498)
Energy	(1,454,322)	(772,564)	(464,097)	(254,098)
Personnel expense	(486,644)	(277,383)	(343,751)	(183,975)
Depreciation	(284,091)	(162,884)	(207,131)	(116,273)
Changes in finished goods and work in progress	1,084,177	449,730	420,828	224,024
Other	(248,860)	(109,154)	(151,264)	(96,501)
<b>Cost of Sales (-)</b>	<b>(22,656,337)</b>	<b>(12,910,334)</b>	<b>(9,336,016)</b>	<b>(5,512,569)</b>

**NOTE 16 - GENERAL ADMINISTRATIVE EXPENSES**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Personnel expense	217,444	109,276	84,652	40,572
Outsourced services	106,026	57,711	48,880	29,287
Depreciation and amortization	42,255	21,992	29,356	13,269
Energy expenses	35,258	9,821	10,330	4,672
Taxes, funds and fees	7,278	4,188	4,054	3,883
Other	33,085	16,179	20,903	13,203
	<b>441,346</b>	<b>219,167</b>	<b>198,175</b>	<b>104,886</b>

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**NOTE 17 - OPERATING INCOME AND EXPENSES**

**a) Other operating income:**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Foreign exchange gain	1,275,037	861,015	452,302	154,721
Rent income	12,665	6,410	6,811	3,444
Term sales income	4,421	1,590	2,155	1,326
Other	22,103	15,758	13,708	6,345
	<b>1,314,226</b>	<b>884,773</b>	<b>474,976</b>	<b>165,836</b>

**b) Other operating expenses:**

Foreign exchange losses	(627,271)	(472,697)	(257,600)	(86,200)
Consultancy expenses	(27,461)	(14,152)	(20,795)	(13,624)
Term purchase expense	(21,513)	(10,795)	(20,055)	(10,395)
Other	(43,895)	(30,926)	(45,117)	(19,467)
	<b>(720,140)</b>	<b>(528,570)</b>	<b>(343,567)</b>	<b>(129,686)</b>

**NOTE 18 - FINANCIAL INCOME/EXPENSES**

**a) Financial income**

	<b>1 January - 30 June 2022</b>	<b>1 April- 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Foreign exchange gain	3,379,477	1,927,973	1,994,652	586,933
Interest income	102,920	55,222	164,191	96,184
Other	2,243	1,129	9,269	6,517
	<b>3,484,640</b>	<b>1,984,324</b>	<b>2,168,112</b>	<b>689,634</b>

**b) Financial expenses**

Foreign exchange losses	(3,823,516)	(2,219,712)	(2,026,157)	(613,780)
Interest expense	(551,187)	(343,440)	(215,913)	(113,111)
Commission expense	(54,240)	(29,176)	(20,782)	(12,825)
Interest expense on employee benefits	(12,822)	(4,120)	(7,208)	(3,604)
Other	(9,709)	(6,633)	-	-
	<b>(4,451,474)</b>	<b>(2,603,081)</b>	<b>(2,270,060)</b>	<b>(743,320)</b>

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**NOTE 19 - INCOME/(EXPENSES) FROM INVESTMENT ACTIVITIES**

**a) Income from investment activities**

	1 January - 30 June 2022	1 April- 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
Fair value increase				
in investment properties	1,293,666	731,342	-	-
Fair value difference on exchange				
Rate-protected deposit accounts	269,087	24,550	-	-
Rent income	38,098	19,035	21,105	10,553
Gain on sale of property, Plant and equipment	1,089	48	470	426
	<b>1,601,940</b>	<b>774,975</b>	<b>21,575</b>	<b>10,979</b>

**b) Expenses from investment activities**

Loss on sale of property, Plant and equipment	(48)	(16)	(12)	(7)
	<b>(48)</b>	<b>(16)</b>	<b>(12)</b>	<b>(7)</b>

**NOTE 20 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

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

**i) Balances with related parties**

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

	30 June 2022	31 December 2021
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	701,262	595,669
STAR <sup>(2)</sup>	283,839	129,485
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	7,971	-
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	6,990	-
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	141	185
STEAŞ <sup>(1)</sup>	59	13
SOCAR Turkey Petrol Ticaret A.Ş. <sup>(2)</sup>	33	-
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	-	20,692
SOCAR Azerikimya Production Union <sup>(2)</sup>	-	59
Other <sup>(2)</sup>	382	39
	<b>1,000,677</b>	<b>746,142</b>

