

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

AYGAZ ANONİM ŐİRKETİ

**1 JANUARY - 31 MARCH 2023 INTERIM
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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AYGAZ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

	Notes	Unaudited 31 March 2023	Audited 31 December 2022
ASSETS			
Current assets			
Cash and cash equivalents	4	2.659.251	1.826.605
Financial investments		133.137	35.939
Trade receivables		2.743.662	2.458.642
- Trade receivables from related parties	20	296.578	140.257
- Trade receivables from third parties	8	2.447.084	2.318.385
Other receivables		4.641	149.432
- Other receivables from related parties	20	-	84.375
- Other receivables from third parties	16	4.641	65.057
Derivative financial instruments	7	17.257	85.754
Inventories	9	767.310	2.335.531
Prepaid expenses		122.077	67.509
Assets related to current year tax		2.126	9.296
Other current assets		313.280	479.199
Total current assets		6.762.741	7.447.907
Non-current assets			
Financial investments	5	1.305.691	1.610.681
Trade receivables		6.824	8.135
- Trade receivables from third parties	8	6.824	8.135
Other receivables		680	645
- Other receivables from third parties		680	645
Investments accounted under equity method	10	5.984.743	6.262.099
Property, plant and equipment	11	1.012.471	983.577
Right-of-use assets	13	129.938	119.286
Intangible assets		78.153	77.388
- Other intangible assets	12	78.153	77.388
Prepaid expenses		21.606	25.232
Deferred tax asset	19	183.782	112.664
Total non-current assets		8.723.888	9.199.707
Total assets		15.486.629	16.647.614

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

AYGAZ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

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

	Notes	Unaudited 31 March 2023	Audited 31 December 2022
LIABILITIES AND EQUITY			
Short-term liabilities			
Short-term financial borrowings	6	943.924	1.034.642
Current portion of long-term financial borrowings	6	1.503.923	1.754.229
Trade payables		2.961.866	4.009.912
- Trade payables to related parties	20	238.651	477.922
- Trade payables to third parties	8	2.723.215	3.531.990
Liabilities for employee benefits		80.813	130.049
Other payables		23.196	4.426
- Other payables to related parties	20	4.981	1.394
- Other payables to third parties		18.215	3.032
Deferred income		9.072	7.591
Current income tax liabilities		37.279	17.052
Short-term provisions		643.680	458.837
- Short-term provisions for employee benefits		46.513	-
- Other provisions	15	597.167	458.837
Other current liabilities		141.088	148.957
Total short-term liabilities		6.344.841	7.565.695
Long-term liabilities			
Long-term financial borrowings	6	645.137	809.873
Other payables		143.822	126.235
- Trade payables to third parties		143.822	126.235
Long-term provisions		256.175	288.833
- Long-term provisions for employee benefits		195.234	227.892
- Other long-term provisions		60.941	60.941
Deferred tax liabilities	19	1.973	2.446
Total long-term liabilities		1.047.107	1.227.387
Total liabilities		7.391.948	8.793.082
Equity			
Share capital	17	219.801	219.801
Adjustment to share capital	17	71.504	71.504
Adjustment to share capital due to cross-ownership (-)		(7.442)	(7.442)
Other comprehensive income or expenses			
not to be reclassified to profit or loss			
Gains (losses) on the revaluation and/or reclassification		1.009.616	1.299.161
- Gains (losses) remeasurement from defined benefit plans		1.039.223	1.328.768
- Gains (losses) on financial assets measured at fair value through other comprehensive income		(48.691)	(48.691)
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss		1.087.914	1.377.459
Other comprehensive income or expenses to be reclassified to profit or loss			
Currency translation differences		(29.607)	(29.607)
Gains (losses) on hedge		27.011	32.164
- Gains (losses) on cash flow hedges		(56.588)	(45.494)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		-	3.811
Restricted reserves		-	3.811
Retained earnings		83.599	73.847
Net profit (loss) for the period		400.073	379.192
		5.492.643	999.940
		687.319	4.733.385
Equity attributable to equity holders of the parent		7.900.525	7.727.705
Non-controlling interest		194.156	126.827
Total equity		8.094.681	7.854.532
Total equity and liabilities		15.486.629	16.647.614

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

AYGAZ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

	Notes	Unaudited 1 January - 31 March 2023	Unaudited 1 January - 31 March 2022
Revenue		12.434.488	6.412.632
Cost of sales (-)		(11.733.730)	(5.947.170)
Gross profit		700.758	465.462
General administrative expenses (-)		(346.184)	(150.036)
Marketing and sales expenses (-)		(359.925)	(184.869)
Research and development expenses (-)		(2.398)	(1.185)
Other operating income		130.706	184.408
Other operating expenses (-)		(110.111)	(294.529)
Operating profit		12.846	19.251
Income from investment activities		69.534	22.809
Loss from investment activities (-)		(1.287)	(1.459)
Profit (losses) from investments accounted under equity method	10	633.016	195.775
Operating profit before financial income (expense)		714.109	236.376
Financial income		99.526	143.200
Financial expense (-)		(194.266)	(164.556)
Profit from continuing operations before tax		619.369	215.020
Tax income (expense), continuing operations			
Current tax expense for the period (-)	19	(54.729)	(10.862)
Deferred tax income (expense)	19	55.008	(24.514)
Profit (loss) for the period		619.648	179.644
Distribution of profit (loss) for the period			
Non-controlling interest		(67.671)	(21.250)
Equity holders of the parent		687.319	200.894
Earnings (losses) per share (TL)	18	3,1270	0,6696
Diluted earnings (losses) per share (TL)	18	3,1270	0,6696

