

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

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

**Condensed consolidated interim financial statements
for the period from January 1 to June 30, 2025
together with independent auditor's review report**



**Shape the future
with confidence**

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

Report on Review of Interim Consolidated Financial Statements

To The Board of Directors of Petkim Petrokimya Holding Anonim Şirketi

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of Petkim Petrokimya Holding Anonim Şirketi (the Company) and its subsidiaries (the Group) as of June 30, 2025 and the interim consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Group management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Turkish Financial Reporting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2025, and its consolidated financial performance and its consolidated cash flows for the six-month period then ended in accordance with Turkish Financial Reporting Standards.

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

Cem Ucarlar, SMMM
Partner



August 7, 2025
İstanbul, Türkiye

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Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed consolidated interim balance sheets

as at June 30, 2025 and December 31, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2025 unless otherwise indicated.)

		Reviewed	Audited
	Notes	June 30, 2025	December 31, 2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	6,340,683	9,530,954
Financial investments	5	542,336	558,441
Trade receivables		11,649,859	9,771,023
- Trade receivables from related parties	20	1,054,482	1,904,422
- Trade receivables from third parties	7	10,595,377	7,866,601
Other receivables		966,298	41,179
- Other receivables from related parties	20	955,027	478
- Other receivables from third parties		11,271	40,701
Derivative financial instruments	24	808	94,540
Inventories	6	9,665,859	8,675,274
Prepaid expenses		2,737,818	1,553,933
- Prepaid expenses to related parties	20	1,787,353	841,333
- Prepaid expenses to third parties	11	950,465	712,600
Current income tax assets	14	34,194	125,120
Other current assets		1,663,450	1,305,806
-Other current assets from third parties	11	1,663,450	1,305,806
TOTAL CURRENT ASSETS		33,601,305	31,656,270
NON-CURRENT ASSETS			
Financial investments	5	111,431	111,431
Investments accounted by using equity method	25	33,825,731	35,207,106
Investment property	21	28,462,986	28,423,496
Property, plant and equipment	9	42,735,989	46,736,974
Right-of-use assets		893,759	1,379,175
Intangible assets		601,792	615,055
Prepaid expenses		538,889	501,939
- Prepaid expenses to related parties	20	19,792	29,610
- Prepaid expenses to third parties	11	519,097	472,329
Deferred tax assets	14	-	534,957
Other non-current assets		173,314	154,196
- Other non-current assets related to third parties		173,314	154,196
TOTAL NON - CURRENT ASSETS		107,343,891	113,664,329
TOTAL ASSETS		140,945,196	145,320,599

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed consolidated interim balance sheets

as at June 30, 2025 and December 31, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2025 unless otherwise indicated.)

		Reviewed	Audited
	Notes	June 30, 2025	December 31, 2024
LIABILITIES			
CURRENT LIABILITIES			
Short-term borrowings		23,947,450	21,491,786
- Short-term borrowings from related parties		92,254	90,162
- Short term lease liabilities to related parties	20	92,254	90,162
- Short-term borrowings from third parties		23,855,196	21,401,624
- Bank borrowings	8	19,089,560	15,709,084
- Short term lease liabilities	8	66,667	93,074
- Other financial liabilities	8	4,698,969	5,599,466
Short-term portion of long-term borrowings			
- Short-term portion of long-term borrowings from third parties		6,495,719	7,530,297
- Bank borrowings	8	6,495,719	7,530,297
Trade payables		20,342,579	15,735,241
- Trade payables to related parties	20	17,760,822	13,317,228
- Trade payables to third parties	7	2,581,757	2,418,013
Payables related to employee benefits	12	146,699	133,507
Other payables		17,250	29,522
- Other payables to third parties		17,250	29,522
Derivative financial instruments	24	33,048	25,659
Deferred revenue		2,126,689	1,590,944
- Deferred revenue from related parties	20	159,887	66,687
- Deferred revenue from third parties	10	1,966,802	1,524,257
Short-term provisions		158,173	625,771
- Provision for employee benefits	12	155,577	622,742
- Other short-term provisions	23	2,596	3,029
Other current liabilities		225,242	265,225
- Other current liabilities related to third parties		225,242	265,225
TOTAL CURRENT LIABILITIES		53,492,849	47,427,952
NON-CURRENT LIABILITIES			
Long-term financial liabilities		16,912,080	22,747,484
- Long-term borrowings from related parties		183,719	227,234
- Long term lease liabilities to related parties	20	183,719	227,234
- Long-term borrowings from third parties		16,728,361	22,520,250
- Bank borrowings	8	16,541,799	22,153,287
- Long-term lease liabilities to third parties	8	186,562	366,963
Deferred revenue		4,230	1,038,912
- Deferred revenue from related parties	20	4,230	1,038,912
Long-term provisions		1,616,625	1,456,901
- Provision for employee termination benefits	12	1,616,625	1,456,901
Deferred income tax liabilities	14	4,173,953	4,600,749
TOTAL NON-CURRENT LIABILITIES		22,706,888	29,844,046
TOTAL LIABILITIES		76,199,737	77,271,998

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed consolidated interim balance sheets

as at June 30, 2025 and December 31, 2024

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2025 unless otherwise indicated.)

		Reviewed	Audited
	Notes	June 30, 2025	December 31, 2024
EQUITY			
Equity attributable to owners of the parent company		64,745,459	68,101,095
Share capital	13	2,534,400	2,534,400
Adjustment to share capital	13	48,711,544	48,711,544
Share premium		839,503	843,443
Other comprehensive (expense) not to be reclassified to profit or loss		(1,840,267)	(1,900,532)
- Actuarial (loss) arising from defined benefit plan		(815,824)	(873,772)
Share of other comprehensive income of investments accounted by using equity method that will not be reclassified to profit or loss		(1,024,443)	(1,026,760)
Other comprehensive income/(expense) to be reclassified to profit or loss			
- Currency translation differences		-	(2,358,241)
- Gain/(loss) on cash flow hedges		(3,554,560)	(2,320,557)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		(8,136,386)	(6,913,171)
Restricted reserves		4,544,504	4,544,504
Retained earnings		24,959,705	32,361,110
Net loss for the period		(3,312,984)	(7,401,405)
Non-controlling interest		-	(52,494)
TOTAL EQUITY		64,745,459	68,048,601
TOTAL LIABILITIES AND EQUITY		140,945,196	145,320,599

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries**Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for Six Months Period Ended at June 30, 2025**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2025 unless otherwise indicated.)

		Reviewed	Not Reviewed	Reviewed	Not Reviewed
		January 1 - June 30, 2025	April 1 - June 30, 2025	January 1 - June 30, 2024	April 1 - June 30, 2024
	Notes				
PROFIT OR LOSS					
Revenue	15	38,631,691	19,899,420	49,520,056	25,264,572
Cost of sales (-)	15	(40,122,233)	(20,342,053)	(48,903,776)	(24,482,125)
GROSS PROFIT/(LOSS)		(1,490,542)	(442,633)	616,280	782,447
General administrative expenses (-)	16	(2,154,810)	(1,214,817)	(2,229,344)	(1,082,040)
Selling, marketing and distribution expenses (-)		(747,472)	(384,967)	(847,665)	(448,063)
Other operating income	17	1,061,460	706,733	1,375,541	391,974
Other operating expense (-)	17	(1,929,549)	(1,136,359)	(1,222,363)	(321,709)
OPERATING LOSS		(5,260,913)	(2,472,043)	(2,307,551)	(677,391)
Income from investing activities	19	269,489	168,693	355,665	186,977
Expense from investing activities (-)	19	(7,149)	(6,604)	(2,570,820)	(2,570,679)
Income from investments accounted by equity method	25	(155,873)	11,412	2,337,852	1,360,044
OPERATING LOSS BEFORE FINANCIAL INCOME/(EXPENSE)		(5,154,446)	(2,298,542)	(2,184,854)	(1,701,049)
Financial income	18	986,079	416,875	1,436,408	581,187
Financial expenses	18	(6,530,153)	(3,081,791)	(6,469,437)	(2,359,318)
Monetary gain/(loss)	26	7,341,881	3,813,672	8,479,805	3,055,466
PROFIT/(LOSS) BEFORE TAX FROM CONTINUED OPERATIONS		(3,356,639)	(1,149,786)	1,261,922	(423,714)
Tax expense from continuing operations		20,609	569,581	2,364,188	2,829,331
- Deferred tax (expense)/income	14	20,609	569,581	2,364,188	2,829,331
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUED OPERATIONS		(3,336,030)	(580,205)	3,626,110	2,405,617
PROFIT/(LOSS) FOR THE PERIOD		(3,336,030)	(580,205)	3,626,110	2,405,617
Distribution of Income for the Period:					
- Non-controlling interest		(23,046)	1,673	65,948	119,900
- Owners of the parent company		(3,312,984)	(581,878)	3,560,162	2,285,717
Earnings Per Share	22	(1.3072)	(0.2295)	1.4047	0.9018
- Earnings per Kr 1 number of shares from continued operations		(1.3072)	(0.2295)	1.4047	0.9018

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for Six Months Period Ended at June 30, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2025 unless otherwise indicated.)

