

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

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE PERIOD
FROM JANUARY 1 TO MARCH 31, 2025**

CONTENTS	<u>Page</u>
Condensed Consolidated Interim Balance Sheets.....	1-3
Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income	4-5
Condensed Consolidated Interim Statement of Changes in Equity	6
Condensed Consolidated Interim Statement of Cash Flow.....	7
Notes to the Condensed Consolidated Financial Statements for the Interim Period January 1- March 31, 2025	8-46

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Balance Sheet as at March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

		Unaudited	Audited
	Notes	March 31, 2025	December 31, 2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,634,127	8,990,910
Financial investments	5	494,943	526,799
Trade receivables		9,731,026	9,217,375
- Trade receivables from related parties	19	1,794,930	1,796,513
- Trade receivables from third parties	6	7,936,096	7,420,862
Other receivables		15,508	38,845
- Other receivables from related parties	19	410	451
- Other receivables from third parties		15,098	38,394
Inventories	7	9,111,560	8,183,715
Prepaid expenses		3,837,767	1,465,884
- Prepaid expenses to third parties	12	1,384,696	672,223
- Prepaid expenses to related parties	19	2,453,071	793,661
Derivative financial instruments	21	-	89,183
Other current assets		1,940,044	1,231,816
- Other current assets to third parties		1,940,044	1,231,816
Current tax assets	15	68,358	118,030
TOTAL CURRENT ASSETS		28,833,333	29,862,557
NON-CURRENT ASSETS			
Financial investments	5	105,117	105,117
Investments accounted for using equity method	22	31,986,219	33,212,196
Investment properties	10	26,812,959	26,812,959
Property, plant and equipment	9	43,360,763	44,088,754
Right of use assets		1,253,017	1,301,028
Intangible assets		561,625	580,205
Prepaid expenses		372,944	473,498
- Prepaid expenses to related parties	19	23,274	27,932
- Prepaid expenses to third parties	12	349,670	445,566
Deferred tax assets	15	458,506	504,645
Other non-current assets		166,453	145,463
- Other non-current assets related to third parties		166,453	145,463
TOTAL NON - CURRENT ASSETS		105,077,603	107,223,865
TOTAL ASSETS		133,910,936	137,086,422

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Balance Sheet as At March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

		Unaudited	Audited
	Notes	March 31, 2025	December 31, 2024
LIABILITIES			
CURRENT LIABILITIES			
Short-term borrowings		24,217,331	20,274,018
- Short-term borrowings to third parties		24,134,628	20,188,964
- Bank borrowings	8	16,915,840	14,818,974
- Short term lease liabilities	8	73,988	87,801
- Other financial liabilities	8	7,144,800	5,282,189
- Short-term borrowings to related parties		82,703	85,054
- Short term lease liabilities to related parties	19	82,703	85,054
Short-term portion of long-term borrowings		3,388,897	7,103,615
- Short-term portion of long-term borrowings to third parties		3,388,897	7,103,615
- Bank borrowings	8	3,388,897	7,103,615
Derivative financial instruments		41,647	24,205
Trade payables		14,031,719	14,843,647
- Trade payables to related parties	19	9,346,239	12,562,644
- Trade payables to third parties	6	4,685,480	2,281,003
Payables related to employee benefits		287,765	125,942
Other payables		28,933	27,849
- Other payables to third parties		28,933	27,849
Deferred revenue		1,504,906	1,500,798
- Deferred revenue from related parties	19	220,416	62,909
- Deferred revenue from third parties	11	1,284,490	1,437,889
Short term provisions		240,943	590,313
- Provision for employee benefits	13	238,347	587,456
- Other short term provisions	20	2,596	2,857
Current tax liabilities		152,860	-
Other current liabilities		445,469	250,196
Other current liabilities related to third parties		445,469	250,196
TOTAL CURRENT LIABILITIES		44,340,470	44,740,583
NON-CURRENT LIABILITIES			
Long term financial liabilities		23,505,638	21,458,563
- Long term financial liabilities to third parties		23,313,988	21,244,204
- Bank borrowings	8	23,028,194	20,898,034
- Long-term lease liabilities to third parties	8	285,794	346,170
- Long-term borrowings to related parties		191,650	214,359
- Long term lease liabilities to related parties	19	191,650	214,359
Deferred revenue		4,288	980,046
- Deferred revenue from related parties	19	4,288	980,046
Long term provisions		1,645,733	1,374,350
- Provision for employee termination benefits	13	1,645,733	1,374,350
Deferred tax liabilities	15	4,601,847	4,340,060
TOTAL NON - CURRENT LIABILITIES		29,757,506	28,153,019
TOTAL LIABILITIES		74,097,976	72,893,602

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for Three Month Period Ended At March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

		Unaudited	Audited
	Notes	March 31, 2025	December 31, 2024
EQUITY			
Equity attributable to owners of the parent company		59,892,733	64,242,340
Share capital	14	2,534,400	2,534,400
Adjustment to share capital	14	45,807,839	45,807,839
Share premium		795,652	795,652
Other comprehensive (expense) not to be reclassified to profit or loss		(1,831,514)	(1,792,844)
- Actuarial loss arising from defined benefit plan		(865,120)	(824,262)
Share of other comprehensive income of investments accounted for using equity method			
that will not be reclassified to profit or loss		(966,394)	(968,582)
Other comprehensive (expense)/income to be reclassified to profit or loss		(12,669,732)	(10,935,143)
- Currency translation differences		(2,180,711)	(2,224,618)
- (Loss)/ Gain on hedge reserves		(2,897,616)	(2,189,069)
- (Loss)/ Gain on cash flow hedges		(2,897,616)	(2,189,069)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		(7,591,405)	(6,521,456)
Restricted reserves		4,287,002	4,287,002
Retained earnings		23,545,434	30,527,460
Net loss for the year		(2,576,348)	(6,982,026)
Non-controlling interest		(79,773)	(49,520)
TOTAL EQUITY		59,812,960	64,192,820
TOTAL LIABILITIES AND EQUITY		133,910,936	137,086,422

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for Three Month Period Ended At March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

		Unaudited January 1- March 31, 2025	Unaudited January 1- March 31, 2024
	Notes		
PROFIT OR LOSS			
Revenue		17,670,787	22,881,021
Cost of sales		(18,659,315)	(23,037,772)
GROSS LOSS		(988,528)	(156,751)
General administrative expenses	16	(886,727)	(1,082,291)
Selling, marketing and distribution expenses		(341,963)	(376,956)
Other operating income		334,626	927,831
Other operating expenses		(748,243)	(849,619)
OPERATING LOSS		(2,630,835)	(1,537,786)
Income from investing activities		95,084	159,129
Expense from investing activities		(514)	(133)
Income from investments accounted by equity method	22	(157,806)	922,399
OPERATING LOSS BEFORE FINANCIAL EXPENSE		(2,694,071)	(456,391)
Financial income	17	536,949	806,759
Financial expenses	17	(3,252,957)	(3,877,215)
Monetary gain/loss		3,328,277	5,116,963
PROFIT/(LOSS) BEFORE TAX FROM CONTINUED OPERATIONS		(2,081,802)	1,590,116
Tax expense from continuing operations			
- Deferred tax expense	15	(517,864)	(438,785)
PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUED OPERATIONS		(2,599,666)	1,151,331
PROFIT (LOSS) FOR THE PERIOD		(2,599,666)	1,151,331
DISTRIBUTION OF INCOME (LOSS) FOR THE PERIOD			
- Non-controlling interest		(23,318)	(50,895)
- Owners of the parent company		(2,576,348)	1,202,226
Earnings (loss) per share			
-Earnings per Kr1 number of 1 shares from continued operations	18	(1,0166)	0,4744

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CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for Three Month Period Ended At March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