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

AYGAZ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPERHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

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

	Notes	Unaudited 1 January - 31 March 2023	Unaudited 1 January - 31 March 2022
Profit (loss) for the period		619.648	179.644
Other comprehensive income			
Not to be reclassified to profit or loss		(289.545)	78.849
Gains (losses) re-measurement on defined benefit plans		-	-
- <i>Gains (losses) on financial assets measured at fair value through other comprehensive income</i>		(304.784)	82.999
- <i>Gains (losses) from re-measurement on defined benefit plans of investments using equity method</i>		-	-
Taxes relating to other comprehensive income not to be reclassified to profit (loss)			
- <i>Gains (losses) re-measurement on defined benefit plan, tax effect</i>		-	-
- <i>Gains (losses) on financial assets measured at fair value through other comprehensive income, tax effect</i>	19	15.239	(4.150)
To be reclassified to profit or loss		(5.153)	(266.318)
Currency translation differences		(11.094)	14.221
Gains (losses) on cash flow hedges			
- <i>Gains (losses) on cash flow hedges</i>		(5.155)	(34.334)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss			
- <i>Gains (losses) from cash flow hedges of investments using equity method</i>		(4.097)	(285.480)
- <i>Gains (losses) from currency translation differences of investments using equity method</i>		13.849	31.379
Taxes relating to other comprehensive income to be reclassified to profit (loss)			
- <i>Gains (losses) on cash flow hedges, tax effect</i>	19	1.344	7.896
Other comprehensive income (expense) (after taxation)		(294.698)	(187.469)
Total other comprehensive income (expense)		324.950	(7.825)
Distribution of total comprehensive income (expense)			
- Non-controlling interest		(67.671)	(21.250)
- Equity holders of the parent		392.621	13.425

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AYGAZ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

	Notes	Other comprehensive income or expenses not to be reclassified to profit or loss					Other comprehensive income or expenses to be reclassified to profit or loss			Accumulated profit						
		Share capital	Adjustment to share capital	Adjustment to share capital due to cross-ownership (-)	Gains (losses) on re-measurement of defined benefit plans	Gains (losses) on financial assets measured at fair value through other comprehensive income	Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	Currency translation differences	Gains (losses) on cash flow hedges	Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interest	Total equity
Unaudited																
As of 1 January 2022		300.000	71.504	(7.442)	(413)	287.789	(1.750)	3.311	(14.550)	(399.977)	365.692	1.423.454	670.105	2.697.723	21.476	2.719.199
Transfers		-	-	-	-	-	-	-	-	-	13.500	656.605	(670.105)	-	-	-
Increase in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	63.000	63.000
Total comprehensive income (expense)		-	-	-	-	78.849	-	14.221	(26.438)	(254.101)	-	-	200.894	13.425	(21.250)	(7.825)
<i>Net income</i>		-	-	-	-	-	-	-	-	-	-	-	200.894	200.894	(21.250)	179.644
<i>Other comprehensive income (expense)</i>		-	-	-	-	78.849	-	14.221	(26.438)	(254.101)	-	-	-	(187.469)	-	(187.469)
Dividend paid		-	-	-	-	-	-	-	-	-	-	(150.000)	-	(150.000)	-	(150.000)
As of 31 March 2022		300.000	71.504	(7.442)	(413)	366.638	(1.750)	17.532	(40.988)	(654.078)	379.192	1.930.059	200.894	2.561.148	63.226	2.624.374
Unaudited																
As of 1 January 2023		219.801	71.504	(7.442)	(48.691)	1.377.459	(29.607)	(45.494)	3.811	73.847	379.192	999.940	4.733.385	7.727.705	126.827	7.854.532
Transfers		-	-	-	-	-	-	-	-	-	20.881	4.712.504	(4.733.385)	-	-	-
Increase in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	135.000	135.000
Total comprehensive income (expense)		-	-	-	-	(289.545)	-	(11.094)	(3.811)	9.752	-	-	687.319	392.621	(67.671)	324.950
<i>Net income</i>		-	-	-	-	-	-	-	-	-	-	-	687.319	687.319	(67.671)	619.648
<i>Other comprehensive income (expense)</i>		-	-	-	-	(289.545)	-	(11.094)	(3.811)	9.752	-	-	-	(294.698)	-	(294.698)
Dividend paid	17	-	-	-	-	-	-	-	-	-	-	(219.801)	-	(219.801)	-	(219.801)
As of 31 March 2023		219.801	71.504	(7.442)	(48.691)	1.087.914	(29.607)	(56.588)	-	83.599	400.073	5.492.643	687.319	7.900.525	194.156	8.094.681