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

STAR <sup>(2)</sup>	4,984	7,390
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. <sup>(2)</sup>	-	941
	<b>4,984</b>	<b>8,331</b>

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**NOTE 20 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
SOCAR Power Enerji Yatırımları A.Ş. <sup>(2)</sup>	11,395	10,345
	<b>11,395</b>	<b>10,345</b>

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

STAR <sup>(2)</sup>	1,827,495	1,819,648
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	308,289	-
STEAS <sup>(1)</sup>	121,275	116,555
SIBC Sigorta Aracılık Hizmetleri A.Ş. <sup>(2)</sup>	44,618	-
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	6,537	7,187
SOCAR Logistics DMCC <sup>(2)</sup>	4,460	3,568
SOCAR Trading SA <sup>(2)</sup>	3.833	-
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. <sup>(2)</sup>	2,650	5,791
SOCAR Turkey Petrol Ticaret A.Ş. <sup>(2)</sup>	1,302	4,856
Azoil Petrolcülük A.Ş. <sup>(2)</sup>	932	680
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	460	8,163
SOCAR Turkey Fiber Optik A.Ş. <sup>(2)</sup>	-	10
Other <sup>(2)</sup>	-	42
	<b>2,321,851</b>	<b>1,966,500</b>

Short-term payables to the related parties mainly consist of consultancy and product purchases. Average maturity of short-term payables to the related parties is 9 days. (31 December 2021: 7 days)

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
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>	43,271	3,942
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	32,404	24,268
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	3,025	9
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. <sup>(2)</sup>	713	-
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	326	-
	<b>79,739</b>	<b>28,219</b>

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

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

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**NOTE 20 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup> (*)	758,260	602,498
STAR <sup>(2)</sup>	4,630	4,735
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	93	98
	<b>762,983</b>	<b>607,331</b>

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

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

STEAŞ <sup>(1)</sup> (**)	8,016,909	6,413,869
SIBC Sigorta Aracılık Hizmetleri A.Ş. (2)	68,135	-
SOCAR Trading SA (2)	3,374	-
SOCAR Logistics DMCC <sup>(2)</sup>	2,156	2,156
STAR <sup>(2)</sup>	2,092	1,812
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	150	-
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	142	145
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	76	76
Other <sup>(2)</sup>	-	110
	<b>8,093,034</b>	<b>6,418,168</b>

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

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
STAR <sup>(2)</sup>	17,408	18,306
STEAŞ <sup>(1)</sup>	9,048	9,509
	<b>26,456</b>	<b>27,815</b>

(1) Shareholders of the Company.

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

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	30 June 2022	31 December 2021
<b>j) Short-term leasing payables to related parties</b>		
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	52,347	40,868
STEAŞ <sup>(1)</sup>	6,869	4,225
STAR <sup>(2)</sup>	3,099	-
	<b>62,315</b>	<b>45,093</b>

**k) Long-term leasing payables to related parties**

SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	223,418	186,787
STEAŞ <sup>(1)</sup>	27,153	18,035
	<b>250,571</b>	<b>204,822</b>

**ii) Transactions with related parties**

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

	1 January - 30 June 2022	1 April - 30 June 2022	1 January - 30 June 2021	1 April - 30 June 2021
STEAŞ <sup>(1)</sup>	1,706,975	1,075,186	660,648	190,254
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	57,547	54,982	4,276	2,157
SOCAR Power Enerji Yatırımları A.Ş. <sup>(2)</sup>	1,112	541	826	439
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	934	(1,738)	553	256
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. <sup>(2)</sup>	310	(283)	494	344
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	168	168	(4,386)	(3,014)
Enervis Enerji Servis San ve Tic A.Ş. <sup>(2)</sup>	23	23	-	-
Azoil Petrolcülük A.Ş. <sup>(2)</sup>	10	1,911	-	-
SOCAR Logistics DMCC <sup>(2)</sup>	-	231	(4)	2,085
SOCAR Turkey Fiber Optik A.Ş. <sup>(2)</sup>	(25)	-	98	101
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	(46)	383	428	114
SOCAR Azerikimya Production Union <sup>(2)</sup>	(88)	(149)	-	-
SOCAR TRADING SA <sup>(2)</sup>	(314)	(7)	-	(76)
SOCAR Turkey Petrol Ticaret A.Ş. <sup>(2)</sup>	(16,842)	(16,927)	(5,854)	(2,934)
SCR Müşavirlik ve İnşaat A.Ş. <sup>(2)</sup>	(71,888)	(41,877)	(38,951)	(13,724)
STAR <sup>(2)</sup>	(168,452)	(201,004)	(60,482)	2,687
	<b>1,509,424</b>	<b>871,440</b>	<b>557,646</b>	<b>178,689</b>