	Reviewed January 1 - June 30, 2025	Not Reviewed April 1 - June 30, 2025	Reviewed January 1 June 30, 2024	Not Reviewed April 1 - June 30, 2024
Notes				
PROFIT/(LOSS) FOR THE PERIOD	(3,336,030)	(580,205)	3,626,110	2,405,617
OTHER COMPREHENSIVE EXPENSE	(2,371,915)	(484,782)	(6,909,443)	(3,205,092)
Items that will not to be reclassified to profit or loss	60,264	101,259	(693,591)	113,228
Gain /(Loss) on remeasurements of defined benefit plans	75,256	131,505	(873,768)	175,754
Deferred taxes relating to (loss)/gain on remeasurements of defined benefit plan	(17,309)	(30,246)	200,966	(40,424)
Gain/(Loss) on remeasurements of defined benefit plans from investments accounted by using equity method	2,317	-	(20,789)	(22,102)
Items to be reclassified to profit or loss	(2,432,179)	(586,041)	(6,215,852)	(3,318,320)
Currency translation differences	27,405	(14,296)	(903,639)	(389,486)
(Loss)/Gain from cash flow hedges	(1,606,930)	(626,875)	(1,503,669)	(352,557)
Deferred taxes relating to (loss)/gain from cash flow hedges	370,561	144,124	345,520	81,337
Currency translation difference from investments accounted with using equity method	(8,387,534)	(2,131,773)	(7,991,234)	(6,533,519)
Gains on hedges from investments accounted with the equity method	7,164,319	2,042,779	3,837,170	3,875,905
OTHER COMPREHENSIVE EXPENSE	(2,371,915)	(484,782)	(6,909,443)	(3,205,092)
TOTAL COMPREHENSIVE EXPENSE	(5,707,945)	(1,064,987)	(3,283,333)	(799,475)
Attributable to:				
Non-controlling interests	(34,036)	(1,966)	103,033	125,388
Owners of the parent company	(5,673,909)	(1,063,021)	(3,386,366)	(924,863)

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

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Changes in Equity for Six Months Interim Period January 1 – June 30, 2025
(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at June 30, 2025 unless otherwise indicated.)

			Other comprehensive income/(expense) not to be reclassified to profit or loss		Other comprehensive (expense) / income to be reclassified to profit or loss										
	Notes	Share capital	Adjustment to share capital	Actuarial loss arising from defined benefit plan	Share of other comprehensive income of investments accounted by using equity method that will not be reclassified to profit or loss	(Loss) / gain on cash flow hedges	Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss	Currency translation differences	Share premium	Restricted reserves	Net profit (loss) for the period	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interests	Total equity
January 1, 2024		2,534,400	48,711,544	(754,881)	1,457	(709,589)	(584,366)	(804,346)	843,446	4,544,519	12,448,702	19,912,536	86,143,608	421,423	86,564,845
Transfers		-	-	-	-	-	-	-	-	-	(12,448,702)	12,448,702	-	-	-
Total Comprehensive income/(expense)		-	-	(672,802)	(20,789)	(1,158,938)	(4,154,065)	(939,934)	-	-	3,560,162	-	(3,386,366)	103,033	(3,283,333)
- Other Comprehensive income/(expense)		-	-	(672,802)	(20,789)	(1,158,938)	(4,154,065)	(939,934)	-	-	-	-	(6,946,528)	37,085	(6,909,443)
- Net profit for the period		-	-	-	-	-	-	-	-	-	3,560,162	-	3,560,162	65,948	3,626,110
June 30, 2024		2,534,400	48,711,544	(1,427,683)	(19,332)	(1,868,527)	(4,738,431)	(1,744,280)	843,446	4,544,519	3,560,162	32,361,238	82,757,056	524,456	83,281,512
January 1, 2025		2,534,400	48,711,544	(873,772)	(1,026,760)	(2,320,557)	(6,913,171)	(2,358,241)	843,443	4,544,504	(7,401,405)	32,361,110	68,101,095	(52,494)	68,048,601
Transfers		-	-	-	-	-	-	-	-	-	7,401,405	(7,401,405)	-	-	-
Disposal of subsidiary	2.3	-	-	-	-	-	-	2,322,213	(3,940)	-	-	-	2,318,273	86,530	2,404,803
Total Comprehensive income/(expense)		-	-	57,948	2,317	(1,234,003)	(1,223,215)	36,028	-	-	(3,312,984)	-	(5,673,909)	(34,036)	(5,707,945)
- Other Comprehensive income/(expense)		-	-	57,948	2,317	(1,234,003)	(1,223,215)	36,028	-	-	-	-	(2,360,925)	(10,990)	(2,371,915)
- Net loss for the period		-	-	-	-	-	-	-	-	-	(3,312,984)	-	(3,312,984)	(23,046)	(3,336,030)
June 30, 2025		2,534,400	48,711,544	(815,824)	(1,024,443)	(3,554,560)	(8,136,386)	-	839,503	4,544,504	(3,312,984)	24,959,705	64,745,459	-	64,745,459

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Cash Flow

for Six Months Period Ended At June 30, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2025 unless otherwise indicated.)

	Notes	Reviewed January 1 - June 30, 2025	Reviewed January 1 - June 30, 2024
A. Cash flows from operating activities:		(3,611,169)	(899,451)
Net profit / (loss) for the period (I)		(3,336,030)	3,626,110
Adjustments related to reconciliation of (II) net profit (loss) for the period:		1,177,251	(3,455,720)
Adjustments for tax income / (expense)	14	(20,609)	(2,364,188)
Adjustments for depreciation and amortization		2,837,064	3,241,454
Adjustments for impairments / (reversals)		(28,980)	(62,424)
- Adjustments for impairment of inventories	6	(28,980)	(62,424)
Adjustments for provisions		541,006	992,172
- Adjustments for provision employment termination benefits		541,006	992,172
Adjustments for interest income/(expense)		2,877,588	2,135,792
- Adjustments for interest income	18	(231,274)	(358,394)
- Adjustments for interest expense	18	3,108,862	2,494,186
Adjustments for unrealized foreign currency translation differences		1,282,105	1,564,063
Adjustments for gain/(loss) on sale of property, plant and equipment		(18,625)	-
Adjustments for fair value		37,654	51,907
- Adjustments for fair value increase in financial investment	19	(78,729)	(180,779)
- Adjustments for fair value increase in investment property	21	(39,490)	2,570,538
- Undistributed income of investments accounted for using equity method adjustments regarding profits	25	155,873	(2,337,852)
Adjustments for losses/(gains) arising from the disposal of subsidiaries or JV	2.3	5,973	-
Adjustments for monetary (gain)/loss		(6,333,326)	(9,013,061)
Adjustments to revenues from government grants		(2,599)	(1,435)
Changes in working capital (III)		(961,474)	114,366
Adjustments related to (increase)/decrease in trade receivables		(1,878,836)	4,581
Adjustments related to (increase)/decrease in other receivables		(925,120)	148,478
Adjustments related to (increase)/decrease in inventory		(853,008)	480,851
Adjustments related to (increase)/decrease in prepaid expenses		(1,106,229)	(49,459)
Adjustments for (decrease)/increase in trade payable		4,609,939	(744,568)
Adjustments for (decrease)/increase in other payable		(12,272)	(13,790)
Change in derivative financial instruments		101,121	253,087
Increase/(decrease) in payables to employees		18,609	(484,348)
Adjustments for increase/(decrease) in deferred revenue		(498,938)	(224,004)
Adjustments for other increase/(decrease) in working capital		(416,740)	743,538
Cash flows from operating activities (I+II+III)		(3,120,253)	284,756
Employee termination benefits paid		(490,916)	(1,184,207)
B. Cash flows from investing activities		(1,228,456)	(2,104,653)
Cash outflows from purchases of tangible and intangible assets	9	(2,331,754)	(2,079,569)
Proceeds from sale of property, plant and equipment and intangible asset		26,971	-
Other advances given and payables		(114,606)	42,466
Proceeds from the disposal of subsidiaries or JV	2.3	1,188,573	-
Other cash inflows/(outflows)		2,360	(67,550)
C. Cash flows from financing activities		2,013,830	4,675,267
Proceeds from borrowings	8	25,059,101	24,909,771
Repayments of borrowings	8	(19,526,912)	(11,229,156)
Proceeds from other financial liabilities	8	3,666,485	3,991,892
Repayments of other financial liabilities	8	(4,288,054)	(10,799,700)
Cash outflows for lease payments		(69,368)	(102,470)
Interest received		231,272	358,394
Interest paid		(3,058,694)	(2,453,464)
D. Net increase/(decrease) in cash and cash equivalents before foreign currency translation differences (A+B+C)		(2,825,795)	1,671,163
E. Effect of monetary position gain / (loss) of cash and cash equivalents		(472,240)	(1,413,901)
F. Effect of currency translation differences on cash and cash equivalents		107,764	138,200
Net increase/(decrease) in cash and cash equivalents (D+E+F)		(3,190,271)	395,462
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4	9,530,954	6,804,935
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	6,340,683	7,200,397

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

**Notes to the Condensed Consolidated Interim Financial Statements
for The Period Between January 1 and June 30, 2025**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2025 unless otherwise indicated.)

1. Group's Organisation and nature of operations

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

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

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

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

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

**Notes to the Condensed Consolidated Interim Financial Statements
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(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2025 unless otherwise indicated.)

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

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

As of June 30, 2025 and December 31, 2024 the ultimate shareholder of the Company is State Oil Company of Azerbaijan Republic ('SOCAR').

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

The consolidated financial statements were approved for publication by the decision of the Board of Directors dated August 7, 2025 and signed by General Manager Mr. Kanan Mirzayev and Deputy Chairman of Financial Affairs Mr. Ahmet Gülhan on behalf of the Board of Directors. The general assembly and certain regulatory bodies have the authority to make changes to the statutory financial statements after they are published.

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

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

As of June 30, 2025, 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:

Company	Nature of operations	Business segment
Petkim Specialities Mühendislik Plastikleri Sanayi ve Ticaret A.Ş.	Plastic Processing	Petrochemistry

The number of personnel in the Group is 2,431 as of June 30, 2025 (December 31, 2024: 2,419). The details of the employees as of June 30, 2025 and December 31, 2024 are as follows:

	June 30, 2025	December 31, 2024
Union (*)	1,686	1,695
Non-union (**)	744	738
	2,430	2,433

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

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

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2. Basis of presentation of condensed consolidated interim financial statement

2.1 Basis of Presentation

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

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

The Group prepared its condensed consolidated interim financial statements for the period ended June 30, 2025 in accordance with ('TAS') 34 'Interim Financial Reporting' in the framework of the Communiqué Serial II, No: 14.1, and its related announcement. The condensed consolidated interim financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information.

The Group's interim condensed consolidated financial statements do not contain all of the disclosures and footnotes that are required to include the year-end financial statements, and therefore should be read together with the Group's consolidated financial statements dated December 31, 2024 and the public announcements made by the Group during the year.