	Unaudited January 1 - March 31, 2025	Unaudited January 1 - March 31, 2024
Notes		
OTHER COMPREHENSIVE INCOME		
Items to be reclassified to profit or loss	(1,741,524)	(2,733,342)
Currency translation differences	39,338	(485,020)
Other comprehensive gain (loss) related to cash flow hedges	(924,519)	(1,085,883)
Taxes relating to gain on cash flow hedge	213,606	249,213
Loss from translation of foreign currency of Investments using equity method	(4,549,686)	(1,375,112)
Gain on hedges from investments accounted using equity method	3,479,737	(36,540)
Items not to be reclassified to profit or loss	(38,670)	(761,100)
Defined benefit plans remeasurement losses	(53,062)	(990,050)
Taxes relating to remeasurements of defined benefit plans	12,204	227,711
Actuarial gain arising from defined benefit plans accounted for investment using equity method	2,188	1,239
OTHER COMPREHENSIVE EXPENSE	(1,780,194)	(3,494,442)
TOTAL COMPREHENSIVE EXPENSE	(4,379,860)	(2,343,111)
Attributable to:		
Non-controlling interests	(30,253)	(21,089)
Owners of the parent company	(4,349,607)	(2,322,022)

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CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Changes in Equity for Three Months Interim Period 1 January – March 31, 2025
(Amounts expressed in thousands of Turkish Lira (“TL”) in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

	Other comprehensive (expense) / income not to be reclassified to profit or loss				Other comprehensive (expense) / income to be reclassified to profit or loss									
	Share capital	Adjustment to share capital	Actuarial loss arising from defined benefit plan	Shares of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	(Loss) / gain on cash flow Hedges	Currency translation Differences	Shares of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss	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	45,807,878	(712,104)	1,374	(669,380)	(758,768)	(551,253)	795,652	4,287,005	11,743,298	18,784,196	81,262,298	397,543	81,659,841
Transfers	-	-	-	-	-	-	-	-	-	(11,743,298)	11,743,298	-	-	-
Total comprehensive income / (expense)	-	-	(762,339)	1,239	(837,994)	(513,502)	(1,411,652)	-	-	1,202,226	-	(2,322,022)	(21,089)	(2,343,111)
- Other comprehensive income / (expense)	-	-	(762,339)	1,239	(837,994)	(513,502)	(1,411,652)	-	-	-	-	(3,524,248)	29,806	(3,494,442)
- Net profit for the period	-	-	-	-	-	-	-	-	-	1,202,226	-	1,202,226	(50,895)	1,151,331
March 31, 2024	2,534,400	45,807,878	(1,474,443)	2,613	(1,507,374)	(1,272,270)	(1,962,905)	795,652	4,287,005	1,202,226	30,527,494	78,940,276	376,454	79,316,730
January 1, 2025	2,534,400	45,807,839	(824,262)	(968,582)	(2,189,069)	(2,224,618)	(6,521,456)	795,652	4,287,002	(6,982,026)	30,527,460	64,242,340	(49,520)	64,192,820
Transfers	-	-	-	-	-	-	-	-	-	6,982,026	(6,982,026)	-	-	-
Total comprehensive income / (expense)	-	-	(40,858)	2,188	(708,547)	43,907	(1,069,949)	-	-	(2,576,348)	-	(4,349,607)	(30,253)	(4,379,860)
- Other comprehensive income / (expense)	-	-	(40,858)	2,188	(708,547)	43,907	(1,069,949)	-	-	-	-	(1,773,259)	(6,935)	(1,780,194)
- Net loss for the period	-	-	-	-	-	-	-	-	-	(2,576,348)	-	(2,576,348)	(23,318)	(2,599,666)
March 31, 2025	2,534,400	45,807,839	(865,120)	(966,394)	(2,897,616)	(2,180,711)	(7,591,405)	795,652	4,287,002	(2,576,348)	23,545,434	59,892,733	(79,773)	59,812,960

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CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Statement of Cash Flow for Three Month Period Ended At March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

		Unaudited January 1 - March 31, 2025	Unaudited January 1 - March 31, 2024
	Notes		
A. Cash flows from operating activities		(7,477,623)	(1,661,272)
Profit/(loss) for the period (I)		(2,599,666)	1,151,331
Adjustments related to reconciliation of net profit (loss) for the period: (II)		1,186,642	(2,546,177)
Adjustments for depreciation and amortization		1,260,711	1,618,540
Adjustments for impairments/ reversals		6,792	(67,924)
- Adjustments for impairment (reversal) of inventories	7	6,792	(67,924)
Adjustments for provisions		364,869	366,525
- Adjustments for provision employment termination benefits		364,869	366,525
Adjustments for interest income		1,256,772	1,087,131
- Adjustments for interest income		(115,679)	(155,843)
- Adjustments for interest expense		1,372,451	1,242,974
Adjustments for unrealized foreign currency translation differences		1,475,610	1,210,621
Adjustments for tax expense		517,864	438,785
Adjustments for (gain) on sale of property, plant and equipment		(1,355)	(4,128)
Adjustments for fair value increase in financial investments		(36,358)	(82,891)
Adjustments for fair value increase in investment property		-	-
Adjustment for undistributed income of investments accounted by using equity method		157,806	(922,399)
Monetary (gain)		(3,814,441)	(5,164,002)
Adjustments for revenues from government grants		(1,628)	(1,026,435)
Changes in working capital (III)		(5,691,843)	(186,005)
Increase/(decrease) in trade receivables		(513,651)	(289,044)
(Increases)/decrease in other receivables		23,337	62,673
Increase/(decreases) in inventory		(854,463)	1,691,426
Decrease/(increase) in prepaid expenses		(2,303,568)	(456,064)
Decrease/(increase) in trade payables		(810,300)	(1,396,129)
Decrease/(increase) in other payable		1,084	93
Decrease/(increase) in payables to employees		164,689	(496,344)
Increase in deferred revenue		(971,650)	(16,829)
Decrease/(increase) in derivative financial instruments		106,625	(44,150)
Other decrease/(increase) in working capital		(533,946)	758,363
Cash flows used in operating activities (I+II+III)		(7,104,867)	(1,580,851)
Employee termination benefits paid		(304,398)	(80,421)
Income taxes paid		(68,358)	-
B. Cash flows from investing activities		(936,541)	(956,223)
Cash outflows due to purchases of tangible and intangible assets		(976,152)	(921,764)
Proceeds from sale of property, plant and equipment and intangible assets		4,954	4,986
Cash outflows due to advances given to third parties		32,239	31,234
Other cash inflows/(outflows)		2,418	(70,679)
C. Cash flows from financing activities		3,563,550	2,691,681
Proceeds from borrowings	8	15,265,734	16,861,206
Repayments of borrowings	8	(12,319,903)	(6,656,864)
Proceeds other financial liabilities	8	3,061,323	1,305,302
Repayments of other financial liabilities	8	(1,158,905)	(7,682,369)
Cash outflow related to lease agreements		(49,411)	(66,393)
Interest received		115,679	155,843
Interest paid		(1,350,967)	(1,225,044)
D. Net (decrease)/ increase in cash and cash equivalents before foreign currency translation differences (A+B+C)		(4,850,614)	74,186
E. Inflation impact on cash and equivalents		(636,402)	(849,822)
F. Effect of currency translation differences on cash and cash equivalents		130,233	192,156
Net decrease in cash and cash equivalents (D+E+F)		(5,356,783)	(583,480)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	4	8,990,910	6,419,335
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4	3,634,127	5,835,855

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between 1 January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 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, Aliğa Petrochemical Complex was established with advance technology and optimum capacity. The Company has 14 main plants, 1 bag production unit and 1 solid waste incineration facility. The Company operates its facilities in the petrochemical sector in Turkey.

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

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

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

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

On 22 June 2012, the listed shares of 10.32% in the Company, which belonged to Prime Ministry Privatisation Administration, was sold to SOCAR İzmir Petrokimya A.Ş. ("SİPAŞ"), the subsidiary of the Company's main shareholder, SOCAR Turkey Enerji A.Ş. ("STEAŞ"). STEAŞ and SİPAŞ merged on 22 September 2014 under STEAŞ.

As of March 31, 2025 and December 31, 2024 the ultimate controlling party of the Company is State Oil Company of Azerbaijan Republic ("SOCAR").

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

The consolidated financial statements were approved for publication by the decision of the Board of Directors dated May 8, 2025 and signed by General Manager Mr. Kanan Mirzayev and Chief Financial Officer Mr. Ahmet Gülhan on behalf of the Board of Directors. The general assembly and certain regulatory bodies have the authority to make changes to the statutory financial statements after they are published.