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

AYGAZ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

	Notes	Unaudited 1 January - 31 March 2023	Unaudited 1 January - 31 March 2022
Cash flows from operating activities		708.394	(217.894)
Net income (loss)		619.648	179.644
Adjustments related with the reconciliation of net profit (loss) for the period		(338.018)	(15.958)
Adjustments for depreciation and amortization expenses	3, 11, 12, 13	45.954	53.337
Adjustments for impairment reversal (loss)		109	80
Adjustments for provisions		168.262	44.640
Adjustments for dividend income (expense)		(58.822)	(661)
Adjustments for interest income		(68.638)	(27.982)
Adjustments for interest expense		144.319	91.687
Adjustments for unrealized foreign translation differences		9.970	35.779
Adjustments for fair value gains (losses) on derivative financial instruments		64.686	(40.198)
Adjustments for undistributed profits of investments accounted under equity method	10	(633.016)	(195.775)
Adjustments for tax income (expenses)	19	(279)	35.376
Adjustments for gains (losses) on disposal of non-current assets		(9.425)	(4.576)
Other adjustments for reconciliation of profit (loss)		(1.138)	(7.665)
Changes in working capital		472.482	(337.156)
Change in blocked deposits		76.009	17.667
Adjustments for decrease (increase) in trade receivables		(283.818)	(651.240)
Adjustments for decrease (increase) in other operating receivables		226.300	(169.442)
Adjustments for decrease (increase) in inventories		1.568.221	(208.662)
Decrease (increase) in prepaid expenses		(36.953)	21.261
Adjustments for increase (decrease) in trade payables		(1.048.046)	625.665
Increase (decrease) in liabilities for employee benefits		(49.236)	(26.875)
Adjustments for increase (decrease) in other operating payables		18.524	50.361
Increase (decrease) in deferred income		1.481	4.109
Cash flows from operating activities		754.112	(173.470)
Payments related to provisions for employee benefits		(18.386)	(5.382)
Tax returns (payments)		(27.332)	(39.042)
Cash flows from investing activities		1.044.886	(94.352)
Cash inflows from sales that do not result in loss of control of subsidiaries		-	-
Cash outflows from the purchase of interests or capital increase of investments in associates or joint ventures	10	(113.503)	(79.235)
Cash inflows from the sale of property, plant and equipment and intangible assets		22.153	8.682
Cash outflows from the purchase of property, plant and equipment and intangible assets	11, 12	(78.390)	(50.850)
Dividends received		1.092.449	661
Other cash inflows (outflows)			
- Decrease (increase) in financial investments		(97.198)	(36.610)
- Contributions of non-controlling interests to capital increases		219.375	63.000
Cash flows from financing activities		(848.475)	495.259
Proceeds from borrowings		303.761	783.261
Repayments of borrowings		(806.905)	(236.040)
Payments of lease liabilities		(15.674)	(33.670)
Dividends paid		(216.214)	-
Interest paid		(168.092)	(46.074)
Interest received		54.649	27.782
Net increase (decrease) in cash and cash equivalents before currency translation differences		904.805	183.013
Effect of currency translation differences		3.850	85.658
Net increase (decrease) in cash and cash equivalents		908.655	268.671
Cash and cash equivalents at the beginning of the period	4	1.748.927	1.671.074
Cash and cash equivalents at the end of the period	4	2.657.582	1.939.745

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

AYGAZ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE COMPANY

The main activity of Aygaz Anonim Şirketi (the “Company” or “Aygaz”) is the purchase of liquid petroleum gas (LPG) in bulk from domestic refineries and the overseas market and delivery to retailers for distribution to customers. The Company manufactures LPG cylinders, LPG tanks, regulators and other supplementary materials which support the Company’s main business and which are necessary equipment for the end-user. The Company is controlled by Koç Holding A.Ş. the parent company, Koç Family and the companies owned by Koç Family.

The Company is registered at the Capital Markets Board of Turkey (“CMB”) and as of 31 March 2023, 24,27% of its shares have been quoted at Borsa Istanbul.

The address of the registered office of the Company is as follows:

Büyükdere Cad. No: 145/1 Aygaz Han, Zincirlikuyu, 34394 / İstanbul

Total end of period and average number of personnel employed by categories in Aygaz and its subsidiaries (together with referred to as the “Group”) are as follows:

	<u>End of period</u>		<u>Average</u>	
	31 March 2023	31 December 2022	1 January - 31 March 2023	1 January - 31 March 2022
Monthly paid	963	993	987	863
Hourly paid	610	680	666	677
Total number of personnel	1.573	1.673	1.653	1.540

Subsidiaries

Akpa is mainly engaged in sales of cylinders through either its own organisation or dealers, retail and wholesale of LPG, fuel and lubricants through autogas stations.

Main activity of Aygaz Doğal Gaz Toptan Satış A.Ş. and Aygaz Doğal Gaz İletim A.Ş. (together “Aygaz Doğal Gaz”) is to purchase natural gas from domestic and/or overseas suppliers, selling natural gas to domestic and/or overseas customers and make related arrangements for the modulation, storing of natural gas and building necessary facilities.