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

Consolidated financial statements have been prepared on the historical cost basis in terms of purchasing power as of June 30, 2025, except for financial assets and liabilities carried at their fair values, investment properties and derivative instruments, and have been prepared by reflecting the necessary corrections and classifications in order to ensure correct presentation in legal records in accordance with TFRS.

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

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

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

**Notes to the Condensed Consolidated Interim Financial Statements
for The Period Between January 1 and June 30, 2025**

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at June 30, 2025 unless otherwise indicated.)

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

2.1 Basis of Presentation of Financial Statements (Continued)

Going Concern

The Group incurred a net period loss of TRY 3,336,030 for the current period ending on June 30, 2025, and as of the same date, the Group's short-term liabilities exceed its current assets by TRY 19,891,544. In response, considering the Group's strong equity structure as well as its credibility with foreign and domestic financial institutions, it is not anticipated that there will be any issues regarding the ability of the Group management to make the necessary payments on time within the framework of the prepared short-term cash flows.

Additionally, the Group Management is working on various short-term and long-term planning to increase the efficiency of production operations and to improve profitability in terms of financial results, and brief explanations are provided below.

As stated in the decision of the Group's Board of Directors dated December 13, 2024, and in the announcement made on the same date on the Public Disclosure Platform ("KAP"), the Group aims to implement a new project (hereinafter referred to as the "Master Plan") in the near future, which includes the establishment of new production units (ethylene, polypropylene, high-density/linear low-density polyethylene) and the modernization of the existing aromatic complex, phthalic anhydride, low-density polyethylene units, and utility facilities, provided that all necessary approvals are obtained following the evaluations below.

The Group has completed the initial feasibility study in 2024, and at this stage, it is planned to conduct detailed technical and commercial analyses by moving to the Pre-FEED (Front-End Engineering Design Preparation) phase and then to the FEED (Front-End Engineering Design) phase.

The Group also aims to work on (i) the project structure, (ii) various financing and legal alternatives, (iii) identifying the necessary steps including investment/financing, and (iv) these matters/steps for the implementation of the Master Plan. Following the completion of these studies and evaluations, the final decision regarding the Master Plan investment will be submitted for approval to the Board of Directors and other relevant authorities, and all significant matters will be shared with our investors.

With its decision dated December 20, 2024 and numbered 64/1945, the Capital Markets Board approved issuance certificate of bonds or bills with a total amount up to TRY 5,000,000,000 within 1 year period by sale of one or several times to domestic qualified investors through sales method without public offering.

Considering all these evaluations, the Group's consolidated financial statements as of June 30, 2025, have been prepared in accordance with the principle of going concern.

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Notes to the Condensed Consolidated Interim Financial Statements

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

2.1 Basis of Presentation of Financial Statements (Continued)

Financial reporting in hyperinflationary economy

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

As of June 30, 2025, adjustments have been made in accordance with the requirements of TAS 29 ("Financial Reporting in Hyperinflation Economies") regarding the changes in the general purchasing power of the Turkish Lira. TMS 29 requirements require that financial statements prepared in the currency in circulation in the economy with high inflation be presented at the purchasing power of this currency at the balance sheet date and that the amounts in previous periods are rearranged in the same way. One of the requirements that requires the application of TMS 29 is a three-year compound inflation rate approaching or exceeding 100%. The indexing process was carried out using the coefficient obtained from the Consumer Price Index in Turkey published by the Turkish Statistical Institute ("TURKSTAT"). The indices and correction coefficients used in the correction of the financial statements of the current and previous periods since January 1, 2005 are as follows

Date	Index	Conversion Factor	Three Year Inflation Rate
June 30, 2025	3,132.17	1.00000	220%
December 31, 2024	2,684.55	1.16674	291%
June 30, 2024	2,319.29	1.35049	324%

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

- Current period consolidated financial statements prepared in TRY are expressed in terms of the purchasing power at the balance sheet date, and amounts from previous reporting periods are also adjusted and expressed in terms of the purchasing power at the end of the reporting period.
- Monetary assets and liabilities are not adjusted as they are already expressed in terms of the current purchasing power at the balance sheet date. In cases where the inflation-adjusted values of non-monetary items exceed their recoverable amount or net realizable value, the provisions of TAS 36 "Impairment of Assets" and TAS 2 "Inventories" are applied, respectively.
- Non-monetary assets and liabilities and equity items that are not expressed in terms of the current purchasing power at the balance sheet date have been adjusted using the relevant adjustment coefficients.
- All items in the comprehensive income statement, except for those that have an impact on the comprehensive income statement of non-monetary items on the balance sheet, have been indexed using the coefficients calculated for the periods when the income and expense accounts were first reflected in the financial statements.
- The effect of inflation on the Group's net monetary asset position in the current period is recorded in the monetary gain/loss account in the consolidated income statement (Note 26).

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

2.2 Summary of Significant Accounting Policies

Summary interim consolidated financial statements for the period ending on June 30, 2025 have been prepared in accordance with the TAS 34 standard for the preparation of TFRS interim financial statements. In addition, as of June 30, 2025, the condensed interim consolidated financial statements have been prepared by applying accounting policies consistent with the accounting policies applied during the preparation of the consolidated financial statements for the year ending December 31, 2024, except for the accounting policy changes effective as of January 1, 2025. Therefore, these condensed interim consolidated financial statements should be evaluated together with the consolidated financial statements for the year ended December 31, 2024.

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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Notes to the Condensed Consolidated Interim Financial Statements

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

2.3 Basis of Consolidation (Continued)

a) Subsidiaries (Continued)

The table below shows the subsidiaries included in the scope of consolidation and the Group's control shares as of June 30, 2025 and December 31, 2024:

Subsidiaries	Direct or indirect Control Shares of Company (%)	
	June 30, 2025	December 31, 2024
Petlim	-	93.47
Petkim Specialities Mühendislik Plastikleri Sanayi ve Ticaret A.Ş.	100.00	100.00

- (*) Considering the Group's goal to allocate more resources to its core business in the petrochemical sector and taking into account the aim of alleviating the operational and financial burden that overseeing port processes brings to the Group, as well as using the proceeds to reduce the Group's net indebtedness, the sale and transfer of the Group's all shares in Petlim has been evaluated.

In accordance with the resolution of the Group's Board of Directors dated June 30, 2025, all of Group's shares in Petlim have been sold and transferred to SOCAR Aliağa Liman İşletmeciliği A.Ş. ("SOCAR Terminal"). For this transaction, the enterprise value of 100% of Petlim's shares has been determined as a total of 172 million USD, which represents the value determined by the valuation report, prepared by DRT Kurumsal Finans Danışmanlık Hizmetleri A.Ş. ("Deloitte"), a third party independent valuation firm licensed by the Capital Markets Board ("CMB") and the premium added on it (The value of this amount for the Group's 93.47% share corresponds to 160 million USD). After deducting Petlim's net debt position, the equity value of the Group's shares in Petlim has been determined as million USD 29.9, and this amount has been paid to the Group in cash in June 30, 2025.

Petlim	June 30, 2025
Total assets	5,748,572
Total liabilities	(6,958,691)
Net assets disposed	(1,210,119)
Sales amount	1,188,711
Profit from the sale of the subsidiary	2,398,830
Reclassified cumulative translation differences (*)	(2,322,213)
Non-controlling interest	(86,530)
Other reclassified items	3,940
Net impact recognized in the income statement	(5,973)
Cash obtained from the disposal of the subsidiary	1,188,711
Cash and cash equivalents disposed of as a result sale of the subsidiary	(138)
Net cash obtained from the disposal of the subsidiary	1,188,573

- (*) This is the effect of the reclassification of accumulated translation differences into the income statement due to the functional currency of the disposed subsidiary being a foreign currency over the years.

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

2.3 Basis of Consolidation (Continued)

b) Foreign currency conversion

i) *Functional and presentation currency*

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

ii) *Transactions and balances*

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

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

Assets in the condensed consolidated interim balance sheet as of June 30, 2025 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 35.7424 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 39.8140 TRY = 1 USD (December 31, 2024: buying rate as 35.2803 TRY = 1 USD, selling rate as 35.3438 TRY = 1 USD)

2.4 The new standards, amendments and interpretation

The accounting policies adopted in preparation of the consolidated financial statements as of June 30, 2025 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2025 and thereafter. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

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

2.4 The new standards, amendments and interpretation (Continued)

i) The new standards, amendments and interpretations which are effective as of January 1, 2025 are as follows:

Amendments to TAS 21 - Lack of exchangeability

In May 2024, POA issued amendments to TAS 21. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, it discloses information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. When applying the amendments, an entity cannot restate comparative information.

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

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

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

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

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

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

TFRS 17 - The new Standard for insurance contracts

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

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

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

2.4 The new standards, amendments and interpretation (Continued)

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

In May 2025, POA issued TFRS 18 which replaces TAS 1. TFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals. TFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to other accounting standards, such as TAS 7, TAS 8 and TAS 34. TFRS 18 and the related amendments are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted. TFRS 18 will be applied retrospectively.

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

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

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

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

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

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

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

2.4 The new standards, amendments and interpretation (Continued)

Annual Improvements to IFRS Accounting Standards – Volume 11

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

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

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

Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity

In December 2024, the Board issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7). The amendment clarifies the application of the "own use" requirements and permits hedge accounting if these contracts are used as hedging instruments. The amendment also adds new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

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

IFRS 19 – Subsidiaries without Public Accountability: Disclosures

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

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

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

2.5 Comparative Information and Restatement of Previous Year Financial Statements

In order to enable the determination of financial situation and performance trends, the Group's interim condensed consolidated financial statements are prepared comparatively with the previous period. The Group presents its interim condensed consolidated balance sheet as of June 30, 2025, with its consolidated balance sheet prepared as of December 31, 2024; The condensed consolidated statement of profit or loss and other comprehensive income, cash flow and equity changes statements for the interim accounting period of January 1 – June 30, 2025 have been rearranged comparatively with the interim accounting period of January 1– June 30, 2024 in accordance with TMS 29.