TRY157,350 of the expenses arising from STAR consists of exchange difference expenses and TRY11,102 is from other expenses, TRY1,770,616 of the income obtained from STEAŞ is foreign exchange income and TRY63,641 consists of other expenses. Income obtained from SOCAR Power Enerji Yatırımları A.Ş. consists of interest income.

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

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

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**NOTE 20 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

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

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. <sup>(2)</sup>	96,748	69,307	34,105	18,150
STEAŞ <sup>(1)</sup>	50,200	29,207	21,420	13,085
SIBC Sigorta Aracılık Hizmetleri A.Ş. <sup>(2)</sup>	35,716	35,716	-	-
STAR <sup>(2)</sup>	12,599	9,135	7,692	2,677
SCR Gayrimenkul İnşaat ve Müşavirlik A.Ş. <sup>(2)</sup>	7,086	4,464	3,400	1,360
SOCAR Turkey Fiber Optik A.Ş. <sup>(2)</sup>	316	-	101	-
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	130	130	-	-
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	113	64	650	70
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. <sup>(2)</sup>	36	(9)	61	61
Kayserigaz Kayseri Doğalgaz Dağ Paz. ve Tic A.Ş. <sup>(2)</sup>	14	4	-	-
Bursagaz Bursa Şehiriçi Doğalgaz Dağıtım Tic ve Taahüt AŞ. <sup>(2)</sup>	7	7	-	-
SOCAR Turkey Petrol Ticaret A.Ş. <sup>(2)</sup>	-	-	2,345	2,022
SOCAR Aliağa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	-	-	37	21
SOCAR Trading SA <sup>(2)</sup>	-	-	894	450
	<b>202,965</b>	<b>148,025</b>	<b>70,705</b>	<b>37,896</b>

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

STAR <sup>(2)</sup>	10,573,497	5,747,683	3,078,619	1,768,911
SOCAR Enerji Ticaret A.Ş. <sup>(2)</sup>	1,153,996	742,741	419,507	222,083
SOCAR Logistics DMCC <sup>(2)</sup>	252,577	131,013	159,226	75,711
Azoil Petrolcülük A.Ş. <sup>(2)</sup>	20,495	1,448	1,203	646
SOCAR Turkey Petrol Ticaret A.Ş. <sup>(2)</sup>	1,545	1,545	345	256
SOCAR Turkey Fiber Optik A.Ş. <sup>(2)</sup>	74	74	101	101
	<b>12,002,184</b>	<b>6,624,504</b>	<b>3,659,001</b>	<b>2,067,708</b>

Purchases made from STAR consist of 760,361 tone of naphta purchasing, amounting to TRY 9,666,872 and other products purchasing amounting to TRY 906,625. Purchases made from related parties consist of natural gas, commercial products and fuel purchases.

(1) Shareholders of the Company.

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

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**NOTE 20 - TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

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

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
STAR <sup>(2)</sup>	1,100,949	613,370	110,731	60,036
SOCAR Aliğa Liman İşletmeciliği A.Ş. <sup>(2)</sup>	164,877	87,043	79,814	41,431
SOCAR Enerji Ticaret AŞ. <sup>(2)</sup>	90,332	67,918	4,474	3,090
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	1,683	840	800	363
Other <sup>(2)</sup>	1,284	263	212	141
	<b>1,359,125</b>	<b>769,434</b>	<b>196,031</b>	<b>105,061</b>

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

STAR <sup>(2)</sup>	41,545	20,897	21,371	10,748
SOCAR Turkey Akaryakıt Depolama A.Ş. <sup>(2)</sup>	2,785	1,400	1,617	813
Other <sup>(2)</sup>	1,430	716	868	430
	<b>45,760</b>	<b>23,013</b>	<b>23,856</b>	<b>11,991</b>