Within July 2010, the Company has restructured its shipping operations under new legal entities, and established Anadoluhisarı Tankercilik A.Ş. (“Anadolu Hisarı”), Kandilli Tankercilik A.Ş. (“Kandilli”), Kuleli Tankercilik A.Ş. (“Kuleli”) and Kuzguncuk Tankercilik A.Ş. (“Kuzguncuk”) with an effective ownership interest of 100%. The main activities of these companies are to purchase, build or rent vessels and to operate them in domestic and/or overseas transportation of crude oil, petroleum products, liquid petroleum gas, natural gas and solid, liquid and liquefied products. On 13 October 2017, the vessel named “Kuleli” which is used for the transportation of LPG was sold by Kuleli Tankercilik A.Ş. - the Company’s subsidiary. On 14 March 2019 Kuleli has acquired the 100% of shares of Bal Kaynak Su İthalat İhracat Sanayi ve Ticaret A.Ş. (“Bal Kaynak”).

AYGAZ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE COMPANY (Continued)

With the Ordinary General Assembly Meeting of Bal Kaynak, held on 3 March 2022, it was decided to increase its capital to TL 133.000 thousand. Bal Kaynak continues its water trade activities with the aim of providing sustainable production.

Sendeo Dağıtım Hizmetleri A.Ş. (“Sendeo”) (Former trade name: Aygaz Aykargo Dağıtım Hizmetleri A.Ş. (“Aykargo”) which started as an in-house entrepreneurship Project, has started its cargo delivery and distribution activities in 2020.

As a result of the negotiations regarding building a strategic collaboration with McKinsey Danışmanlık Hizmetleri Ltd. Şti. (“McKinsey”), in place of the Partnership Framework Agreement dated 15 January 2021, it was decided to continue cooperation by signing a long-term Consulting Agreement with the resolution of the Board of Directors dated 30 July 2021. With the contract, the Company has declared its intentions that the Company and/or other Koç Group companies owning Sendeo’s shares make a cash capital injection of up to USD 60 million in Sendeo during the service period taking into account the company's activities and operational needs. On 3 August 2021 45% of the shares of Sendeo were transferred to Koç Holding A.Ş. A capital increase amounting to TL 610.000 thousand has been made to Sendeo in 2022, and this amount has been paid in cash by the shareholders. With the ordinary general assembly dated 15 March 2023, Sendeo’s capital was decided to be increased to TL 430.000 thousand, and TL 300.000 thousand of this amount was paid in cash by the shareholders on 21 March 2023. The payment of the remaining TL 130.000 thousand will be fulfilled by the shareholders until 31 December 2023.

The details of the Group’s subsidiaries are as follows:

Subsidiaries	Place of incorporation and operation	Ownership interest (%)		Voting power right	Principal activity
		31 March 2023	31 December 2022		
Anadoluhisarı	Turkey	100	100	100	Shipping
Kandilli	Turkey	100	100	100	Shipping
Kuzguncuk	Turkey	100	100	100	Shipping
Kuleli	Turkey	100	100	100	Shipping
Akpa	Turkey	100	100	100	Marketing
Aygaz Doğal Gaz Toptan Satış	Turkey	100	100	100	Natural gas
Aygaz Doğal Gaz İletim	Turkey	100	100	100	Natural gas
Bal Kaynak	Turkey	100	100	100	Bottled water
Sendeo	Turkey	55	55	55	Cargo transportation/ distribution

Investments in associates

In December 2005, Enerji Yatırımları A.Ş. (“EYAŞ”) was established to acquire 51% block shares of Türkiye Petrol Rafinerileri A.Ş. (“TÜPRAŞ”), to participate in Tüpraş’s management and its operational decisions as well as to establish and operate in oil refinery related sectors in Turkey. As of 31 March 2023, EYAŞ’s ownership in Tüpraş has been 46,40%.

AYGAZ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE COMPANY (Continued)

Investments in associates (Continued)

Entek Elektrik Üretim A.Ş. (“Entek”) operates as the electricity generation company of Koç Group.

With the notifications to the Public Disclosure Platform (“PDP”) made by the Company, Koç Holding, and Tüpraş on 25 April 2022; decisions regarding the transfer of shares corresponding to 99.24% of the total capital of Entek, in which the Company and Koç Holding held 49.62% share separately, to Tüpraş via partial demerger with the share transfer model to the shareholders, were announced. The respective application was approved by the CMB of Turkey on 7 July 2022. In addition, as explained publicly in the notification through PDP on 20 July 2022, with the extraordinary general assembly held on 25 August 2022, the transaction was approved by the Company, Koç Holding, and Tüpraş shareholders, and the registration was completed on 26 August 2022 (Note 10).

The details of the Group’s associates are as follows:

Investments in associates	Place of incorporation and operation	Ownership interest (%)		Voting power right	Principal activity
		31 March 2023	31 December 2022		
EYAŞ	Turkey	20,00	20,00	20,00	Energy

Joint ventures

Opet Aygaz Gayrimenkul A.Ş. was established on 20 September 2013 as a joint venture with 50% equal shares by the Company and Opet Petrolcülük A.Ş., which is the Company’s business partner, operating in distribution of fuel products. Its main activity is to establish, purchase, operate and rent fuel and LPG stations.