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

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

As of March 31, 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:

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

As of March 31, 2025, the average number of employees working for the Group is 2.434. (December 31, 2024: 2.419).

The details of the employees as of March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025	December 31, 2024
Union (*)	1,684	1,695
Non - union (**)	745	738
	2.429	2.433

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

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between 1 January and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

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

2.1 Basis of Presentation

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

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

The Group prepared its condensed interim consolidated financial statements for the period ended March 31, 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 interim consolidated financial statements and its accompanying notes are presented in compliance with the format recommended by CMB including its mandatory information.

The Group's condensed consolidated interim financial statements do not include all disclosure and notes that should be included at year-end financial statements. Therefore the condensed consolidated interim financial statements should be read in conjunction with the Group's annual consolidated financial statements dated December 31, 2024 and group's public announcements during the financial year.

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

The consolidated consolidated financial statements, except for the financial investments, investment properties and derivatives, are maintained under historical cost conversion and presented in TRY which is the functional and reporting currency of the Group.

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 22).

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.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

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

2.1 Basis of Presentation (Continued)

Financial reporting in hyperinflationary economy

Pursuant to the decision of the CMB dated December 28, 2024 and numbered 81/1820, it has been decided that issuers and capital market institutions subject to financial reporting regulations that apply Turkish Accounting/Financial Reporting Standards will apply inflation accounting by applying the provisions of TAS 29 starting from their annual financial reports for the periods ending on December 31, 2024.

As of March 31, 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
March 31, 2025	2,954.69	1.00000	%250
December 31, 2024	2,684.55	1.10063	%291
March 31, 2024	2,139.47	1.38104	%309

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.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between 1 January and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

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

2.2 Summary of Significant Accounting Policies

Significant accounting policies applied in these condensed consolidated interim financial statements are consistent with the accounting policy applied in the consolidated financial statements for the period January 1 – December 31, 2024 except for the following:

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

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

2.3 Basis of Consolidation

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

a) Subsidiaries

All companies that have control over the Group are affiliates of the Group. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The non-controlling share in the net assets and results of subsidiaries for the period are separately classified as "non-controlling interest" in the consolidated balance sheet and statement of income.

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

The table below sets out all subsidiaries included in the scope of consolidation together with the related voting rights and effective ownership rates at March 31, 2025 and December 31, 2024:

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

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

2.2 Summary of Significant Accounting Policies (Continued)

Subsidiaries	Direct or Indirect Control Shareholding Rates of the Group (%)	
	March 31, 2025	December 31, 2024
Petlim	93,47	93,47
Petkim Specialities Mühendislik Plastikleri Sanayi ve Ticaret A.Ş.	100	100

b) Foreign currency conversion

i) Functional and presentation currency

Financial statement items for each company of the Group are measured in the currency of the main economy in which that company is located and in which it carries out its operations ('functional currency'). The functional currencies of Petlim, a subsidiary of the Group, and STAR, a subsidiary of Rafineri Holding, which became a subsidiary of the Group in 2024, are US Dollars. The consolidated financial statements are prepared in Turkish Lira (Turkish Lira), which is the functional currency of the parent company and the reporting currency of the Group. Prepared and presented in 'TL'.

ii) Transactions and balances

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

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

The assets in the consolidated statement of financial position dated March 31, 2025 are 37.7656 TL = 1 USD, which are the foreign exchange buying rates valid as of March 31, 2025 announced by the Central Bank of the Republic of Turkey, and the liabilities are 37.8337 TL = 1 USD, which are the foreign exchange selling rates valid as of March 31, 2025 (foreign exchange buying rate for valid assets as of December 31, 2024: 32.2854 TL = 1 USD, foreign exchange selling rate 32.3436 = 1 USD).

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between 1 January and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

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

2.4 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as of March 31, 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.

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

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

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

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

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

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

TFRS 17 - The new Standard for insurance contracts

POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. The mandatory effective date of the Standard postponed to accounting periods beginning on or after January 1, 2026 with the announcement made by the POA.

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

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

2.4 The new standards, amendments and interpretations (continued)

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

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

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

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

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.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between 1 January and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

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

2.4 The new standards, amendments and interpretations (continued)

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

Annual Improvements to IFRS Accounting Standards – Volume 11

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

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

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

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

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

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

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

2.5 Comparative information and correction of prior period financial statements

The Group prepared its interim condensed consolidated interim financial statements on a comparative basis with the preceding financial period, which enables determination of trends in financial position and performance. The Group prepared its balance sheet at March 31, 2025 on a comparative basis with balance sheet at December 31, 2024; and statements of comprehensive income, cash flows and changes in equity for the period of January 1 – March 31, 2025 on a comparative basis with financial statements for the period of January 1 - March 31, 2024.

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 Significant Accounting Estimates, Judgments and Assumptions

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) Provision for lawsuits

The Group Management determines the provision amounts related to ongoing lawsuits by considering the opinions of the Legal Advisors within the Group and external tax law experts, based on the probabilities of losing these lawsuits and the potential liabilities that would arise in the event of a loss, relying on the best estimate of possible cash outflows by management (Note 20).

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

The Group determines useful lives of tangible and intangible assets and investment properties in line with opinions of technical experts and recognizes depreciation and amortization expenses during aforementioned useful lives. The Group reviews useful lives of assets subject to aforementioned depreciation in each reporting period and it is estimated that there exist no situation requiring any adjustment in useful lives as of March 31, 2025.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between 1 January and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

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

2.6. Significant Accounting Estimates, Judgments and Assumptions

c) Deferred income tax assets

There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business and significant judgment is required in determining the provision for income taxes. The Group recognizes tax liabilities for anticipated tax issues based on estimates of whether additional taxes will be due and recognizes tax assets for the tax losses carried forward and investment incentives to the extent that the realization of the related tax benefit through the future taxable profits is probable (Note 15). Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

d) Provision for employee benefits

Actuarial assumptions about discount rates, inflation rates, future salary increases, and employee turnover rates are used to calculate Group's provision for employee benefits. Such assumptions used in determination of the provision for defined benefit plans are disclosed in Note 13.

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.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

3. Segment Reporting (Continued)

a) Revenue

	January 1 - March 31, 2025	January 1- March 31, 2024
Petrochemical	17,594,279	22,650,546
Port	76,508	230,475
Total before eliminations and adjustments	17,670,787	22,881,021
Consolidation eliminations and adjustments	-	-
	17,670,787	22,881,021

b) Operating profit/(loss)

Petrochemical	(2,408,887)	(1,696,057)
Port	(233,208)	137,187
Total before eliminations and adjustments	(2,642,095)	(1,558,870)
Consolidation eliminations and adjustments	11,260	21,084
Operating loss	(2,630,835)	(1,537,786)
Financial (expenses)/ income, net	(2,716,008)	(3,070,456)
Income from investing activities, net	(63,236)	1,081,395
Monetary gain/(loss)	3,328,277	5,116,963
Profit/(loss) before tax from continued operations	(2,081,802)	1,590,116
Tax expense	(517,864)	(438,785)
Profit/(loss) for the period	(2,599,666)	1,151,331

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between 1 January and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

3. Segment Reporting (Continued)

c) Total Assets

	March 31, 2025	December 31, 2024
Petrochemical	146,973,788	148,633,021
Port	5,430,871	6,702,107
Total before eliminations and adjustments	152,404,659	155,335,128
Consolidation eliminations and adjustments	(18,493,723)	(18,248,706)
	133,910,936	137,086,422

d) Total Liabilities

Petrochemical	68,383,489	67,399,020
Port	6,652,504	7,460,317
Total before eliminations and adjustments	75,035,993	74,859,337
Consolidation eliminations and adjustments	(938,017)	(1,965,735)
	74,097,976	72,893,602

4. Cash and Cash Equivalents

	March 31, 2025	December 31, 2024
Banks	3,633,582	8,988,854
- Demand deposits	66,470	6,126
- Turkish Liras	16,894	773
- Foreign currency	49,576	5,353
- Time deposits	3,567,112	8,982,728
- Turkish Liras	355,526	4,905,844
- Foreign currency	3,211,586	4,076,884
Other	545	2,056
	3,634,127	8,990,910

As of March 31, 2025, the weighted average effective interest rates of USD and Euro time deposits are 3.88% and 2.44% per annum (December 31, 2024: USD 4.31% and 2.41% per annum).