**f) Key management emoluments:**

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

Payments for salary and seniority incentives	95,364	83,357	16,428	8,822
	<b>95,364</b>	<b>83,357</b>	<b>16,428</b>	<b>8,822</b>

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

Provision for unused vacation	2,505	848	478	192
Provision for employment termination benefits	129	121	15	11
Provision for seniority incentives	1,418	779	337	122
	<b>4,052</b>	<b>1,748</b>	<b>830</b>	<b>325</b>
	<b>99,416</b>	<b>85,105</b>	<b>17,258</b>	<b>9,147</b>

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

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

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



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**NOTE 21 - INVESTMENT PROPERTIES**

<b>Fair value</b>	<b>1 January 2022</b>	<b>Fair value increase</b>	<b>Transfers</b>	<b>30 June 2022</b>
Land	2,872,594	1,293,666	-	4,166,260
	<b>2,872,594</b>			<b>4,166,260</b>

<b>Fair value</b>	<b>1 January 2021</b>	<b>Fair value increase</b>	<b>Transfers</b>	<b>30 June 2021</b>
Land	2,078,781	793,813	-	2,872,594
	<b>2,078,781</b>			<b>2,872,594</b>

30 years right of construction of the land, that is 2,076,506 m2, is given to the Star Rafineri A.Ş. ("STAR") by Group. The annual rent income from the land, that is located in Aliğa district, is USD4.6 million and the annual rent income will be increased at the rate of Libor + 1% each year.

As of 30 June 2022, according to the valuation report of a real estate appraisal company authorized by the CMB prepared for the Group.

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

As of 30 June 2022, the Group's lands with the right of construction have been measured with their fair values determined by an independent professional valuation company using other valuation techniques that contain direct or indirect observable inputs.

**NOTE 22 - EARNINGS PER SHARE**

	<b>1 January - 30 June 2022</b>	<b>1 April - 30 June 2022</b>	<b>1 January - 30 June 2021</b>	<b>1 April - 30 June 2021</b>
Net profit for the period of the equity holders of the parent	4,262,853	2,509,146	2,220,011	1,336,005
Weighted average number of shares with nominal value of Krl each (thousand)	253,440	253,440	253,440	253,440
<b>Earnings per share (Kr)</b>	<b>1.6820</b>	<b>0.9900</b>	<b>0.8760</b>	<b>0.5271</b>

**NOTE 23 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES**

**a) Short-term provisions:**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Provision for legal cases	2,597	2,597
Other	12,869	-
	<b>15,466</b>	<b>2,597</b>

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**NOTE 23 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**b) Guarantees received:**

	<b>30 June 2022</b>	<b>31 December 2021</b>
Receivable insurance	6,148,121	2,781,298
Bank guarantees within the context of DOCS (*)	3,423,574	2,510,499
Letters of guarantee received from customers	1,774,836	1,511,716
Letters of guarantee received from suppliers	777,909	503,580
Letters of credit	200,133	251,809
Mortgages	2,000	2,000
	<b>12,326,573</b>	<b>7,560,902</b>

(\*) Direct Order and Collection System

**c) Guarantees given:**

Mortgages given to banks	2,870,140	2,381,025
Guarantees given to banks	244,854	973,821
Custom offices	120,803	116,228
Other	77,236	28,409
	<b>3,313,033</b>	<b>3,499,483</b>

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

	<b>30 June 2022</b>	<b>31 December 2021</b>
<b>A.</b> Total amount of CPMs given for the Company's own legal personality	442,893	1,118,458
<b>B.</b> Total amount of CPMs given on behalf of fully consolidated companies (**)	2,870,140	2,381,025
<b>C.</b> Total amount of CPMs given for continuation of its economic activities on behalf of third parties	-	-
<b>D.</b> Total amount of other CPMs		
<b>i.</b> Total amount of CPMs given on behalf of the majority shareholder	-	-
<b>ii.</b> Total amount of CPMs given to on behalf of other group companies which are not in scope of B and C	-	-
<b>iii.</b> Total amount of CPMs given to on behalf of third parties which are not in scope of C	-	-
	<b>3,313,033</b>	<b>3,499,483</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 used loan balance amounting to TRY2,870,140 as of 30 June 2022. Petkim has guaranteed the loan repayment and its shares in Petlim Limancılık Ticaret A.Ş. amounting TRY105 thousand has been pledged. On 20 November 2015, a mortgage amounting to USD350 million was established on Petlim's land which was sold by Petkim at a price of TRY5,650. Guarantees given has been considered as total risk amount