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

2.6 Critical Accounting Estimates and Judgments

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

a) Useful life of tangible and intangible assets

The Group determines useful lives of tangible and intangible assets in line with opinions of technical experts and recognizes depreciation and amortization expenses during aforementioned useful lives. The Group reviews useful lives of assets subject to aforementioned depreciation in each reporting period and it is estimated that there exist no situation requiring any adjustment in useful lives as of June 30, 2025.

b) Deferred income tax assets

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

c) Provision for employee benefits

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

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

2.6 Critical Accounting Estimates and Judgments (Continued)

d) Fair value measurement of investment properties

As a result of the evaluations made by the Group management, investment properties were reflected in the financial statements as of June 30, 2025, at the fair value determined in the valuation studies carried out by an independent professional valuation company with a Real Estate Appraisal License issued by the CMB. The fair value changes of investment properties are accounted under income from investment activities in the condensed consolidated income statement.

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

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

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

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3. Segment Reporting

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

The operating segment of the Group are as follows;

- Petrochemical
- Port

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

a) Revenue

	January 1 - June 30, 2025	April 1- June 30, 2025	January 1- June 30 2024	April 1- June 30 2024
Petrochemical	38,486,854	19,835,687	49,052,532	25,041,366
Port	144,837	63,733	467,524	223,206
Total before eliminations and adjustments	38,631,691	19,899,420	49,520,056	25,264,572
Consolidation eliminations and adjustments	-	-	-	-
	38,631,691	19,899,420	49,520,056	25,264,572

b) Operating profit (loss)

	January 1 - June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Petrochemical	(5,203,734)	(2,650,145)	(2,678,470)	(880,532)
Port	(83,035)	164,182	313,230	167,802
Operating profit (loss) before eliminations and adjustments	(5,286,769)	(2,485,963)	(2,365,240)	(712,730)
Consolidation eliminations and adjustments	25,856	13,920	57,689	35,339
Operating profit (loss)	(5,260,913)	(2,472,043)	(2,307,551)	(677,391)
Financial income (expense), net	(5,544,074)	(2,664,916)	(5,033,029)	(1,778,131)
Monetary gain (loss)	7,341,881	3,813,672	8,479,805	3,055,466
Income (expense) from investing activities, net	106,467	173,501	122,697	(1,023,658)
Profit (loss) before tax from continued operations	(3,356,639)	(1,149,786)	1,261,922	(423,714)
Tax income (expense)	20,609	569,581	2,364,188	2,829,331
Profit/(loss) for the period	(3,336,030)	(580,205)	3,626,110	2,405,617

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3. Segment Reporting (Continued)

c) Total assets

	June 30, 2025	December 31, 2024
Petrochemical	152,196,910	157,560,753
Port	-	7,104,673
Total before eliminations and adjustments	152,196,910	164,665,426
Consolidation eliminations and adjustments	(11,251,714)	(19,344,827)
	140,945,196	145,320,599

d) Total liabilities

	June 30, 2025	December 31, 2024
Petrochemical	76,199,737	71,447,383
Port	-	7,908,425
Total before eliminations and adjustments	76,199,737	79,355,808
Consolidation eliminations and adjustments	-	(2,083,810)
	76,199,737	77,271,998

4. Cash and Cash Equivalents

	June 30, 2025	December 31, 2024
Banks	6,340,612	9,528,775
Demand deposits	76,919	6,494
- Turkish Lira	10,268	819
- Foreign currency	66,651	5,675
Time deposits	6,263,693	9,522,281
- Turkish Lira	1,716,847	5,200,516
- Foreign currency	4,546,846	4,321,765
Other	71	2,179
	6,340,683	9,530,954

As of June 30, 2025, foreign currency time deposits consist of monthly deposits. The weighted average effective interest rates of USD and EUR monthly deposits are 2.79% and 1.92% per annum, respectively. (December 31, 2024: USD – 4.31%, EUR – 2.41%).

As of June 30, 2025, the TRY dominated time deposits consist of monthly deposits and the weighted average effective interest rate is monthly 48.19% per annum (December 31, 2024: consist of monthly and daily deposits and the weighted average effective interest rate is monthly 48.68%). The Group has no blocked deposits as of June 30, 2025 (December 31, 2024: None).

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5. Financial Investments

a) Short-term financial investments:

	June 30, 2025	December 31, 2024
Marketable securities	542,336	558,441
	542,336	558,441

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

b) Long-term financial investments

	June 30, 2025		December 31, 2024	
	Amount	Shareholding Rate (%)	Amount	Shareholding Rate (%)
SOCAR Power Enerji Yatırımları A.Ş.	111,431	9.90	111,431	9.90
	111,431		111,431	

8,910,000 shares having a nominal price of TRY0,001 per share corresponding to 9,9% of capital of SOCAR Power Enerji Yatırımları A.Ş, (SOCAR Power) (TRY8,910) owned by SOCAR Turkey Elektrik Yatırımları Holding A.Ş (Power Holding), which is a subsidiary of controlling shareholder of the Group, SOCAR Turkey Enerji A.Ş., in SOCAR Power are purchased by the Group on 26 January 2015.

6. Inventories

	June 30, 2025	December 31, 2024
Raw materials	2,116,390	1,926,383
Work-in-progress	1,048,830	1,527,207
Finished goods	3,243,417	3,228,315
Trade goods	1,078,746	341,794
Goods in transit	1,103,327	620,146
Other inventories	1,144,331	1,129,591
Less: Provision for impairment on inventories	(69,182)	(98,162)
	9,665,859	8,675,274

Movements of provision for impairment on inventory for the periods ended June 30, 2025 and 2024 were as follows:

	2025	2024
January 1	(98,162)	(106,285)
Realised due to sale of inventory	98,162	106,284
Charged within the period	(69,182)	(43,860)
June 30	(69,182)	(43,861)

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7. Trade Receivables and Payables

a) Short-term trade receivables from third parties:

	June 30, 2025	December 31, 2024
Trade receivables	10,611,045	7,884,439
Provision for doubtful trade receivables (-)	(15,668)	(17,838)
	10,595,377	7,866,601

b) Short-term trade payables to third parties:

Trade payables	2,581,757	2,418,013
	2,581,757	2,418,013

8. Borrowings and Borrowing Costs

	June 30, 2025	December 31, 2024
Short-term borrowings	19,089,560	15,709,084
Short-term portions of long-term borrowings	6,495,719	7,530,297
Lease liabilities	66,667	93,074
Other financial liabilities (*)	4,698,969	5,599,466
Short-term financial liabilities	30,350,915	28,931,921
Long-term borrowings (**)	16,541,799	22,153,287
Lease liabilities	186,562	366,963
Long-term financial borrowings	16,728,361	22,520,250
Total financial liabilities	47,079,276	51,452,171

(*) Other financial liabilities consist of letters of credits, naphta financing, murabaha loans and trade goods financing arising from naphta and other goods purchases. The average remaining maturity of other financial liabilities are 141 days as of June 30, 2025 (December 31, 2024: Average remaining maturity is 146 days).

(**) On January 26, 2023, the Group signed a three-year loan agreement with J.P. Morgan Securities PLC ('JP Morgan') for an amount of 300 million USD. This loan agreement was amended on December 17, 2024, increasing the amount by 100 million USD to a total of 400 million USD, extending the maturity to December 2027, and updating the annual interest rate to SOFR + 3.95%. Additionally, as of December 17, 2024, the Group also revised its swap agreement with JP Morgan, fixing the portion amounting to 100 million USD at an interest rate of 7.81%.

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8. Borrowings and Borrowing Costs (Continued)

Bank borrowings and bonds issued:

	Effective weighted average Interest rate p.a, (%)		Original Currency		TRY Equivalent	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Short-term borrowings:						
TRY Borrowing	41.00 – 52.60	42.50 – 49.00	4,352,854	3,679,716	4,352,854	3,679,716
USD Borrowing	5.75 – 9.00	5.90 – 7.45	370,154	291,713	14,736,706	12,029,368
Short-term portions of long-term borrowings:						
TRY borrowings	39.50 – 40.00	-	3,066,036	-	3,066,036	-
USD borrowings	SOFR + 3.95 – 5.60, 6.88 – 10.90	SOFR + 5.00 – 5.60, 6.90-10.99	86,146	182,610	3,429,683	7,530,297
Total short-term borrowings					25,585,279	23,239,381
Long-term borrowings and bond issues:						
USD borrowings	SOFR + 3.95 - 5.60	SOFR + 5.00 - 5,60	415,494	537,218	16,541,799	22,153,287
Total long-term borrowings					16,541,799	22,153,287
Total borrowings					42,127,078	45,392,668

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8. Borrowings and Borrowing Cost (Continued)

The redemption schedule of long-term bank borrowings and bonds issued as of June 30, 2025 and December 31, 2024 is as follows:

	June 30, 2025
July 1, 2026 – June 30, 2027	308,546
July 1, 2027 – June 30, 2028	16,083,956
July 1, 2028 – subsequent periods	149,297
	16,541,799
	December 31, 2024
2026	4,021,847
2027	17,879,762
2028	251,678
	22,153,287

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

Within the scope of the loan agreement signed between the Group and JP Morgan, certain financial ratios defined in the Group's six-months interim and annual consolidated financial statements must remain within certain limits until the loan repayment is completed. As a result of the expectation that the net debt / EBITDA ratio calculation calculated on the consolidated financial statements as of June 30, 2025 will exceed the limits determined by the contract, the Group consulted the situation with JP Morgan. Although there is no dispute with JP Morgan regarding this loan, a waiver letter was received from JP Morgan regarding the relevant provisions of the contract on June 28, 2025, stating that it will waive its rights arising from the contract if the financial ratios calculated on the interim consolidated financial statements dated June 30, 2025 fall outside the limits. The relevant loan is classified in accordance with the original payment term.