As of March 31, 2025, the TRY dominated time deposits consist of monthly and daily deposits and the weighted average effective interest rate is 43.05% per annum. (December 31, 2024: 48.68% per annum). The Group has no blocked deposits as of March 31, 2025 (December 31, 2024: None).

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

5. Financial Investments

a) Short-term financial investments:

	March 31, 2025	December 31, 2024
Marketable securities	494,943	526,799
	494,943	526,799

b) Long-term financial investments:

	March 31, 2025		December 31, 2024	
	Amount	Shareholding Rate (%)	Amount	Shareholding Rate (%)
SOCAR Power Enerji Yatırımları A.Ş.	105,117	9,90	105,117	9,90
	105,117		105,117	

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. Trade receivables and payables

a) Short-term trade receivables from third parties:

	March 31, 2025	December 31, 2024
Trade receivables	7,951,764	7,437,690
Provision for doubtful trade receivables (-)	(15,668)	(16,828)
	7,936,096	7,420,862

b) Short-term trade payables from third parties:

Trade payables	4,685,480	2,281,003
	4,685,480	2,281,003

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between 1 January and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

7. Inventories

	March 31, 2025	December 31, 2024
Raw materials	1,631,860	1,817,230
Work-in-progress	1,941,906	1,440,672
Finished goods	3,619,030	3,045,391
Trade goods	359,344	322,427
Goods in transit	649,337	585,007
Other inventories	1,009,473	1,065,586
Less: Provision for impairment on inventories	(99,390)	(92,598)
	9,111,560	8,183,715

Movements of provision for impairment on inventory for the periods ended January 1 – March 31, 2025 and 2024 were as follows:

	2025	2024
January 1	(92,598)	(100,261)
Realized due to sales of inventory	92,598	100,261
Current year additions	(99,390)	(32,337)
March 31	(99,390)	(32,337)

8. Borrowing and borrowing costs

	March 31, 2025	December 31, 2024
Short-term borrowings	16,915,840	14,818,974
Short-term portions of long-term borrowings	3,388,897	7,103,615
Short-term lease liabilities (**)	73,988	87,801
Other financial liabilities (*)	7,144,800	5,282,189
Short-term financial liabilities	27,523,525	27,292,579
Long-term borrowings (***)	23,028,194	20,898,034
Long-term lease liabilities (**)	285,794	346,170
Long-term borrowings	23,313,988	21,244,204
	50,837,513	48,536,783

(*) Other financial liabilities consist of letters of credits, naphta financing, murabaha loans and trade goods financing arising from naphtha and other goods purchases . The average remaining maturity of other financial liabilities is 142 days as of March 31, 2025 (December 31, 2024: Average remaining maturity is 146 days.)

(**) The weighted average of the Group's incremental borrowing rates for US Dollar and TRY are 6.7%, and 20%, are respectively.

(***) On January 26, 2023, the Group signed a loan agreement with J.P. Morgan Securities PLC ('JP Morgan') for an amount of USD 300 million with a maturity of 3 years. This credit agreement was amended on December 17, 2024, increasing the amount by USD 100 million to a total of USD 400 million, extending the maturity to December 2027, and updating the annual interest rate to SOFR + 3.95% from . Additionally, as of December 17, 2024, the Group also revised its swap agreement with JP Morgan, fixing the portion amounting to USD 100 million at an interest rate of 7.81%.

As of January 31, 2025, a loan agreement amounting to USD 140 million has been signed between the Group's subsidiary, Petlim Limanlık Ticaret A.Ş., and J.P. Morgan, guaranteed by Petkim. The loan has a maturity of 3 years and is payable at maturity, with an annual interest rate of SOFR + 4.35%. This loan agreement has been signed for the purpose of refinancing the loan used under the credit agreement amounting to USD 212 million, which was signed in 2015 by Petlim Limanlık Ticaret A.Ş. with AKBANK T.A.Ş., guaranteed by Petkim, and the repayment of this loan has been completed.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025
(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

8. Borrowing and borrowing costs(Continued)

Bank borrowings and bond issued

	Effective weighted average Interest rate p.a. (%)		Original Currency		TRY Equivalent	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Short-term borrowings:						
TRY Borrowings	41.00 – 49.00	42,50 – 49,00	4,304,978	3,471,215	4,304,978	3,471,215
USD borrowings	5.75 – 8.50	5,90 – 7,45	333,324	291,713	12,610,862	11,347,759
Short-term portions of long-term borrowings						
TRY Borrowings	39.50 – 40.00	-	1,120,258	-	1,120,258	-
USD borrowings	SOFR + 3.95 - 5.60 6.88 – 10.90	SOFR + 5 - 5.60 6.90 – 10.99	59,963	182,610	2,268,639	7,103,615
Total short-term borrowings					20,304,737	21,922,589
Long-term borrowings						
USD borrowings	SOFR + 3.95 - 5.60	SOFR + 5 - 5.60	608,669	537,218	23,028,194	20,898,034
Total long-term borrowings					23,028,194	20,898,034
Total borrowings					43,332,931	42,820,623

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between 1 January and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

8. Borrowing and borrowing costs (continued)

The redemption schedule of long-term bank borrowings as of March 31, 2025 and December 31, 2024 is as follows:

	March 31, 2025
April 1, 2026 – March 31, 2027	2,165,979
April 1, 2027 - March 31, 2028	15,423,621
April 1, 2028	5,438,594
	23,028,194
	December 31, 2024
2026	3,793,961
2027	16,866,656
2028	237,417
	20,898,034

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

Movements financial liabilities (excluding lease liabilities) as of March 31, 2025 and March 31, 2024 are as follows:

	2025	2024
January 1	39,111,902	40,916,288
Proceeds from financial liabilities	18,327,057	18,166,508
Repayments of financial liabilities	(13,478,808)	(14,339,233)
Changes in foreign exchange rates	2,556,453	3,363,042
Changes in interest accrual	(354,518)	(485,479)
Change in cash and cash equivalents and financial investments	4,720,382	(266,349)
Monetary (gain)/loss	(4,038,864)	(5,584,379)
March 31	46,843,604	41,770,398

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025
(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

9. Property, plant and equipment

	January 1, 2025	Additions	Transfers	Disposals	Foreign Currency Translation Differences	March 31, 2025
<u>Cost</u>						
Land	957,079	-	-	-	(228)	956,851
Land improvements	10,203,915	-	-	-	-	10,203,915
Buildings	4,412,158	-	-	-	(220)	4,411,938
Machinery and equipment	186,075,716	-	118,541	(5,436)	-	186,188,821
Motor vehicles	250,307	-	-	-	-	250,307
Furniture and fixtures	2,410,373	-	66,000	(15,151)	(281)	2,460,941
Other fixed assets	25,852	-	-	-	-	25,852
Leasehold improvements	11,311	-	-	-	-	11,311
Assets subject to operating lease (**)	12,190,708	-	-	-	(304,243)	11,886,465
Construction in progress (*)	8,846,154	976,152	(184,541)	-	(63)	9,637,702
	225,383,573	976,152	-	(20,587)	(305,035)	226,034,103
<u>Accumulated depreciation:</u>						
Land improvements	(3,516,222)	(102,259)	-	-	(22,700)	(3,641,181)
Buildings	(3,364,611)	(24,613)	-	-	194	(3,389,030)
Machinery and equipment	(163,982,737)	(1,075,439)	-	5,434	-	(165,052,742)
Motor vehicles	(210,516)	(5,169)	-	-	-	(215,685)
Furniture and fixtures	(1,940,416)	(40,070)	-	11,554	66	(1,968,866)
Other fixed assets	(25,852)	-	-	-	-	(25,852)
Leasehold improvements	(11,311)	-	-	-	-	(11,311)
Assets subject to operating lease	(8,243,154)	(40,672)	-	-	(84,847)	(8,368,673)
	(181,294,819)	(1,288,222)	-	16,988	(107,287)	(182,673,340)
Net book value	44,088,754					43,360,763

(*) Construction in progress mainly consist of investments related to facility improvements.