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**NOTE 23 - PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)**

**d) Operational leases**

Annual income plans and amounts (not discounted) regarding to the operational lease income, which are not recognized in the consolidated financial statements of the Group as of 30 June 2022 and 31 December 2021 are as follows:

	<b>30 June 2022</b>	<b>31 December 2021</b>
0 - 5 years	2,086,533	1,705,251
5 - 10 years	2,325,958	1,758,151
10 years and more	7,986,507	5,865,111
<b>Total</b>	<b>12,398,998</b>	<b>9,328,513</b>

**NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

**Foreign exchange risk**

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

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

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**NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)**

**Foreign currency position**

	30 June 2022				31 December 2021			
	TRY equivalent	US Dollar	Euro	Other TRY Equivalent	TRY equivalent	US Dollar	Euro	Other TRY Equivalent
1. Trade receivables	4,434,614	223,260	41,150	-	3,681,865	240,126	31,897	-
2a. Monetary financial assets (Cash, bank accounts included)	11,417,814	654,012	29,997	2	-	-	-	-
2b. Non-monetary financial assets	-	-	-	-	9,448,092	596,799	98,982	4
<b>3. Current assets (1+2)</b>	<b>15,852,428</b>	<b>877,272</b>	<b>71,147</b>	<b>2</b>	<b>13,129,957</b>	<b>836,925</b>	<b>130,879</b>	<b>4</b>
4. Trade receivables	-	-	-	-	-	-	-	-
5a. Monetary financial assets	-	-	-	-	-	-	-	-
5b. Non-monetary financial assets	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-
<b>7. Non-current assets (4+5+6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>8. Total assets (3+7)</b>	<b>15,852,428</b>	<b>877,272</b>	<b>71,147</b>	<b>2</b>	<b>13,129,957</b>	<b>836,925</b>	<b>130,879</b>	<b>4</b>
9. Trade payables	3,452,615	194,535	10,876	66,995	3,122,093	221,129	10,642	9,997
10. Financial liabilities	13,932,942	827,006	7,416	-	2,628,386	186,196	9,402	-
11a. Monetary other liabilities	836,317	3,548	-	777,104	823,241	3,377	-	778,148
11b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
<b>12. Short term liabilities (9+10+11)</b>	<b>18,221,874</b>	<b>1,025,089</b>	<b>18,292</b>	<b>844,099</b>	<b>6,573,720</b>	<b>410,702</b>	<b>20,044</b>	<b>788,145</b>
13. Trade payables	-	-	-	-	-	-	-	-
14. Financial liabilities	45,177	-	2,596	-	6,763,528	499,448	6,246	-
15a. Monetary other liabilities	250,562	15,011	-	35,949	204,822	15,339	-	29,608
15b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
<b>16. Long term liabilities (13+14+15a+15b)</b>	<b>295,739</b>	<b>15,011</b>	<b>2,596</b>	<b>35,949</b>	<b>6,968,350</b>	<b>514,787</b>	<b>6,246</b>	<b>29,608</b>
<b>17. Total liabilities (12+16)</b>	<b>18,517,613</b>	<b>1,040,100</b>	<b>20,888</b>	<b>880,048</b>	<b>13,542,070</b>	<b>925,489</b>	<b>26,290</b>	<b>817,753</b>
<b>18. Net (liability)/asset contract value of derivative instruments (18a-18b)</b>	<b>3,022,804</b>	<b>66,215</b>	<b>110,510</b>	<b>-</b>	<b>166,913</b>	<b>12,500</b>	<b>-</b>	<b>-</b>
<b>18a. Amount of asset contract value of derivative Instruments</b>	<b>3,022,804</b>	<b>66,215</b>	<b>110,510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>18b. Amount of liability contract value of derivative Instruments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,913</b>	<b>12,500</b>	<b>-</b>	<b>-</b>
<b>19. Net foreign (liability)/ asset position (8-17+18)</b>	<b>357,619</b>	<b>(96,613)</b>	<b>160,769</b>	<b>(880,046)</b>	<b>(245,200)</b>	<b>(76,064)</b>	<b>104,589</b>	<b>(817,749)</b>
<b>20. Net foreign currency (liability)/asset Position of monetary items (TFRS 7.B23) (=1+2a+4+5a-9-10-11a-13-14-15a)</b>	<b>(2,665,185)</b>	<b>(162,828)</b>	<b>50,259</b>	<b>(880,046)</b>	<b>(412,113)</b>	<b>(88,564)</b>	<b>104,589</b>	<b>(817,749)</b>
<b>21. Total fair value of financial instruments used for foreign currency hedging</b>	<b>162,993</b>	<b>474</b>	<b>8,912</b>	<b>-</b>	<b>8,534</b>	<b>658</b>	<b>-</b>	<b>-</b>
<b>22. Hedged amount for foreign currency assets</b>	<b>3,022,804</b>	<b>66,215</b>	<b>110,510</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>23. Hedged amount for foreign currency liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,913</b>	<b>12,500</b>	<b>-</b>	<b>-</b>
<b>24. Export</b>	<b>12,101,249</b>	<b>576,306</b>	<b>208,991</b>	<b>151,608</b>	<b>11,773,755</b>	<b>891,897</b>	<b>354,851</b>	<b>74,582</b>
<b>25. Import</b>	<b>8,823,994</b>	<b>518,520</b>	<b>70,075</b>	<b>120,735</b>	<b>9,113,020</b>	<b>925,177</b>	<b>77,958</b>	<b>80,831</b>