As of June 30, 2025 and 2024, the reconciliation of net financial debt (excluding debts from leasing transactions) is as follows:

	2025	2024
January 1	41,461,180	43,374,075
Proceeds from financial liabilities	28,725,586	28,901,663
Repayments of financial liabilities	(23,814,966)	(22,028,856)
Changes in foreign exchange	4,433,059	3,895,699
Changes in interest accrual	98,809	93,705
Change in cash and cash equivalents and financial investments	2,231,513	(1,809,367)
Disposals of subsidiary	(5,709,348)	-
Monetary gain (loss)	(6,940,469)	(9,401,617)
June 30	40,485,364	43,025,302

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9. Property, plant and equipment

	Januray 1, 2025	Additions	Transfers	Disposals	Foreign Currency Translation Differences	Disposals of Subsidiary	June 30, 2025
Cost:							
Land	1,014,567	-	-	-	(303)	(8,452)	1,005,812
Land improvements	10,816,820	-	-	-	-	(20,488)	10,796,332
Buildings	4,677,177	-	-	-	(296)	(6,799)	4,670,082
Machinery and equipment	197,252,465	-	176,921	(5,762)	-	-	197,423,624
Motor vehicles	265,342	-	3,173	(894)	-	-	267,621
Furniture and fixtures	2,555,154	-	81,652	(22,702)	(371)	(10,284)	2,603,449
Other fixed assets	27,404	-	-	-	-	-	27,404
Leasehold improvements	11,991	-	-	-	-	-	11,991
Assets subject to operating lease (**)	12,922,950	-	-	-	(406,284)	(11,353,376)	1,163,290
Construction in progress (*)	9,377,504	2,331,754	(261,746)	(1,909)	(105)	(2,049)	11,443,449
	238,921,374	2,331,754	-	(31,267)	(407,359)	(11,401,448)	229,413,054
Accumulated depreciation:							
Land improvements	(3,727,426)	(216,320)	-	-	8,604	18,626	(3,916,516)
Buildings	(3,566,708)	(52,173)	-	-	256	6,469	(3,612,156)
Machinery and equipment	(173,832,458)	(2,274,722)	-	5,761	-	-	(176,101,419)
Motor vehicles	(223,161)	(10,944)	-	894	-	-	(233,211)
Furniture and fixtures	(2,056,968)	(87,731)	-	16,266	(13)	8,113	(2,120,333)
Other fixed assets	(27,404)	-	-	-	-	-	(27,404)
Leasehold improvements	(11,991)	-	-	-	-	-	(11,991)
Assets subject to operating lease	(8,738,284)	(83,242)	-	-	(63,796)	8,231,287	(654,035)
	(192,184,400)	(2,725,132)	-	22,921	(54,949)	8,264,495	(186,677,065)
Net book values	46,736,974	-	-	-	-	-	42,735,989

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

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

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9. Property, plant and equipment (Continued)

	January 1, 2024	Additions	Transfers	Disposals	Foreign Currency Translation Differences	June 30, 2024
Cost:						
Land	1,016,367	-	-	-	(1,124)	1,015,243
Land improvements	5,305,979	-	3,811	-	(2,729)	5,307,061
Buildings	4,582,009	-	-	-	(990)	4,581,019
Machinery and equipment	195,126,126	-	802,431	-	-	195,928,557
Motor vehicles	269,779	-	-	(3,814)	-	265,965
Furniture and fixtures	2,516,797	-	45,946	(9,940)	(1,061)	2,551,742
Other fixed assets	27,404	-	-	-	-	27,404
Leasehold improvements	11,991	-	-	-	-	11,991
Assets subject to operating lease (**)	15,330,403	-	-	-	(1,362,404)	13,967,999
Construction in progress (*)	11,525,616	2,079,569	(952,033)	-	(210)	12,652,942
	235,712,471	2,079,569	(99,845)	(13,754)	(1,368,518)	236,309,923
Accumulated depreciation:						
Land improvements	(3,468,266)	(139,799)	-	-	2,123	(3,605,942)
Buildings	(3,468,179)	(50,117)	-	-	1,010	(3,517,286)
Machinery and equipment	(168,882,494)	(2,713,653)	-	-	-	(171,596,147)
Motor vehicles	(207,395)	(11,378)	-	3,789	-	(214,984)
Furniture and fixtures	(1,900,885)	(84,333)	-	8,021	977	(1,976,220)
Other fixed assets	(27,404)	-	-	-	-	(27,404)
Leasehold improvements	(11,991)	-	-	-	-	(11,991)
Assets subject to operating lease	(3,269,427)	(223,518)	-	-	312,800	(3,180,145)
	(181,236,041)	(3,222,798)	-	11,810	316,910	(184,130,119)
Net book value	54,476,430	-	-	-	-	52,179,804

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

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

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10. Deferred revenue

a) Short-term deferred revenue

	June 30, 2025	December 31, 2024
Advances received	1,965,812	1,521,834
Deferred revenue	990	2,423
	1,966,802	1,524,257

Advances received from customers for the sales in the subsequent periods are all short term and mature within one year (December 31, 2024: It is expected to be closed within one year). The fair values of advances received are assumed to approximate their carrying values.

11. Prepaid expenses and other current asset

a) Short-term prepaid expenses

	June 30, 2025	December 31, 2024
Advances given for inventory	679,337	626,405
Prepaid rent, insurance and other expenses	214,617	83,154
Advances given for customs procedures	56,511	3,041
	950,465	712,600

b) Long-term prepaid expenses

Advances given for property, plant and equipment	517,351	468,112
Prepaid rent, insurance and other expenses	1,746	4,217
	519,097	472,329

c) Other current assets

Value added taxes ("VAT")	1,651,821	1,293,147
Other	11,629	12,659
	1,663,450	1,305,806

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12. Employee benefits

a) Short-term employee benefits:

	June 30, 2025	December 31, 2024
Provision for seniority incentive bonus	155,577	169,674
Provision for bonus premium (*)	-	453,068
	155,577	622,742

b) Long-term employee benefits:

	June 30, 2025	December 31, 2024
Provision for employment termination benefits	853,788	902,770
Provision for unused vacation rights	631,611	459,988
Provision for seniority incentive bonus	131,226	94,143
	1,616,625	1,456,901

c) Liabilities for employee benefits:

	June 30, 2025	December 31, 2024
Social security contribution	146,108	132,467
Due to personnel	591	1,040
	146,699	133,507

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 nominal TRY 53,919.68 for each year of service as of June 30, 2025 (December 31, 2024 :Nominal TRY 41,828.42).

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

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

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

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12. Employee benefits (Continued)

Provision for employment termination benefits (Continued):

	June 30, 2025	December 31, 2024
Net discount rate (%)	2.67	2.50
Probability of retirement (%)	97.8	97.8

The principal assumption is that the maximum liability for each year of service will increase in line with inflation. Thus the discount rate applied represents the expected real rate after adjusting for the anticipated effects of future inflation. As the maximum liability is revised semi-annually, the maximum amount of nominal TRY 53,919.68 which is effective from July 1, 2025, has been taken into consideration in the calculation of employment termination benefits of the Group (January 1, 2025: nominal TRY 46,655.43)

Provision for seniority incentive bonus:

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

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

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

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

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13. Equity

The shareholders of the Company and their shareholdings as of June 30, 2025 and December 31, 2024 were as follows:

Group: Shareholder:	June 30, 2025		December 31, 2024	
	Amount (TL)	Share (%)	Amount (TL)	Share(%)
A SOCAR Turkey Petrokimya A.Ş.	1,292,544	51.00	1,292,544	51.00
B Publicly Traded and Other	1,241,856	49.00	1,241,856	49.00
C Privatization Administration	0,00	0.01	0,00	0.01
Total paid share capital	2,534,400	100	2,534,400	100
Adjustment to share capital	48,711,544		48,711,544	
Total share capital	51,245,944		51,245,944	

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

14. Tax assets and liabilities**a) Corporate tax**

In Turkey, the corporate tax rate is 25% for 2025 (2024: 25%). Institutions tax rate is applied to the tax base that will result in deducting expenses not included in the deduction according to the tax legislation of the corporation's commercial income, deduction in the tax laws (exemption of participation profits, exception of investment discount etc.) and discounts (such as R&D discount). No further tax is payable unless the profit is distributed (except for the withholding tax at the rate of 19.8% calculated and paid on the exemption amount utilized in case of investment reduction exemption utilized under Article 61 of the Income Tax Law).

	June 30, 2025	December 31, 2024
Calculated corporate tax	-	29,547
Less: Prepaid taxes	(34,194)	(154,667)
Corporate tax assets	(34,194)	(125,120)

Tax expenses included in the income statement for the condensed consolidated period end June 30, 2025 and 2024 are summarized below:

	January 1- June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Deferred tax (expense)/income	20,609	569,581	2,364,188	2,829,331
Total tax (expense)/income	20,609	569,581	2,364,188	2,829,331

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements****for The Period Between January 1 and June 30, 2025**

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

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

As of June 30, 2025, the corporate tax rate is 25% in Turkey (December 31, 2024: 25%). Corporation tax rate is applied to net income of the companies after adjusting for certain disallowable expenses, exempt income and allowances.

In accordance with the Law No 7440 on the "Restructuring of Certain Receivables and Amendments to Certain Laws" published in the Official Gazette on March 12, 2024, an additional tax of 10% is to be calculated over the exemptions and deductions subject to corporate income deduction in accordance with the regulations in the laws, by being shown in the corporate tax return for the year 2022 and without being associated with the period's income; and an additional tax of 5% is to be calculated over the exempted earnings.