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025
(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

9. Property, plant and equipment (continued)

	January 1, 2024	Additions	Transfers	Disposals	Foreign Currency Translation Differences	March 31, 2024
Cost						
Land	958,775	-	-	-	(471)	958,304
Land improvements	5,005,317	-	-	-	(1,148)	5,004,169
Buildings	4,322,371	-	-	-	(447)	4,321,924
Machinery and equipment	184,069,335	-	113,354	-	-	184,182,689
Motor vehicles	254,493	-	-	(3,598)	-	250,895
Furniture and fixtures	2,374,183	-	28,338	(4,534)	(284)	2,397,703
Other fixed assets	25,852	-	-	-	-	25,852
Leasehold improvements	11,311	-	-	-	-	11,311
Assets subject to operating lease (**)	14,461,710	-	-	-	(368,400)	14,093,310
Construction in progress (*)	10,872,519	921,764	(141,816)	-	(131)	11,652,336
	222,355,866	921,764	(124)	(8,132)	(370,881)	222,898,493
Accumulated depreciation:						
Land improvements	(3,271,738)	(65,943)	-	-	882	(3,336,799)
Buildings	(3,271,655)	(23,648)	-	-	507	(3,294,796)
Machinery and equipment	(159,312,793)	(1,311,409)	-	-	-	(160,624,202)
Motor vehicles	(195,642)	(5,394)	-	3,574	-	(197,462)
Furniture and fixtures	(1,793,171)	(39,133)	-	3,700	579	(1,828,025)
Other fixed assets	(25,852)	-	-	-	-	(25,852)
Leasehold improvements	(11,311)	-	-	-	-	(11,311)
Assets subject to operating lease	(3,084,165)	(109,019)	-	-	2,885	(3,190,299)
	(170,966,327)	(1,554,546)	-	7,274	4,853	(172,508,746)
Net book value	51,389,539					50,389,747

(*) Construction in progress mainly consist of investments related to facility improvements.

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

10. Investment Properties

Fair value	January 1, 2025	Fair value Increase	Transfers	Disposals	March 31, 2025
Land	26,812,959	-	-	-	26,812,959
	26,812,959	-	-	-	26,812,959

Fair value	January 1, 2024	Fair value Increase	Transfers	Disposals	March 31, 2024
Land	26,742,653	-	-	-	26,742,653
	26,742,653	-	-	-	26,742,653

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

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

11. Deferred Revenue

Short-term deferred revenue

	March 31, 2025	December 31, 2024
Advances received	1,282,803	1,435,603
Deferred revenue	1,687	2,286
	1,284,490	1,437,889

Advances received include the payments received by the Group from its customers for the sales to be made in the following periods, and it is anticipated that these advances will be closed within one year (December 31, 2024: It is expected to be closed within one year). The fair values of the advances received are estimated to approximate their carrying values.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1, and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

12. Prepaid expenses

a) Short-term prepaid expenses

	March 31, 2025	December 31, 2024
Advances given for inventory	1,097,182	590,913
Prepaid insurance and other expenses	249,206	78,442
Advances given for customs procedures	38,308	2,868
	1,384,696	672,223

b) Long-term prepaid expenses

Advances given for property, plant and equipment	347,686	441,588
Prepaid insurance and other expenses	1,984	3,978
	349,670	445,566

13. Employee benefits

a) Short-term employee benefits:

	March 31, 2025	December 31, 2024
Provision for seniority incentive bonus	144,507	160,060
Provision for bonus premium	93,840	427,396
	238,347	587,456

b) Long-term employee benefits:

	March 31, 2025	December 31, 2024
Provision for employment termination benefits	878,155	851,617
Provision for unused vacation rights	650,307	433,924
Provision for seniority incentive bonus	117,271	88,809
	1,645,733	1,374,350

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).

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

13. Employee benefits (continued)

b) Long-term employee benefits (continued):

Provision for employment termination benefits (continued)

The amount Payable consists of one month's salary limited to a maximum ceiling of TRY46.655,43 for each year of service as of March 31, 2025 (December 31, 2024: TRY41.828,42).

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

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:

	March 31, 2025	December 31,2024
Net discount rate (%)	2,27	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 TRY46.655,43 which is effective from January 1, 2025 has been taken into consideration in the calculation of employment termination benefits of the Group (January 1, 2024: TRY35.058,58).

Provision for seniority incentive bonus:

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

The bonus amounting to 40 days of gross salary for 5 years seniority, 50 days of gross salary for 10 years seniority, 65 days of gross salary for 15 years seniority, 80 days of gross salary for 20 years seniority, 90 days of gross salary for 25 and 100 days of gross salary for 30, 105 days of gross salary for 35 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 Group, the bonus amounting to 40 days of gross salary for 5 years seniority, 50 days of gross salary for 10 years seniority, 65 days of gross salary for 15 years seniority, 80 days of gross salary for 20 years seniority, 90 days of gross salary for 25 years and 100 days for 30, 105 days of gross salary for 35 and 110 days of gross salary 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.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1, and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

13. Employee benefits (continued)

b) Long-term employee benefits (continued):

Provision for seniority incentive bonus:

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

	March 31, 2025	December 31, 2024
Net discount rate (%)	2.27	2.50
Probability of retirement (%)	97.8	97.8

14. Equity

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

Group:	Shareholder	March 31, 2025		December 31, 2024	
		Amount (TRY)	Share (%)	Amount (TRY)	Share (%)
A	SOCAR Turkey Petrokimya A.Ş.	1,292,544	51	1,292,544	51
B	Publicly traded	1,241,856	49	1,241,856	49
C	Privatization Administration	0,00	-	0,00	-
Total paid in share capital		2,534,400	100	2,534,400	100
Adjustments to share capital		45,807,839		45,807,839	
Total share capital		48,342,239		48,342,239	

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.

15. Tax assets and liabilities

a) Corporate Tax:

Current tax asset at March 31, 2025 and December 31, 2024 are summarized below:

	March 31, 2025	December 31, 2024
Calculated corporate tax	-	27,872
Less: Prepaid taxes (-)	84,502	(145,902)
Total current tax liabilities/(assets)	84,502	(118,030)

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

15. Tax assets and liabilities (continued)

a) Corporate Tax (Continued):

Tax income/ (expenses) included in the income statement for the consolidated consolidated interim periods ended March 31, 2025 and 2024 are summarized below:

	January 1- March 31, 2025	January 1,- March 31, 2024
Deferred tax expense	(517,864)	(438,785)
Total tax expense	(517,864)	(438,785)

Turkish tax legislation does not permit a parent company, its subsidiaries and its subsidiaries to file a tax return on its consolidated financial statements. For this reason, the tax provisions reflected in the financial statements in this consolidated are separately calculated for the subsidiaries.

In accordance with the regulation numbered 7456, which entered into force after being published in the Official Gazette dated published in Official Gazette 15 July 2024, "On the Creation of Additional Motor Vehicle Tax for the Compensation of Economic Losses Caused by the Earthquakes That Occurred on 6/2/2024, and on Amending Certain Laws and the Decree Law No. 375". The corporate tax rate has been increased to 25% for advanced corporate tax to be submitted after October 2024. It will be applied as 25% starting from 2025. With the change in the law in question, with a 5-point base change in the export exemption rate, the Group re-evaluated the effective tax rate and determined the effective tax rate as 23% and calculated the deferred tax calculations based on this rate.

Meanwhile, the corporate tax exemption for gains from the sale of immovable properties acquired after July 15, 2024 and held in the assets of corporate taxpayers for at least 2 years has been completely abolished, while the corporate tax exemption on the sales gains of immovable properties acquired before this date has been reduced from 50% to 25%. It has been downloaded to. The regulation entered into force as of July 15, 2024.

b) Deferred taxes

The Group recognizes deferred income tax assets and liabilities based upon temporary differences arising between their financial statements as reported under the TAS and the statutory tax financial statements prepared in accordance with Corporate Tax Law.

Within the scope of the "Law on the Collection Procedure of Public Receivables and the Law on Amendments to Certain Laws" numbered 7316, which came into force after being published in the Official Gazette dated April 22, 2021. The corporate tax rate for provisional tax return to be submitted after July 1, 2021 has been increased from 20% to 25% and to 23% for 2024. It will be applied as 20% starting from 2025. At the same time, the exemption to be applied to corporate taxpayers on capital gains obtained from the sales of real estate that they have held for at least two years has been reduced from 75% to 50% with the regulation published in the Official Gazette dated December 5, 2017.