In line with Group’s growth strategy abroad, in order to operate in LPG supply, filling and distribution in the Bangladesh market, on 5 March 2019 the Share Purchase Agreement (‘Contract’) and Partnership Agreement was signed between the Company and United Enterprises & Co. Ltd. With Contract it was decided that 50% of the shares of United LPG Ltd, the subsidiary of United Enterprises & Co. Ltd, which has a pre-license for LPG filling facility but no current operations yet, will be acquired. With the occurrence of preconditions determined on the agreement, the share transfer transaction was completed in January 2023, and the name of the Joint Venture Company became United Aygaz LPG Ltd (“United Aygaz”) on 14 February 2023. A capital increase amounting to a total of BDT 2.140.000 thousand has been made to United Aygaz in 2022, and BDT 1.070.000 thousand (TL 174.638 thousand), which is equivalent to the share of the Company, has been paid in cash. With the Board of Directors Decision of the Company dated on 6 February 2023, it was decided to increase capital of United Aygaz, BDT 1.240.000 thousand, and the BDT 620.000 thousand (TL 113.503 thousand), corresponding to 50% share of the Company has been paid on 27 February 2023 and 27 March 2023.

The details of the Group’s joint ventures are as follows:

Joint Ventures	Place of incorporation and operation	Ownership interest (%)		Voting power right	Principal activity
		31 March 2023	31 December 2022		
OAGM	Turkey	50,00	50,00	50,00	Real Estate
United Aygaz	Bangladesh	50,00	50,00	50,00	LPG supply, filling and distribution

Approval of interim condensed consolidated financial statements:

The interim condensed consolidated financial tables for the period ended on 31 March 2023 are approved on the Board of Directors meeting held on 28 April 2023 to be published.

AYGAZ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 2 - BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

2.1 Basis of presentation of financial statements

The interim condensed consolidated financial statements of the Group have been prepared in accordance with the Turkish Accounting Standards/Turkish Financial Reporting Standards, (“IAS/TFRS”) and interpretations as adopted in line with international standards by the Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) in line with the communiqué numbered II-14.1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by the Capital Markets Board of Turkey (“CMB”) on 13 June 2013 which is published on Official Gazette numbered 28676. IAS/TFRS are updated in harmony with the changes and updates in International Financial and Accounting Standards (“IFRS”) by the communiqués announced by the POA.

With the decision taken on 17 March 2005, the CMB announced that, effective from 1 January 2005, the application of inflation accounting is no longer required for listed companies in Turkey. The Group’s interim condensed consolidated financial statements have been prepared in accordance with this decision.

The Group has prepared its condensed consolidated financial statements for the period ended on 31 March 2023 in accordance with TAS 34 “Interim Financial Reporting Standards”.

The Group’s consolidated financial statements are presented in terms of Turkish Lira “TL” which is the functional and presentation currency of the Company and its subsidiaries.

The consolidated financial statements are prepared based on the historical cost conversion, except for the financial assets and liabilities which are expressed with their fair values. The financial statements of each business of the Group are presented in the currency of the main economic environment in which they operate (the functional currency). The financial status and operating results of each business are expressed in TL, which is the functional currency of the Company and the reporting currency for the consolidated financial statements.

The interim condensed consolidated financial statements are prepared in accordance with the TAS published by POA with the certain adjustments and reclassifications to reflect for presentation of Group’s financial position.

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

2.2 Summary of significant accounting policies

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2023 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. Additionally, the accounting policies used in the preparation of the interim condensed consolidated financial statements for the period ended 31 March 2023 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2022. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022.

AYGAZ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2.3 New and revised Turkey Financial Reporting Standards

a. Standards, amendments and interpretations applicable as at 31 March 2023

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The mentioned amendments does not have a significant impact on the financial position and performance of the Group.

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction; effective from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. The mentioned amendments does not have a significant impact on the financial position and performance of the Group.

IFRS 17, ‘Insurance Contracts’; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The mentioned amendments does not have a significant impact on the financial position and performance of the Group.

b. Standards, amendments, and interpretations that are issued but not effective as of 31 March 2023:

Amendment to IAS 1 – Non current liabilities with covenants; effective from annual periods beginning on or after 1 January 2024. These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The Group is in the process of assessing the impact of the interpretation on financial position or performance of the Group.

Amendment to IFRS 16 – Leases on sale and leaseback; effective from annual periods beginning on or after 1 January 2024. These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The Group is in the process of assessing the impact of the interpretation on financial position or performance of the Group.

AYGAZ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 3 - SEGMENT INFORMATION

The segmental operations are specified according to the internal reports reviewed regularly by the authority entitled to making decision for the Group’s operations.

The Group's decision-making authority has started to monitor its activities in the cargo transportation and distribution separately by taking into consideration its significant share in the consolidated financial results, in order to accurately evaluate the resources to be allocated to the departments and the performance of the departments. In addition, the Group has decided to present the activities of EYAŞ company, which are accounted for using the equity method, separately from LPG and Natural gas activities, which are the main business lines of the Group.

The Group Management evaluates financial results and performance based of IFRS financial statements. Therefore, IFRS financial statements are the basis of segmental reporting. The Group evaluates the performance of its segments based on gross profit, operating profit and profit from continuing operations before tax.