The effects of accumulated temporary differences and deferred tax assets and liabilities subject to deferred tax as of June 30, 2025 and December 31, 2024 are summarized below, using the tax rates valid as of the balance sheet date:

	Taxable Temporary Differences		Deferred Income Tax Assets/(Liabilities)	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Fair value increase in investment properties	(28,461,505)	(28,421,768)	(5,336,532)	(5,329,081)
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	(12,349,612)	(8,483,735)	(1,701,486)	(1,959,847)
Inventories	(113,459)	(43,944)	(26,096)	(10,107)
Lease allocation fee	(3,497)	(5,876)	(804)	(1,351)
Fair value difference of derivative financial instruments	-	(12,514)	-	(2,878)
Other	(1,380,962)	(1,434,105)	(317,619)	(329,843)
Deferred income tax liabilities	(42,309,035)	(38,401,942)	(7,382,537)	(7,633,107)
Unused investment incentives	12,143,332	13,241,329	2,792,966	3,088,302
Provision for employee benefits	1,772,202	2,079,643	407,606	478,318
Fair value difference of derivative financial instruments	32,240	-	7,415	-
Lawsuit provisions	2,597	3,030	597	695
Deferred income tax assets	13,950,371	15,324,002	3,208,584	3,567,315
Deferred tax assets / (liabilities), net			(4,173,953)	(4,065,792)

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14. Tax assets and liabilities (Continued)

b) Deferred taxes (Continued)

The movement of deferred income tax is as follows:

	2025	2024
January 1	(4,065,792)	(2,563,444)
Charged to interim consolidated statement of profit or loss	20,609	2,364,188
Charged to interim consolidated statement of other comprehensive income	353,252	546,486
Disposal of a subsidiary	(458,506)	-
Foreign currency translation differences	(23,516)	(202,736)
June 30	(4,173,953)	144,494

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

Tax Advantages Obtained Under the Investment Incentive System:

Earnings of the Group that are derived from investments linked to an investment incentive certificate are subject to corporate tax at discounted rates for a certain period, which starts when the investment starts to partly or fully operate, and ends when the maximum investment contribution amount is reached. Within this scope, the group has accounted for TRY 2,792,966 (December 31, 2024: TRY 3,088,302) of tax advantages as deferred tax assets which are expected to be recovered in the foreseeable future in the consolidated financial statements as of June 30, 2025, TRY 295,336 of deferred tax expense is recognized in the consolidated profit or loss statement for the period between January 1 - June 30, 2025 from accounting of such deferred tax assets.

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

In the sensitivity analysis performed as of June 30, 2025, when the inputs of the key macroeconomic and sectoral assumptions that form the business plans are increased/decreased by 10%, there is no change in the projected 8-10 years recovery periods of deferred tax assets related to investment incentives.

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15. Revenue and cost of sales

	January 1- June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Domestic sales	22,620,122	11,377,915	30,940,255	14,731,335
Foreign sales	16,915,777	8,980,699	19,464,291	11,014,345
Other sales	289,909	142,204	329,199	81,177
Discounts (-)	(1,194,117)	(601,398)	(1,213,689)	(562,285)
Net revenue	38,631,691	19,899,420	49,520,056	25,264,572
Raw materials	(19,618,131)	(8,745,490)	(24,329,538)	(12,731,161)
Cost of trade goods sold	(9,505,124)	(5,184,511)	(12,950,609)	(7,371,301)
Energy expenses	(3,164,142)	(1,663,545)	(4,294,550)	(2,068,213)
Depreciation and amortization	(2,340,601)	(1,155,264)	(2,968,816)	(1,096,325)
Personnel expense	(2,711,437)	(1,389,305)	(2,828,627)	(1,471,737)
Changes in finished goods and work in progress	(463,275)	(1,670,500)	(172,431)	655,225
Other	(2,319,523)	(533,438)	(1,359,205)	(398,613)
Cost of Sales (-)	(40,122,233)	(20,342,053)	(48,903,776)	(24,482,125)

16. General administrative expenses

	January 1- June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Personnel expense	(1,117,488)	(679,421)	(998,758)	(417,975)
Outsourced services	(590,468)	(328,316)	(715,169)	(428,497)
Depreciation and amortization	(240,500)	(123,863)	(261,757)	(142,624)
Energy expenses	(74,139)	(33,100)	(145,334)	(62,656)
Taxes, funds and fees	(30,160)	(9,469)	(58,430)	(18,536)
Other	(102,055)	(40,648)	(49,896)	(11,752)
	(2,154,810)	(1,214,817)	(2,229,344)	(1,082,040)

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17. Operating income and expenses

a) Other operating income:

	January 1- June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Foreign exchange gains	939,380	651,637	912,232	286,237
Rent income	90,683	37,522	106,843	54,012
Interest income from maturity difference	10,944	7,217	21,450	11,158
Other	20,453	10,357	335,016	40,567
	1,061,460	706,733	1,375,541	391,974

b) Other operating expenses:

	January 1- June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Interest expense from maturity difference	(1,004,869)	(698,767)	(113,709)	(59,917)
Foreign exchange losses	(826,345)	(394,113)	(997,052)	(226,251)
Other	(98,335)	(43,479)	(111,602)	(35,541)
	(1,929,549)	(1,136,359)	(1,222,363)	(321,709)

18. Financial income and expenses

a) Financial income:

	January 1- June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Foreign exchange gain	711,365	310,840	1,032,520	367,350
Interest income	231,274	106,035	358,394	193,189
Other	43,440	-	45,494	20,648
	986,079	416,875	1,436,408	581,187

b) Financial expenses:

Foreign exchange losses	(3,103,197)	(1,331,591)	(3,815,381)	(1,104,869)
Interest expense	(3,058,694)	(1,626,574)	(2,439,575)	(1,146,371)
Commission expense	(161,113)	(17,939)	(50,337)	(21,061)
Interest expense on employee benefits	(144,133)	(78,293)	(105,529)	(56,840)
Interest expense on leases	(50,168)	(27,394)	(54,611)	(30,177)
Other	(12,848)	-	(4,004)	-
	(6,530,153)	(3,081,791)	(6,469,437)	(2,359,318)

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries**Notes to the Condensed Consolidated Interim Financial Statements
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19. Income and expenses from investment activities**a) Income from investment activities:**

	January 1- June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Rent income	129,962	62,565	145,268	68,826
Fair value gains on financial investments	78,729	48,855	180,779	92,910
Fair value increase investment properties	39,490	39,490	-	-
Other	21,308	17,783	29,618	25,241
	269,489	168,693	355,665	186,977

b) Expenses from investment activities:

Sale of subsidiary (Note 2.3)	(5,973)	(5,973)	-	-
Loss on sale of property, plant and equipment	(1,140)	(595)	(282)	(141)
Fair value decrease in investment properties	-	-	(2,570,538)	(2,570,538)
Other	(36)	(36)	-	-
	(7,149)	(6,604)	(2,570,820)	(2,570,679)

20. Transactions and balances with related parties

As of June 30, 2025 and December 31, 2024, the balances of receivables from related parties and payables to related parties and a summary of the significant transactions made with related parties during the periods are presented below:

i) Balances with related parties**a) Trade receivables from related parties:**

	June 30, 2025	December 31, 2024
STAR Rafineri A.Ş. ("STAR") ⁽²⁾	697,735	685,114
SOCAR Turkey Enerji A.Ş. ("STEAS") ⁽²⁾	318,928	475
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	18,799	12,818
SOCAR Oil Refinery named after Heydar Aliyev	8,214	-
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	4,620	7,706
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	2,312	2,955
SOCAR Aliağa Liman İşletmeciliği A.Ş. ⁽²⁾	2,025	1,098,510
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	1,610	1,126
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	175	701
Azoil Petrolcülük A.Ş. ⁽²⁾	64	70
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	-	94,947
	1,054,482	1,904,422

b) Short-term other receivables from related parties:

Petlim Limancılık Ticaret A.Ş. ⁽²⁾	954,617	-
SOCAR Logistics DMCC ⁽²⁾	410	478
	955,027	478

(1) Shareholders of the Company.

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

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20. Transactions and balances with related parties (Continued)

i) Balances with related parties (Continued)

c) Short-term trade payables to related parties:

	June 30, 2025	December 31, 2024
STAR ⁽²⁾	13,040,450	8,181,909
SOCAR Logistics DMCC ⁽²⁾	2,055,768	2,454,848
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	1,957,856	2,235,328
STEAS ⁽¹⁾	657,041	383,202
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	40,491	36,797
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	4,630	9,601
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	1,898	2,748
Azoil Petrolculuk A.Ş. ⁽²⁾	1,565	1,327
SOCAR Turkey Fiber Optik A.Ş. ⁽²⁾	693	-
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	425	-
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	5	43
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	-	11,425
	17,760,822	13,317,228

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 41 days, (December 31, 2024: 46 days).

d) Short-term deferred revenue from related parties:

STAR ⁽²⁾ (*)	139,337	18,839
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	12,057	243
Petlim Limancılık Ticaret A.Ş. ⁽²⁾	4,272	-
SOCAR Aliağa Liman İşletmeciliği A.Ş. ⁽²⁾	3,019	47,533
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	642	72
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	560	-
	159,887	66,687

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

(1) Shareholders of the Company.

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

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20. Transactions and balances with related parties (Continued)

i) Balances with related parties (Continued)

g) Long-term deferred revenue from related parties:

	June 30, 2025	December 31, 2024
STAR ⁽¹⁾	4,082	4,885
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	84	1,033,948
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	64	79
	4,230	1,038,912

h) Short-term prepaid expense to related parties:

	June 30, 2025	December 31, 2024
SOCAR Logistics DMCC ⁽²⁾	1,428,820	659,934
STAR ⁽²⁾	250,069	183
STEAS ⁽¹⁾	72,421	97,378
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	23,836	89
SOCAR Sigorta ve Reasürans Brokerlığı A.Ş. ⁽²⁾	11,208	83,749
SOCAR Turkey Fiber Optik A.Ş. ⁽²⁾	901	-
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	98	-
	1,787,353	841,333

i) Long-term prepaid expense to related parties:

	June 30, 2025	December 31, 2024
STAR ⁽²⁾	13,406	16,357
STEAS ⁽¹⁾	6,386	13,253
	19,792	29,610

j) Short-term leasing payables to related parties:

STAR ⁽²⁾	66,000	62,961
STEAS ⁽¹⁾	26,254	27,201
	92,254	90,162

k) Long-term leasing payables to related parties:

STAR ⁽²⁾	137,139	168,071
STEAS ⁽¹⁾	46,580	59,163
	183,719	227,234

⁽¹⁾ Shareholders of the Company.