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1, and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

15. Tax assets and liabilities (continued)

b) Deferred taxes (continued):

	Taxable temporary differences		Deferred Income Tax Assets/(Liabilities)	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
Fair value increase in investment properties	(26,811,421)	(26,811,329)	(5,027,142)	(5,027,124)
Difference between the carrying values and tax base of property, plant, equipment and intangible assets	(10,383,587)	(8,003,029)	(1,984,749)	(1,848,798)
Inventory provision	(110,599)	(41,454)	(25,438)	(9,535)
Fair value difference of derivative financial instruments	-	(11,805)	-	(2,715)
Other	(1,687,244)	(1,358,389)	(388,065)	(312,429)
Deferred income tax liabilities	(38,992,851)	(36,226,006)	(7,425,393)	(7,200,601)
Unused investment incentives	12,181,989	12,491,047	2,838,538	2,913,313
Provision for employee benefits	1,884,080	1,961,806	433,338	451,215
Fair value difference of derivative financial instruments	41,647	-	9,579	-
Provision for legal cases	2,597	2,858	597	658
Deferred income tax assets	14,110,313	14,455,711	3,282,052	3,365,186
Deferred tax liabilities/assets- net			(4,143,341)	(3,835,415)

The movement of deferred income tax is as follows:

	2025	2024
January 1	(3,835,415)	(2,418,201)
Recognized in the profit or loss statement	(517,864)	(438,785)
Recognized in other comprehensive income	225,810	476,924
Foreign currency translation differences	(15,872)	(152,877)
March 31	(4,143,341)	(2,532,939)

The Group obtained a strategic investment incentive certificate from TC Ministry of Economy for PTA capacity increase project on January 4, 2013. The Group will be able to deduct 50% of the expenditures within the investment period that are in the scope of the investment incentives, from tax base, up to 90% as deduction from corporate tax. The Group has TRY240,878 unused investment incentive within the scope of strategic investment incentive certificate at of March 31, 2025. In this context, as of March 31, 2025 the Group has recognized deferred tax assets, that can be used in following periods, amounting to TRY 52,261.

The Group has obtained regional investment incentive certificates from T.C. Ministry of Economy for factory modernization investment at the date of June 15, 2012. The Group will be able to deduct 30% of the expenditures within the investment period that are in the scope of the investment incentives, from tax base, up to 70% deduction from corporate tax.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

15. Tax assets and liabilities (continued)

b) Deferred taxes (continued)

The group has TRY 4,046,793 unused investment incentive within the scope of strategic investment incentive certificate as of March 31, 2025. In this context, as of March 31, 2025 the Group has recognized deferred tax asset, that can be used in following periods, amounting to TRY 1.540.803.

The Group has obtained large scale of investment incentive certificate from T.C. Ministry of Economy for port project investments at the date of November 20, 2014. The Group will be able to deduct 25% of the expenditures within the investment period that are in the scope of the investment incentives, from tax base, up to 50% as deduction from corporate tax. The Group has TRY2,234,312 unused investment incentives within the scope of the port project investment certificate. In this context, as of March 31, 2025, the Group has recognized deferred tax asset, that can be used in following periods, amounting to TRY 458,506 .

The Group, within the scope of factory modernizations, It received a regional investment incentive certificate from the Ministry of Economy on November 2, 2024. Within the scope of the regional investment incentive, the Group will be able to deduct 40% of the expenditures made during the investment period at the rate of 80% of the tax rate. As of March 31, 2025, the Group has made a total investment expenditure of 2,413,485 TL within the scope of the regional investment certificate. In this context, as of March 31, 2025, the Group has a deferred tax asset of 786,968 TL, which is 80% of 40% of the fixed investment amount that it can use in future periods.

As a result of projections made as of March 31, 2025, total investment expenditures made within the scope of total investment incentive documents foreseen to be used in deduction of expected future financial income amounted to TRY2,838,538 (December 31, 2024: TRY2,913,313).

16. General administrative expenses

	January 1- March 31, 2025	January 1,- March 31, 2024
Personnel expenses	413,243	547,872
Outsourced services	247,297	270,428
Depreciation and amortization	110,027	112,382
Energy expenses	38,713	77,993
Taxes, funds and fees	19,519	37,633
Other	57,928	35,983
	886,727	1,082,291

17. Financial income and expenses

a) Financial income

	January 1- March 31, 2025	January 1,- March 31, 2024
Foreign exchange gains	377,829	627,477
Interest income	115,679	155,843
Other	43,441	23,439
	536,949	806,759

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1, and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

17. Financial income and expenses (continued)

b) Financial expenses

	January 1- March 31, 2025	January 1,- March 31, 2024
Foreign exchange losses	(1,671,216)	(2,556,918)
Interest expense	(1,350,967)	(1,219,924)
Commission expense	(135,061)	(27,617)
Interest expense on rents	(21,484)	(23,050)
Other	(74,229)	(49,706)
	(3,252,957)	(3,877,215)

18. Earnings per share

	January 1- March 31, 2025	January 1,- March 31, 2024
Net profit for the period of the equity holders of the parent	(2,576,348)	1,202,226
Weighted average number of shares with nominal value of Kr1 each (thousand)	253,440	253,440
Earnings / (loss) per share (Kr)	(1,0166)	0,4744

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

19. Transactions and balances with related parties

Summary of the intercompany balances as of March 31, 2025 and 31 December 2024 and significant intercompany transactions during the period were as follows:

i) Balances with related parties

a) Trade receivables from related parties:

	March 31, 2025	December 31, 2024
STAR ⁽²⁾	904,756	646,294
STEAS ⁽¹⁾	378,478	448
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	220,162	1,036,266
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	135,982	7,270
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	130,449	1,062
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	13,359	12,092
SOCAR Oil Refinery named after Heydar Aliyev ⁽²⁾	7,806	-
SOCAR Turkey Araşt. Geliştirme ve İnovasyon A.Ş. ⁽²⁾	3,331	2,788
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	492	661
Azoil Petrolcülük A.Ş. ⁽²⁾	59	65
SOCAR Elektrik ve Doğal Gaz Yatırım A.Ş. ⁽²⁾	56	-
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	-	89,567
	1,794,930	1,796,513

b) Short term other receivables from related parties :

SOCAR Logistics DMCC ⁽²⁾	410	451
	410	451

c) Short term trade payables to related parties:

STAR ⁽²⁾	6,792,692	7,718,304
SOCAR Logistics DMCC ⁽²⁾	1,738,295	2,315,751
STEAS ⁽¹⁾	454,829	361,489
SOCAR Trading SA ⁽²⁾	132,734	-
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	109,750	-
SOCAR Turkey Araşt. Geliştirme ve İnovasyon A.Ş. ⁽²⁾	45,311	34,712
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	27,097	2,592
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	24,005	2,108,670
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	10,029	-
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	7,021	9,057
Azoil Petrolcülük A.Ş. ⁽²⁾	4,248	1,251
SOCAR Sigorta ve Reasürans Brokerlığı A.Ş. ⁽²⁾	228	41
SOCAR TURKEY Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	-	10,777
	9,346,239	12,562,644

(1) Shareholders of the Company

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1, and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

19. Transactions and balances with related parties (continued)

i) Balances with related parties (continued)

Short term trade payables to related parties mainly consist of consultancy, service and goods purchases. Average maturity of short term trade payables is 18 days (December 31, 2024: 21 days).

d) Short term deferred revenue from related parties

	March 31, 2025	December 31,2024
STAR ⁽²⁾	206,021	17,772
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	9,098	229
SOCAR Aliağa Liman İşletmeciliği A.Ş. ⁽²⁾	4,438	44,840
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	837	-
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	22	68
	220,416	62,909

e) Long term deferred revenue from related parties:

	March 31, 2025	December 31, 2024
STAR ⁽²⁾	4,135	4,608
SOCAR Aliağa Liman İşletmeciliği A.Ş. ^{(2) (*)}	87	975,362
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	66	76
	4,288	980,046

f) Short term prepaid expense to related parties

	March 31, 2025	December 31,2024
SOCAR Logistics DMCC ⁽²⁾	2,004,680	622,541
STAR ⁽²⁾	334,332	173
STEAS ⁽¹⁾	70,702	91,861
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	35,587	84
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	6,887	79,002
SOCAR Turkey Fiber Optik A.Ş. ⁽²⁾	883	-
	2,453,071	793,661