Operational segments which have been prepared in accordance with the reportable segments for the three months period ended 31 March 2023 are as follows:

	31 March 2023				
	LPG and Gas	Cargo transportation and Distribution	Petroleum products and Electricity	Consolidation adjustments	Consolidated
Total assets	9.894.166	805.193	5.370.833	(583.563)	15.486.629
Total liabilities	7.021.511	374.505	-	(4.068)	7.391.948
Investments accounted under equity method	613.910	-	5.370.833	-	5.984.743

	1 January - 31 March 2023				
	LPG and Gas	Cargo transportation and Distribution	Petroleum products and Electricity	Consolidation adjustments	Consolidated
Sales revenue (net)	12.299.698	135.404	-	(614)	12.434.488
Gross profit	792.170	(91.412)	-	-	700.758
Operating profit (*)	187.264	(195.013)	-	-	(7.749)
Operating profit	207.993	(195.147)	-	-	12.846
Profit from continuing operations before tax	183.266	(190.294)	626.397	-	619.369
Profit (loss) for the period	143.631	(150.380)	626.397	-	619.648
Non-controlling interest	-	(67.671)	-	-	(67.671)
Equity holders of the parent	143.631	(82.709)	626.397	-	687.319
Profit (losses) from investments accounted under equity method	6.619	-	626.397	-	633.016
Amortization and Depreciation (**)	33.943	12.011	-	-	45.954
Investment expenditures	60.026	18.364	-	-	78.390

(*) Excluded other operating income/expense, net.

(**) TL 9.951 thousand of total amount consist of amortization and depreciation expenses allocated under TFRS 16, ‘Leases’ (2022: TL 25.637 thousand).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 3 - SEGMENT INFORMATION (Continued)

Operational segments which have been prepared in accordance with the reportable segments for the three months period ended 31 March 2022 are as follows:

31 December 2022					
	LPG and Gas	Cargo transportation and Distribution	Petroleum products and Electricity	Consolidation adjustments	Consolidated
Total assets	10.655.196	633.465	5.777.483	(418.530)	16.647.614
Total liabilities	8.444.720	352.397	-	(4.035)	8.793.082
Investments accounted under equity method	484.616	-	5.777.483	-	6.262.099
1 January - 31 March 2022					
	LPG and Gas	Cargo transportation and Distribution	Petroleum products and Electricity	Consolidation adjustments	Consolidated
Sales revenue (net)	6.400.804	11.984	-	(156)	6.412.632
Gross profit	490.881	(25.419)	-	-	465.462
Operating profit (*)	180.430	(51.058)	-	-	129.372
Operating profit	69.544	(50.293)	-	-	19.251
Profit from continuing operations before tax	68.058	(46.206)	193.168	-	215.020
Profit (loss) for the period	33.699	(47.223)	193.168	-	179.644
Non-controlling interest	-	(21.250)	-	-	(21.250)
Equity holders of the parent	33.699	(25.973)	193.168	-	200.894
Profit (losses) from investments accounted under equity method	2.607	-	193.168	-	195.775
Amortization and Depreciation (**)	48.540	4.797	-	-	53.337
Investment expenditures	33.977	16.873	-	-	50.850

(*) Excluded other operating income/expense, net.

The accounting policy of Special Consumption Tax (SCT) on imported LPG which is required to be paid after the declaration made to the Republic of Turkey, Ministry of Finance is applied to be included in revenues and cost of goods sold (Gross profit and net income is not impacted by this record). For the period 1 January-31 March 2023, SCT on imported LPG included in revenues and the cost of goods sold is amounting to TL 717.712 thousand (1 January-31 March 2022: TL 373.298 thousand).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 4 – CASH AND CASH EQUIVALENTS

	31 March 2023	31 December 2022
Cash on hand	534	1.055
Cash at banks	2.639.581	1.814.506
- Time deposits	2.575.698	1.664.589
- Demand deposits	63.883	149.917
Receivables from credit card transactions	19.136	11.044
Total	2.659.251	1.826.605

As of 31 March 2023 the Group’s TL time deposits amounting to TL 1.277.452 thousand with average maturities of 14 days and interest rates of 28,23%; USD time deposits amounting to USD 67.808 thousand (TL 1.298.246 thousand) with average maturities of 6 days and interest rate of 1,98% (31 December 2022: The Group’s TL time deposits amounting to TL 1.231.911 thousand with average maturities of 4 days and interest rates of 20,74%. USD time deposits amounting to USD 23.140 thousand (TL 432.678 thousand) with average maturities of 3 days and interest rate of 1,99%).

The amount of cash and cash equivalents shown in the statement of cash flow as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 December 2022
Cash and cash equivalents	2.659.251	1.826.605
Less: Blocked deposits (*)	(1.669)	(77.678)
	2.657.582	1.748.927

(*) The amount consists of the cash collaterals given to Istanbul Clearing, Settlement and Custody Bank Inc.-Takasbank in accordance with the procedure with respect to central transportation services provided by Takasbank in the Organized Natural Gas Market operated by Energy Exchange Istanbul (EXIST).