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

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20. Transactions and balances with related parties (Continued)**ii) Transactions with related parties****a) Other income/ (expenses), Income from investing activities and finance income/ (expenses) from related party transactions- net:**

	1 January - 30 June 2025	1 April - 30 June 2025	1 January - 30 June 2024	1 April - 30 June 2024
SOCAR Logistics DMCC ⁽²⁾	24,684	1,088	3,209	2,605
SOCAR Oil Refinery named after Heydar Aliyev ⁽²⁾	694	435	-	-
SOCAR Turkey Araştırma Geliştirme ve Inovasyon A.Ş. ⁽²⁾	72	31	2,756	5,400
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	70	38	46	(564)
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	4	-	(2)	(2)
Azoil Petrolcülük A.Ş. ⁽²⁾	1	-	1,244	1,244
SOCAR Power Enerji Yatırımları A.Ş. ⁽²⁾	-	-	7,301	10,606
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	-	(1)	(2,670)	(2,669)
SOCAR Trading SA ⁽²⁾	(124)	5,041	(28)	(270)
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	(1,805)	(900)	(4,349)	(4,534)
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	(14,811)	(15,309)	453	666
STEAS ⁽¹⁾	(20,383)	(10,427)	(9,675)	(26,707)
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	(53,193)	(51,409)	(207)	(413)
STAR ⁽²⁾	(1,718,054)	(1,185,799)	(507,254)	(964,228)
	(1,782,845)	(1,257,212)	(509,176)	(978,866)

Expenses arising from STAR consist of exchange rate difference expenses of 722,362 TL and 995,692 TL of other expenses, revenues obtained from STEAS consist of foreign exchange difference income of 15,287 TL and 5,096 TL of other expenses. (June 30, 2024: 414,254 TL of the expenses arising from STAR consist of exchange rate difference expenses and 93,000 TL of other expenses and 5,425 TL of other expenses. SOCAR Income obtained from SOCAR Power Enerji Yatırımları A.Ş. consists of interest income.)

b) Service and rent purchases from related parties:

	1 January - 30 January 2025	1 April - 30 January 2025	1 January - 30 January 2024	1 April - 30 January 2024
STEAS ⁽¹⁾	627,396	590,267	364,807	164,982
STAR ⁽²⁾	310,073	227,196	101,273	63,749
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	76,506	5,240	720,346	625,962
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	39,127	25,834	24,534	11,437
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	20,217	20,217	9,287	9,287
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	6,814	-	29	29
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	5,911	7,412	112,556	10,221
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	-	-	72,369	34,552
SOCAR Trading SA ⁽²⁾	-	-	13,001	-
Other ⁽²⁾	2,969	2,075	1,933	1,169
	1,089,013	878,241	1,420,135	921,388

⁽¹⁾ Shareholders of the Company⁽²⁾ Shareholders of the Company or SOCAR's subsidiaries

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20. Transactions and balances with related parties (Continued)**ii) Transactions with related parties (Continued)****c) Product purchase from related parties:**

	1 January - 30 January 2025	1 April - 30 January 2025	1 January - 30 January 2024	1 April - 30 January 2024
c) Product purchase from related parties:				
SOCAR Logistics DMCC ⁽²⁾	10,240,575	6,403,981	11,354,831	5,532,152
STAR ⁽²⁾	8,714,919	4,410,472	9,596,020	5,371,729
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	1,746,560	1,714,274	4,218,672	1,829,133
SOCAR Trading SA ⁽²⁾	469,514	321,321	-	-
SOCAR Trading Middle East DMCC ⁽²⁾	119,325	33,255	-	-
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	10,562	10,562	-	-
Azoil Petrolcülük A.Ş. ⁽²⁾	4,805	2,453	7,610	3,341
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	2,720	1,391	3,730	2,206
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	1,534	818	-	-
	21,310,514	12,898,527	25,180,863	12,738,561

Goods purchases from related parties consist of raw materials and commercial product purchases. Purchases from STAR consist of 346,605 tons and 7,690,884 TL of naphtha purchases and 1,024,035 TL of other purchases. (June 30, 2024: Purchases of goods from related parties consist of raw materials and commercial product purchases. Purchases from STAR consist of 324,425 tons and 9,419,025 TL of naphtha purchases and 176,945 TL of other purchases.)

d) Product and service sales to related parties:

	1 January - 30 January 2025	1 April - 30 January 2025	1 January - 30 January 2024	1 April - 30 January 2024
STAR ⁽²⁾ (*)	3,253,612	1,608,130	4,427,844	2,324,220
STEAŞ ⁽¹⁾	979,862	812,727	13	7
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	190,976	87,853	2	-
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	160,857	72,835	985,045	454,494
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	136,245	74,975	3,186	-
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	122,691	12,308	4,986	1,131
Other ⁽²⁾	29,097	2,890	536,793	988
	4,873,340	2,671,718	5,957,869	2,780,840

(*) Sales made to STAR consists 1,814,270 TL of by-product sales, 934,529 TL steam sales, and the remaining sales consist of other product sales. (June 30, 2024: 3,271,104 TL of sales to STAR consists of by-product sales, 1,135,750 TL of steam sales, and the remaining sales consist of other product sales.)

(1) Shareholders of the Company

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

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20. Transactions and balances with related parties (Continued)

ii) Transactions with related parties (Continued)

e) Rent income from related parties:

	1 January - 30 June 2025	1 April - 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2024
STAR ⁽²⁾	146,057	65,577	171,569	84,897
SOCAR Turkey Akaryakıt				
Depolama A.Ş. ⁽²⁾	36,930	6,011	36,814	24,289
Other ⁽²⁾	10,802	1,583	12,655	1,809
	193,789	73,171	221,038	110,995

f) Sale of subsidiary

	1 January - 30 June 2025	1 April - 30 June 2025	1 January- 30 June 2024	1 April - 30 June 2024
SOCAR Terminal ⁽²⁾ (Note 2.3)	1,188,711	1,188,711	-	-
	1,188,711	1,188,711	-	-

d) Key management compensation:

i) Key management compensation - short-term:

	January 1- June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Payment for salary and seniority incentives	385,157	175,209	297,712	251,804
	385,157	175,209	297,712	251,804

⁽¹⁾ Shareholders of the Company

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

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20. Transactions and balances with related parties (Continued)

ii) Transactions with related parties (Continued)

ii) Key management compensation - long-term:

	January 1- June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Provision for seniority incentives	3,277	1,983	2,409	972
Provision for employment termination benefits	746	330	395	144
Provision for unused vacation	599	822	2,405	1,202
	4,622	3,135	5,209	2,318

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.

21. Investment properties

Fair Value	January 1, 2025	Fair value increase	Fair value decrease	June 30, 2025
Land	28,423,496	39,490	-	28,462,986
	28,423,496			28,462,986

Fair Value	January 1, 2024	Fair value increase	Fair value decrease	June 30, 2024
Land	28,349,049	(2,570,538)	-	25,778,511
	28,349,049			25,778,511

30 years right of construction of the land, that is 2,076,506 m2, is given to the Star Rafineri A.Ş. ("STAR") by Group. The annual rent income from the land, that is located in Aliğa district, is USD 4.6 million and the annual rent income will be increased at the rate of SOFR + 1% each year.

Regarding the land in question, the fair value of the relevant land was assessed according to the valuation report prepared by the Group, dated June 30, 2025, by a real estate valuation company authorized by the CMB.

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

As of June 30, 2025, 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.

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22. Earnings per share

	January 1 - June 30, 2025	April 1- June 30, 2025	January 1- June 30, 2024	April 1- June 30, 2024
Net profit for the period of the equity holders of the parent	(3,312,984)	(581,878)	3,560,162	2,285,717
Weighted average number of shares with nominal value of Kr each (thousand)	253,440	253,440	253,440	253,440
Earning (loss) per share (Kr)	(1.3072)	(0.2295)	1.4047	0.9018

23. Provisions, contingent assets and liabilities

a) Short-term provisions:

	June 30, 2025	December 31, 2024
Provision for legal cases	2,596	3,029
	2,596	3,029

b) Guarantees received:

Receivable insurance	32,490,236	30,395,276
Bank guarantees within the context of DOCS (*)	7,579,137	6,840,934
Letters of guarantee received from customers	1,634,291	2,651,694
Letters of guarantee received from suppliers	1,547,331	1,570,065
Mortgages	2,000	2,333
Letters of credit	-	116,317
	43,252,995	41,576,619

(*) Direct Order and Collection System

c) Guarantees given:

Mortgages given to banks (*)	5,573,736	4,511,875
Custom offices	468,658	518,738
Other	1,711,449	1,777,568
	7,753,843	6,808,181

(*) The guarantee provided by the Group for the loan amounting to 140 million USD utilized by Petlim Limancılık Ticaret A.Ş. Following the completion of the sale and transfer of Petlim Limancılık Ticaret A.Ş. to SOCAR Terminal as of June 30, 2025, procedures were initiated for the removal of the aforementioned guarantee. By July 30, 2025, all procedures were finalized, and the Group's guarantee was officially released.

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23. Provisions, contingent assets and liabilities (continued)

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

	June 30, 2025	December 31, 2024
A. Total amount of CPMs given for the Company's own legal personality	2,180,107	2,296,306
B. Total amount of CPMs given on behalf of fully consolidated companies (*)	5,573,736	4,511,875
C. Total amount of CPMs given for continuation of its economic activities on behalf of third parties	-	-
D. Total amount of other CPMs	-	-
-i. Total amount of CPMs given on behalf of the majority shareholder	-	-
ii. Total amount of CPMs given to on behalf of other group companies which are not in scope of B and C	-	-
iii. Total amount of CPMs given to on behalf of third parties which are not in scope of C	-	-
	7,753,843	6,808,181

(*) The guarantee provided by the Group for the loan amounting to 140 million USD utilized by Petlim Limancılık Ticaret A.Ş. Following the completion of the sale and transfer of Petlim Limancılık Ticaret A.Ş. to SOCAR Terminal as of June 30, 2025, procedures were initiated for the removal of the aforementioned guarantee. By July 30, 2025, all procedures were finalized, and the Group's guarantee was officially released.