(1) Shareholders of the Company

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CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

19. Transactions and balances with related parties(continued)

g) Long term prepaid expense to related parties

	March 31, 2025	December 31, 2024
STAR ⁽²⁾	13,714	15,430
STEAŞ ⁽¹⁾	9,560	12,502
	23,274	27,932

h) Short term operational lease liabilities from related parties

STAR ⁽²⁾	57,753	59,394
STEAŞ ⁽¹⁾	24,950	25,660
	82,703	85,054

j) Long term operational lease liabilities from related parties:

STAR ⁽²⁾	142,333	158,547
STEAŞ ⁽¹⁾	49,317	55,812
	191,650	214,359

ii) Transactions with related parties

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

	January 1- March 31, 2025	January 1- March 31, 2024
SOCAR Logistics DMCC ⁽²⁾	22,259	(570)
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	470	201
STAR ⁽²⁾	(502,095)	(431,080)
STEAŞ ⁽¹⁾	(9,392)	(16,067)
SOCAR Trading SA ⁽²⁾	(4,872)	(228)
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	(1,683)	(195)
SOCAR Power Enerji Yatırımları A.Ş. ⁽²⁾	-	3,118
Other ⁽²⁾	(535)	1,746
	(495,848)	(443,075)

212,396 TL of the expenses arising from STAR consist of Exchange rate difference expenses and 289,698TL of other expenses 6,960 TL of the revenues obtained from STEAŞ consist of Exchange rate difference income and 2,432 TL of other expenses. Income from SOCAR Power consists of interest income.

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CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1, and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

19. Transactions and balances with related parties(continued)

ii) Transactions with related parties (continued)

b) Service and rent purchases from related parties:

	January 1- March 31, 2025	January 1- March 31, 2024
STAR ⁽²⁾	78,181	35,397
SOCAR Sigorta ve Reasürans Brokerliği A.Ş. ⁽²⁾	67,228	89,036
STEAS ⁽¹⁾	35,025	188,502
Other ⁽²⁾	19,071	157,550
	199,505	470,485

c) Product purchase from related parties:

STAR ⁽²⁾	4,060,531	3,984,918
SOCAR Logistics DMCC ⁽²⁾	3,619,189	5,492,732
SOCAR Trading SA ⁽²⁾	139,796	-
SOCAR Trading Middle East DMCC ⁽²⁾	81,193	-
SOCAR Enerji Ticaret A.Ş. ⁽²⁾	30,456	2,254,134
Azoil Petrolcülük A.Ş. ⁽²⁾	2,219	4,027
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	1,254	1,437
	7,934,638	11,737,248

Goods purchases from related parties consist of raw material and commercial product purchases. Purchases from STAR consist of 153,889 tons of TRY 3,553,956 naphtha purchases, TRY 526,575 other purchases.

d) Product and service sales to related parties:

STAR ⁽²⁾	1,552,239	1,984,420
STEAS ⁽¹⁾	157,664	6
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	104,128	3,637
SOCAR Turkey Petrol Ticaret A.Ş. ⁽²⁾	97,279	2
SOCAR Aliağa Liman İşletmeciliği A.Ş. ⁽²⁾	83,034	500,487
SOCAR Enerji Ticaret AŞ. ⁽²⁾	57,798	3,005
SOCAR Oil Refinery named after Heydar Aliyev ⁽²⁾	7,645	-
SOCAR Petrochem Trading ⁽²⁾	5,653	-
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	2,020	272
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	1,360	505,087
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	-	165,633
Other ⁽²⁾	4,814	-
	2,073,634	3,162,549

The breakdown of sales from STAR is as follows; TRY 849,863 the sales of by product, TRY 442,642 the sales of steam sales and the remaining sales of other products sales.

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CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

19. Transactions and balances with related parties(continued)

ii) Transactions with related parties (continued)

e) Rent income from related parties:

	January 1- March 31, 2025	January 1- March 31, 2024
STAR ⁽²⁾	75,920	82,028
SOCAR Turkey Akaryakıt Depolama A.Ş. ⁽²⁾	29,167	11,815
SOCAR Aliğa Liman İşletmeciliği A.Ş. ⁽²⁾	6,116	7,224
SCR Müşavirlik ve İnşaat A.Ş. ⁽²⁾	1,194	1,388
STEAŞ ⁽¹⁾	829	735
SOCAR Turkey Araştırma Geliştirme ve İnovasyon A.Ş. ⁽²⁾	557	588
SOCAR Turkey Ortak Yönetim Hizmetleri A.Ş. ⁽²⁾	-	296
Other ⁽²⁾	-	3
	113,783	104,074

f) Key management emoluments:

• Key management emoluments-short term:

	January 1, – March 31, 2025	January 1, – March 31, 2024
Payments for salary and seniority incentives	198,051	43,307
	198,051	43,307

• Key management emoluments-long term:

Provision for seniority incentives	1,221	652
Provision for employment termination benefits	392	257
Provision for unused vacation	(210)	1,135
	1,403	2,044
	199,454	45,351

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

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CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1, and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

20. Provisions, contingent assets and liabilities

a) Short term provisions:

	March 31, 2025	December 31, 2024
Provisions for legal cases	2,596	2,857
	2,596	2,857

b) Guarantees recieved:

Receivable insurance	29.666.094	28.673.014
Bank guarantees within the context of DOCS	6.458.698	6.453.312
Letters of guarantee received from customers	2.455.446	2.501.444
Letters of guarantee received from suppliers	1.483.219	1.481.101
Letters of credit	220.456	109.726
Mortgages	2.000	2.201
	40.285.913	39.220.798

c) Guarantees given:

Mortgages given to banks (*)	5.296.718	4.256.222
Customs offices	452.551	489.346
Other	1.533.408	1.676.847
	7.282.677	6.422.415

(*) Mortgage amounting to USD 140 million is related with the borrowing for port investment amounting to USD million.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

20. Provisions, contingent assets and liabilities (continued)

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

	March 31, 2025	December 31, 2024
A. Total amount of CPMs given for the Company's own legal personality	1,985,959	2,166,193
B. Total amount of CPMs given on behalf of fully consolidated companies	5,296,718	4,256,222
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	-	-
	7,282,677	6,422,415

21. Financial Instruments And Financial Risk Management

Foreign exchange risk

The Group also uses some derivative financial instruments, mainly Naphtha, to hedge cash flow risk arising from raw material price risk. The Group is exposed to foreign exchange risk arising from exchange rate changes due to the conversion of amounts owed or receivable in foreign currency into TL. Existing risks are followed in meetings held by the Group's Audit Committee and Board of Directors and foreign currencies, closely in terms of the Group's foreign exchange position.

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

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH
Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025
(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