NOTE 5 – FINANCIAL ASSETS

The long-term financial assets of the Group are as follows as of 31 March 2023 and 31 December 2022:

	31 March 2023		31 December 2022	
	Participation amount	Participation rate (%)	Participation amount	Participation rate (%)
Financial assets measured at fair value through other comprehensive income				
- Koç Finansal Hizmetler A.Ş.	1.302.134	3,93	1.606.918	3,93
Financial assets measured at fair value through profit or loss				
- Ram Dış Ticaret A.Ş.	2.834	2,50	2.834	2,50
- Tat Gıda Sanayi A.Ş.	290	0,08	496	0,08
- Other	433	-	433	-
	1.305.691		1.610.681	

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 6 - FINANCIAL BORROWINGS

As of 31 March 2023 and 31 December 2022 the Group’s short-term financial borrowings are as follows:

	31 March 2023	31 December 2022
Short-term financial bills (*)	445.864	630.673
TL-denominated short-term bank borrowings	453.797	368.511
Short-term lease liabilities	44.263	35.458
Total short-term financial borrowings	943.924	1.034.642
Short-term portion and interest accruals of		
TL-denominated long-term bank borrowings	1.054.186	1.467.078
Short-term portion and interest accruals of		
USD-denominated long-term bank borrowings	168.474	2.630
Short-term portion of long-term bond issued (**)	281.263	284.521
Total short-term portion of long-term financial borrowings	1.503.923	1.754.229

(*) On 1 August 2022 and 9 December 2022, the Group has issued, 26% and 33% rate bond with a nominal value TL 300.000 thousand and TL 100.000 thousand with a maturity of 175 days and 281 days and coupon payment on maturity date, respectively.

(**) On 2 July 2021 and 16 December 2021, the Group has issued, TLREF+1,40% and TLREF+2,15% a floating rate bond with a nominal value TL 100.000 thousand and TL 180.000 thousand with a maturity of 730 days and 725 days quarterly coupon payments respectively.

As of 31 March 2023 the details of short-term financial borrowings are as follows:

Currency	Annual average effective interest rate (%)	Original amount	TL amount
TL	13,46	453.797	453.797
			453.797

As of 31 December 2022, the details of short-term financial borrowings are as follows:

Currency	Annual average effective interest rate (%)	Original amount	TL amount
TL	19,41	368.511	368.511
			368.511

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(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 6 - FINANCIAL BORROWINGS (Continued)

As of 31 March 2023 and 31 December 2022 the Group’s long-term financial borrowings are as follows:

	31 March 2023	31 December 2022
USD-denominated long-term bank borrowings	574.380	560.949
TL-denominated long-term bank borrowings	-	180.000
Long-term lease liabilities	70.757	68.924
Total long-term lease liabilities	70.757	68.924
Total long-term financial borrowings	645.137	809.873

As of 31 March 2023 the details of long-term financial borrowings are as follows:

Currency	Annual average effective interest rate (%)	Original amount	TL amount
TL	17,03	1.054.186	1.054.186
USD	7,31	38.799	742.854
Short-term portion of long-term loans and interest accruals			(1.222.660)
			574.380

As of 31 December 2022 the details of long-term financial borrowings are as follows:

Currency	Annual average effective interest rate (%)	Original amount	TL amount
TL	17,80	1.467.078	1.467.078
USD	7,67	30.141	563.579
Short-term portion of long-term loans and interest accruals			(1.469.708)
			560.949

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 7 - DERIVATIVE FINANCIAL INSTRUMENTS

As of 31 March 2023 and 31 December 2022 the Group’s derivative financial instruments are as follows:

	31 March 2023		31 December 2022	
	Contract amount	Fair value assets/ (liabilities)	Contract amount	Fair value assets/ (liabilities)
Short-term derivative instruments				
Forward transactions (1)	-	-	206.478	1.027
Futures transactions (2)	1.186.391	17.257	3.457.150	84.727
Total short-term derivative financial assets	1.186.391	17.257	3.663.628	85.754

(1) As of 31 March 2023, the Group has no forward transaction (31 December 2022: The Group has entered into forward transaction with a maturity of 19 and 28-42 days and nominal value amounting to USD 12.653 thousand and 1.610 thousand) (Note 21).

(2) As of 31 March 2023, the Group's future transactions consist of propane, butane, naphtha products and freight swaps.

NOTE 8 - TRADE RECEIVABLES AND PAYABLES FROM THIRD PARTIES

The Group’s trade receivables from third parties as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 December 2022
Trade receivables	2.379.282	2.277.120
Notes receivables	94.904	68.258
Allowance for doubtful receivables (-) (*)	(27.102)	(26.993)
Total current trade receivables	2.447.084	2.318.385

(*) TL 635 thousand of provision for doubtful receivables consists of expected credit loss provisions (31 December 2022: TL 635 thousand).

	31 March 2023	31 December 2022
Notes receivable	6.824	8.135
Total non-current trade receivables	6.824	8.135

AYGAZ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 8 - TRADE RECEIVABLES AND PAYABLES FROM THIRD PARTIES (Continued)

The Group’s trade payables to third parties as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 December 2022
Trade payables	2.723.215	3.531.990
Total short-term trade payables	2.723.215	3.531.990

NOTE 9 – INVENTORIES

	31 March 2023	31 December 2022
Raw materials	610.553	2.183.440
Work in process	12.177	6.995
Finished goods	68.657	60.265
Trade goods	76.152	85.060
Allowance for impairment on inventory (-)	(229)	(229)
	767.310	2.335.531

As of 31 March 2023, the inventories comprise of 42.216 tons of LPG (31 December 2022: 180.476 tons).