24. Financial instruments and financial risk management

Foreign exchange risk

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

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

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

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24. Financial instruments and financial risk management (continued)

Foreign currency position

	June 30, 2025				December 31, 2024			
	TRY equivalent	US Dollar	Euro	Other	TRY equivalent	US Dollar	Euro	Other
1, Trade receivables	9,209,937	208,815	19,556	-	6,412,626	148,784	6,725	-
2a, Monetary financial assets (Cash, bank accounts included)	5,240,848	108,829	19,640	510	6,057,624	132,537	13,898	5,418
2b, Non-monetary financial assets	-	-	-	-	-	-	-	-
3, Current assets (1+2)	14,450,785	317,644	39,196	510	12,470,250	281,321	20,623	5,418
4, Trade receivables	-	-	-	-	-	-	-	-
5a, Monetary financial assets	-	-	-	-	-	-	-	-
5b, Non-monetary financial assets	-	-	-	-	-	-	-	-
6, Other	-	-	-	-	-	-	-	-
7, Non-current assets (4+5+6)	-	-	-	-	-	-	-	-
8, Total assets (3+7)	14,450,785	317,644	39,196	510	12,470,250	281,321	20,623	5,418
9, Trade payables	8,194,899	188,506	13,809	45,276	12,172,964	246,900	17,102	1,077,522
10, Financial liabilities	22,317,878	560,576	-	-	23,455,048	568,786	-	-
11a, Monetary other liabilities	92,256	2,317	-	-	354,482	2,187	-	226,542
11b, Non-monetary other liabilities	-	-	-	-	-	-	-	-
12, Short term liabilities (9+10+11)	30,605,033	751,399	13,809	45,276	35,982,494	817,873	17,102	1,304,064
13, Trade payables	-	-	-	-	-	-	-	-
14, Financial liabilities	16,534,529	415,311	-	-	19,345,190	469,122	-	-
15a, Monetary other liabilities	183,722	4,615	-	-	386,485	5,511	-	136,486
15b, Non-monetary other liabilities	-	-	-	-	-	-	-	-
16, Long term liabilities (13+14+15a+15b)	16,718,251	419,926	-	-	19,731,675	474,633	-	136,486
17, Total liabilities (12+16)	47,323,284	1,171,325	13,809	45,276	55,714,169	1,292,506	17,102	1,440,550
18, Net (liability)/asset contract value of derivative instruments (18a-18b)	(17,154,145)	(435,000)	3,524	-	(14,232,701)	(345,000)	-	-
18a, Amount of asset contract value of derivative Instruments	164,249	-	3,524	-	3,293,035	80,000	-	-
18b, Amount of liability contract value of derivative instruments	17,318,394	435,000	-	-	17,525,736	425,000	-	-
19, Net foreign (liability)/ asset position (8-17+18)	(50,026,644)	(1,288,681)	28,911	(44,766)	(57,476,620)	(1,356,185)	3,521	(1,435,132)
20, Net foreign currency (liability)/asset Position of monetary items (TFRS 7,B23) (=1+2a+4+5a-9-10-11a-13-14-15a)	(32,872,499)	(853,681)	25,387	(44,766)	(43,243,919)	(1,011,185)	3,521	(1,435,132)
21, Total fair value of financial instruments used for foreign currency hedging	829	21	-	-	(25,571)	(622)	-	-
22, Hedged amount for foreign currency assets	164,249	-	3,524	-	3,293,035	80,000	-	-
23, Hedged amount for foreign currency liabilities	17,318,394	435,000	-	-	17,525,736	425,000	-	-
24, Export	16,013,868	294,937	95,724	153,748	35,413,951	585,842	181,869	430,174
25, Import	12,048,007	267,637	29,620	137,483	31,699,352	625,853	76,596	164,254

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24. Financial instruments and financial risk management (continued)**Table of sensitivity analysis for foreign currency risk****June 30, 2025**

	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TRY:				
1- Asset/Liability denominated in USD – net	(3,392,597)	3,392,597	(3,392,597)	3,392,597
2- The part hedged for USD risk (-)	14,005	-	14,005	(14,005)
3- USD effect - net (1+2)	(3,378,592)	3,392,597	(3,378,592)	3,378,592
Change of EUR by 10% against TRY:				
4- Asset/Liability denominated in EUR - net	118,322	(118,322)	118,322	(118,322)
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR effect - net (4+5)	118,322	(118,322)	118,322	(118,322)
Change of other currencies by 10% against TRY:				
7- Assets/Liabilities denominated in other foreign currencies – net	(4,448)	4,448	(4,448)	4,448
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other foreign currency effect - net (7+8)	(4,448)	4,448	(4,448)	4,448
Total (3+6+9)	(3,264,718)	3,278,723	(3,264,718)	3,264,718

December 31, 2024

	Profit/(Loss)		Equity	
	Appreciation of foreign currency	Depreciation of foreign currency	Appreciation of foreign currency	Depreciation of foreign currency
Change of USD by 10% against TRY:				
1- Asset/Liability denominated in USD – net	(4,162,334)	4,162,334	(4,162,334)	4,162,334
2- The part hedged for USD risk (-)	-	-	329,303	(329,303)
3- USD effect - net (1+2)	(4,162,334)	4,162,334	(3,833,031)	3,833,031
Change of EUR by 10% against TRY:				
4- Asset/Liability denominated in EUR – net	15,092	(15,092)	15,092	(15,092)
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR effect - net (4+5)	15,092	(15,092)	15,092	(15,092)
Change of other currencies by 10% against TRY:				
7- Assets/(Liabilities) denominated in other foreign currencies – net	39,808	(39,808)	39,808	(39,808)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other foreign currency effect - net (7+8)	39,808	(39,808)	39,808	(39,808)
Total (3+6+9)	(4,107,434)	4,107,434	(3,778,131)	3,778,131

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24. Financial instruments and financial risk management (continued)

Fair value estimation

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

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

June 30, 2025 and December 31, 2024, fair value and book value of financial statement were as follows:

June 30, 2025	Level 1	Level 2	Level 3	Total
Derivative financial instruments	-	808	-	808
Investment properties- Land	-	28,462,986	-	28,462,986
Total assets	-	28,463,794	-	28,463,794
Derivative financial liabilities	-	(33,048)	-	(33,048)
Total liabilities	-	(33,048)	-	(33,048)
December 31, 2024	Level 1	Level 2	Level 3	Total
Derivative financial instruments	-	94,540	-	94,540
Investment properties- Land	-	28,423,496	-	28,423,496
Total assets	-	28,518,036	-	28,518,036
Derivative financial liabilities	-	(25,659)	-	(25,659)
Total liabilities	-	(25,659)	-	(25,659)

25. Investment accounted by using equity method

	June 30, 2025		December 31, 2024	
	Participation Rate (%)	Amount	Participation Rate (%)	Amount
Rafineri Holding A.Ş.	20	33,825,731	20	35,207,106
		33,825,731		35,207,106

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25. Investment accounted for using equity method (continued)

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

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

Rafineri Holding A.Ş. holds a 60% stake in SOCAR Turkey Yatırım A.Ş, which owns 100% of STAR. Previously, Rafineri Holding A.Ş. accounted for its investment in SOCAR Turkey Yatırım A.Ş using the equity method. However, as of December 27, 2024, following the Ordinary General Assembly meeting registered on December 31, 2024, Rafineri Holding A.Ş. has gained control over the operations of SOCAR Turkey Yatırım A.Ş. In this context, Rafineri Holding A.Ş will consolidate SOCAR Turkey Yatırım A.Ş using the full consolidation method, and indirectly, the consolidation of STAR will also take place. Consequently, the impact of this consolidation will be included in the investments that the Group accounts for using the equity method.

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25. Investment accounted for using equity method (continued)

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

	June 30, 2025	December 31, 2024
Current assets	102,353,715	101,088,102
Non-current assets	343,848,219	356,016,860
Total Assets	446,201,934	457,104,962
Short-term liabilities	108,551,291	104,637,211
Long-term liabilities	56,080,660	59,439,984
Equity attributable to parent	169,128,657	176,035,533
Non-controlling interest	112,441,326	116,992,234
Total liabilities and equity	446,201,934	457,104,962

The movements of Rafineri Holding, one of the investments valued by the equity method, between January 1 and June 30, 2025 are as follows:

	2025	2024
Opening	35,207,106	40,475,551
Share of profit and losses	(155,873)	2,337,852
Foreign currency translation differences	(1,234,458)	(4,212,344)
Defined benefit plans remeasurement gain	(4,256)	-
Shares of other comprehensive income	13,212	(35,795)
Closing	33,825,731	38,565,264

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

	January 1- June 30, 2025
Sales (net)	184,433,909
Gross profit	11,658,909
Operating profit	10,691,466
Net loss for the period	(1,810,695)
Net loss of the main shareholder	(779,363)

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25. Net Monetary Position Gain/ (Loss)

	June 30, 2025
Balance Sheet Items	(6,048,323)
Inventories	446,964
Other current assets	40,717
Financial investments	154,832
Investments accounted for using the equity method	11,198,803
Property, plant, and equipment	28,847,767
Right-of-use assets	459,188
Intangible assets	407,027
Other non-current assets	86,093
Deferred revenues	(54,369)
Deferred tax liabilities	(6,906,978)
Adjustment to share capital	(48,472,444)
Accumulated other comprehensive income or loss not reclassified to profit or loss	(275,294)
Restricted reserves from profit	(3,898,362)
Retained earnings	11,917,733
Income statement Items	13,390,204
Revenue	(2,303,572)
Cost of sales	5,483,680
Selling, marketing and distribution expenses	77,961
General administrative expenses	267,776
Other operating income	(65,760)
Other operating expenses	88,714
Income from investing activities	9,342,765
Expenses from investing activities	66
Financial income	(54,807)
Financial expenses	356,310
Deferred tax income / (expense)	197,071
Monetary gain, net	7,341,881

26. Event after balance sheet date

The guarantee provided by the Group for the loan amounting to 140 million USD utilized by Petlim Limancılık Ticaret A.Ş. Following the completion of the sale and transfer of Petlim Limancılık Ticaret A.Ş. to SOCAR Terminal as of June 30, 2025, procedures were initiated for the removal of the aforementioned guarantee. By July 30, 2025, all procedures were finalized, and the Group's guarantee was officially released.