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**NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT  
(Continued)**

**Table of sensitivity analysis for foreign currency risk**

**30 June 2022**

	<u>Profit/(Loss)</u>		<u>Equity</u>	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
<b>Change of USD by 10% against TRY:</b>				
1- Asset/Liability denominated in USD - net	(271,294)	271,294	(271,294)	271,294
2- The part hedged for USD risk (-)	-	-	110,323	(101,634)
<b>3- USD effect - net (1+2)</b>	<b>(271,294)</b>	<b>271,294</b>	<b>(160,971)</b>	<b>169,660</b>
<b>Change of EUR by 10% against TRY:</b>				
4- Asset/Liability denominated in EUR - net	87,300	(87,300)	87,300	(87,300)
5- The part hedged for EUR risk (-)	-	-	191,957	730
<b>6- EUR effect - net (4+5)</b>	<b>87,300</b>	<b>(87,300)</b>	<b>279,257</b>	<b>(86,570)</b>
<b>Change of other currencies by 10% against TRY:</b>				
7- Assets/Liabilities denominated in other foreign currencies - net	79,685	(79,685)	79,685	(79,685)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
<b>9- Other foreign currency effect - net (7+8)</b>	<b>79,685</b>	<b>(79,685)</b>	<b>79,685</b>	<b>(79,685)</b>
<b>Total (3+6+9)</b>	<b>(104,309)</b>	<b>104,309</b>	<b>197,971</b>	<b>3,405</b>

**31 December 2021**

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

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**NOTE 24 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT-  
(Continued)**

**Fair value estimation**

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

Level 1: Depend on registered price (unadjusted) in the active market.

Level 2: Depend on data that are explicitly (via price in active market) or implicitly (derivate from price in active market) observable.

Level 3: Not depend on observable market data.

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

<b>30 June 2022</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial Investments – currency-protected				
Time deposits	2,087,369	-	-	2,087,369
Derivative financial instruments	-	22,078	-	22,078
Investment properties- Land	-	4,166,260	-	4,166,260
<b>Total assets</b>	<b>2,087,369</b>	<b>4,188,338</b>	<b>-</b>	<b>6,275,707</b>
Derivative financial liabilities	-	(4,361)	-	(4,361)
<b>Total liabilities</b>	<b>-</b>	<b>(4,361)</b>	<b>-</b>	<b>(4,361)</b>
<b>31 December 2021</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Derivative financial instruments	-	8,534	-	8,534
Investment properties- Land	-	2,872,594	-	2,872,594
<b>Total assets</b>	<b>-</b>	<b>2,881,128</b>	<b>-</b>	<b>2,881,128</b>
Derivative financial liabilities	-	(54,179)	-	(54,179)
<b>Total liabilities</b>	<b>-</b>	<b>(54,179)</b>	<b>-</b>	<b>(54,179)</b>

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