21. Financial Instruments And Financial Risk Management (Continued)

Foreign currency position

	March 31, 2025				December 31, 2024			
	TL equivalent	US Dollar	EUR	Other	TL equivalent	US Dollar	EUR	Other
1. Trade receivables	6,578,456	149,553	22,861	-	6,049,273	148,784	6,725	-
2a. Monetary financial assets (Cash, bank accounts included)	3,858,437	94,860	6,776	184	5,714,386	132,537	13,898	5,418
2b. Non-monetary financial assets	-	-	-	-	-	-	-	-
3. Current assets (1+2)	10,436,893	244,413	29,637	184	11,763,659	281,321	20,623	5,418
4. Trade receivables	-	-	-	-	-	-	-	-
5a. Monetary financial assets (Cash, bank Accounts included)	-	-	-	-	-	-	-	-
5b. Non-monetary financial assets	-	-	-	-	-	-	-	-
6. Other	-	-	-	-	-	-	-	-
7. Non-current assets (4+5+6)	-	-	-	-	-	-	-	-
8. Total Assets (3+7)	10,436,893	244,413	29,637	184	11,763,659	281,321	20,623	5,418
9. Trade payables	8,070,863	198,592	12,074	65,075	11,483,217	246,900	17,102	1,077,522
10. Financial liabilities	20,761,270	548,751	-	-	22,126,034	568,786	-	-
11a. Monetary other liabilities	271,624	2,187	-	188,899	334,397	2,187	-	226,542
11b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
12. Short term liabilities (9+10+11)	29,103,757	749,530	12,074	253,974	33,943,648	817,873	17,102	1,304,064
13. Trade payables	-	-	-	-	-	-	-	-
14. Financial liabilities	17,730,652	468,647	-	-	18,249,050	469,122	-	-
15a. Monetary other liabilities	344,973	5,511	-	136,486	364,586	5,511	-	136,486
15b. Non-monetary other liabilities	-	-	-	-	-	-	-	-
16. Long term liabilities(13+14+15a+15b)	18,075,625	474,158	-	136,486	18,613,636	474,633	-	136,486
17. Total liabilities (12+16)	47,179,382	1,223,688	12,074	390,460	52,557,284	1,292,506	17,102	1,440,550
18. Net (liability)/ asset contract value of Derivative instruments (18a-18b)	(14,635,087)	(386,758)	-	-	(13,426,245)	(345,000)	-	-
18a. Amount of asset contract value of derivative instruments	1,444,236	38,242	-	-	3,106,445	80,000	-	-
18b. Amount of liability contract value of derivative instruments	16,079,323	425,000	-	-	16,532,690	425,000	-	-
19. Net foreign (liability)/ asset position (8-17+18)	(51,377,576)	(1,366,033)	17,563	(390,276)	(54,219,870)	(1,356,185)	3,521	(1,435,132)
20. Net foreign (liability)/ asset position of Monetary items (TFRS7.B23) (=1+2a+4+5a-9-10-11a-13-14-15a)	(36,742,489)	(979,275)	17,563	(390,276)	(40,793,625)	(1,011,185)	3,521	(1,435,132)
21. Total fair value of financial instruments used for Foreign currency hedging	(22,833)	(602)	-	-	(24,123)	(622)	-	-
22. Hedged amount for foreign currency assets	1,444,236	38,242	-	-	3,106,445	80,000	-	-
23. Hedged amount for foreign currency liabilities	16,079,323	425,000	-	-	16,532,690	425,000	-	-
24. Export	7,088,316	125,889	57,228	56,992	33,407,321	585,842	181,869	430,174
25. Import	4,759,743	107,309	17,087	164,254	29,903,198	625,853	76,596	164,254

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

21. Financial Instruments And Financial Risk Management (Continued)

Table of sensitivity analysis for foreign currency risk

March 31, 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	(3,698,291)	3,698,291	(3,698,291)	3,698,291
2- The part hedged for USD risk (-)	-	-	302,125	(302,125)
3- USD effect - net (1+2)	(3,698,291)	3,698,291	(3,396,166)	3,396,166
Change of EUR by 10% against TRY:				
4- Asset/ Liability denominated in EUR - net	71,485	(71,485)	71,485	(71,485)
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR effect net (4+5)	71,485	(71,485)	71,485	(71,485)
Change of other currencies by 10% against TRY:				
7- Assets/ Liabilities denominated in other foreign currencies net	28,024	(28,024)	28,024	(28,024)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other Foreign currency effect net (7+8)	28,024	(28,024)	28,024	(28,024)
Total (3+6+9)	(3,598,782)	3,598,782	(3,296,657)	3,296,657

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

21. Financial Instruments And Financial Risk Management (Continued)

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	(3,926,488)	3,926,488	(3,926,488)	3,926,488
2- The part hedged for USD risk (-)	-	-	310,644	(310,644)
3- USD effect - net (1+2)	(3,926,488)	3,926,488	(3,615,844)	3,615,844
Change of EUR by 10% against TRY:				
4- Asset/ Liability denominated in EUR - net	14,236	(14,236)	14,236	(14,236)
5- The part hedged for EUR risk (-)	-	-	-	-
6- EUR effect net (4+5)	14,236	(14,236)	14,236	(14,236)
Change of other currencies by 10% against TRY:				
7- Assets/ Liabilities denominated in other foreign currencies net	37,552	(37,552)	37,552	(37,552)
8- The part hedged for other foreign currency risk (-)	-	-	-	-
9- Other Foreign currency effect net (7+8)	37,552	(37,552)	37,552	(37,552)
Total (3+6+9)	(3,874,700)	3,874,700	(3,564,056)	3,564,056

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

21. Financial Instruments And Financial Risk Management (Continued)

Fair value estimation

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

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

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

Level 3: Not depend on observable market data.

March 31, 2025 and 2024, fair value and book value of financial statement were as follows:

March 31, 2025	Level 1	Level 2	Level 3	Total
Investment properties - Land	-	26,812,959	-	26,812,959
Total Assets	-	26,812,959	-	26,812,959
Derivative financial liabilities	-	(41,647)	-	(41,647)
Total liabilities	-	(41,647)	-	(41,647)
December 31, 2024	Level 1	Level 2	Level 3	Total
Investment properties - Land	-	26,812,959	-	26,812,959
Derivative financial assets	-	89,183	-	89,183
Total Assets	-	26,902,142	-	26,902,142
Derivative financial liabilities	-	(24,205)	-	(24,205)
Total liabilities	-	(24,205)	-	(24,205)

22. Investments accounted for using equity method

	March 31, 2025		December 31, 2024	
	Participation rate (%)	Amount	Participation rate (%)	Amount
Rafineri Holding A.Ş.	20	31,986,219	20	33,212,196
		31,986,219		33,212,196

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

22. Investments 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 USD 720 million. 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 USD 480 million. It has been decided that no other payment will be made within the scope of the contract except the payment of USD 480 million 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.

The movements of Rafineri Holding, one of the investments valued by the equity method, between 1 January and March 31, are as follows:

	2025	2024
January 1		
Foreign currency translation differences	(1,079,014)	(1,747,876)
Shares of profit and losses	(157,806)	922,399
Defined benefit plans		
remeasurement gain	(333)	1,239
Shares of other comprehensive income/expense	11,176	(58,424)
March 31	31,986,219	37,299,349

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

22. Investments accounted for using equity method (continued)

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

	March 31, 2025	December 31, 2024
Current assets	95,372,335	95,360,233
Non-current assets	316,623,749	335,844,178
Total Assets	411,996,084	431,204,411
Short-term liabilities	98,336,640	98,708,241
Long-term liabilities	47,419,405	56,071,987
Equity attributable to owners of the parent company	159,931,093	166,060,981
Non-controlling interest	106,308,946	110,363,202
Total liabilities and equity	411,996,084	431,204,411

Shares from profits of investments accounted by using the equity method

	January 1- March 31, 2025	January 1- March 31, 2024
Sales (net)	88,582,189	-
Gross Profit	5,524,963	-
Operating profit	4,344,936	3,675,566
Net profit (loss) for the period	(1,315,051)	3,675,566
Net profit (loss) for the owners of the parent company	(789,030)	-

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH

Petkim Petrokimya Holding Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements for The Period Between January 1 and March 31, 2025

(Amounts expressed in thousands of Turkish Lira ("TL") in terms of the purchasing power of the TL at March 31, 2025 unless otherwise indicated.)

23. Monetary gain / (loss)

	January 1 - March 31 2025
Non-monetary items	
Financial statement items	793,995
Inventories	528,035
Other current assets	44,465
Financial investments	3,606,199
Investments accounted for using the equity method	9,819,633
Property, plant and equipment	27,344,842
Investment properties	2,451,437
Right of use assets	424,169
Intangible assets	385,651
Other non-current assets	89,987
Deferred revenue	(49,930)
Deferred tax liabilities	(7,032,342)
Adjustment to share capital	(45,568,671)
Other comprehensive (expense) not to be reclassified to profit or loss	(257,759)
Restricted reserves	(3,640,860)
Retained earnings	12,649,139
Profit or loss statement items	2,534,282
Revenue	(723,549)
Cost of sales	2,423,200
Selling, marketing and distribution expenses	28,760
General administrative expenses	103,545
Other operating income	(17,549)
Other operating expense	21,523
Income from investing activities	(3,838)
Expense from investing activities	20
Financial income	(16,218)
Financial expenses	101,115
Deferred tax (expense)/income	617,273
Monetary gain/(loss), net	3,328,277

24. Events after balance sheet date

None.