NOTE 10 - EQUITY INVESTMENTS

The details of carrying values and consolidation rates subject to equity investments are as follows:

	31 March 2023		31 December 2022	
	Participation amount	Participation rate (%)	Participation amount	Participation rate (%)
EYAŞ	5.370.833	20,00	5.777.483	20,00
OAGM	164.708	50,00	160.297	50,00
United Aygaz	449.202	50,00	324.319	50,00
	5.984.743		6.262.099	

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 10 - EQUITY INVESTMENTS (Continued)

The movement of equity investments is as follows:

	2023	2022
As of January 1	6.262.099	2.160.939
Shares of profit/(loss)	633.016	195.775
Shares of other comprehensive income/(loss)	9.752	(254.101)
Dividend income	(1.033.627)	-
Purchase of interest in joint venture and increase in capital (*)	113.503	79.235
As of 31 March 2023	5.984.743	2.181.848

(*) With the Board of Directors Decision of the Company dated on 6 February 2023, it was decided to increase capital of United Aygaz, BDT 1.240.000 thousand, and the BDT 620.000 thousand (TL 113.503 thousand), corresponding to 50% share of the Company has been paid on 27 February 2023 and 27 March 2023 (Note 1).

Shares of profit (loss) of equity investments:

	1 January - 31 March 2023	1 January - 31 March 2022
EYAŞ	626.397	89.708
Entek	-	103.460
OAGM	4.411	5.061
United Aygaz	2.208	(2.454)
	633.016	195.775

Shares of other comprehensive gains (losses) of equity investments:

	1 January - 31 March 2023	1 January - 31 March 2022
EYAŞ (*)	580	(270.944)
Entek	-	(201)
United Aygaz	9.172	17.044
	9.752	(254.101)

(*) TÜPRAŞ, a subsidiary of EYAŞ, designated its investment loans amounting to USD 149.415 thousand (TL 2.860.700 thousand) (31 December 2022: USD 205.010 thousand, TL 3.833.336 thousand) as hedging instrument against USD/TL spot exchange rate risk which is exposed due to highly probable estimated export revenue in USD and, in this context, applies accounting for cash flow hedge. As of 31 March 2023, foreign exchange gains (losses) on investment loans amounting to TL 2.366.249 thousand (31 December 2022: TL 3.153.308 thousand) are accounted under “Gains (losses) on hedging” under shareholders’ equity until the cash flows of the related hedged item are realized and it does not any effect on current income statement.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT

	Land	Land	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
Acquisition cost									
As of 1 January 2023	18.306	212.934	94.038	1.999.784	281.218	165.434	36.996	132.232	2.940.942
Additions	-	-	-	23	256	15.579	5.522	51.053	72.433
Transfers (*)	-	-	-	29.871	-	118	491	(30.494)	(14)
Disposals	-	-	(36)	(1.545)	(8.195)	(4.573)	-	(1.071)	(15.420)
As of 31 March 2023	18.306	212.934	94.002	2.028.133	273.279	176.558	43.009	151.720	2.997.941
Accumulated depreciation									
As of 1 January 2023	-	94.565	59.207	1.537.145	159.692	81.001	25.755	-	1.957.365
Charge of the period	-	1.795	517	17.209	4.565	5.840	973	-	30.899
Transfers (*)	-	-	-	-	-	-	-	-	-
Disposals	-	-	(11)	(667)	(1.736)	(380)	-	-	(2.794)
As of 31 March 2023	-	96.360	59.713	1.553.687	162.521	86.461	26.728	-	1.985.470
Net book value	18.306	116.574	34.289	474.446	110.758	90.097	16.281	151.720	1.012.471

(*) TL 14 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

Bu doküman Gizli olarak sınıflandırılmıştır. document is classified as Confidential.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 11 - PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Leasehold improvements	Construction in progress	Total	
	improvements	Buildings							
Acquisition cost									
As of 1 January 2022	18.306	195.876	91.115	1.890.211	237.997	119.196	35.294	52.434	2.640.429
Additions	-	-	-	90	9.835	5.257	28	35.489	50.699
Transfers (*)	-	-	-	14.689	1.756	457	-	(17.196)	(294)
Disposals	20	(20)	-	(1.811)	(484)	(2.390)	(121)	(1.678)	(6.484)
As of 31 March 2022	18.326	195.856	91.115	1.903.179	249.104	122.520	35.201	69.049	2.684.350
Accumulated depreciation									
As of 1 January 2022	-	87.900	57.133	1.486.759	144.978	68.366	23.558	-	1.868.694
Charge of the period	-	1.653	521	15.000	3.934	3.644	583	-	25.335
Transfers (*)	-	-	-	-	(227)	-	-	-	(227)
Disposals	-	-	-	(1.430)	(450)	(424)	(74)	-	(2.378)
As of 31 March 2022	-	89.553	57.654	1.500.329	148.235	71.586	24.067	-	1.891.424
Net book value	18.326	106.303	33.461	402.850	100.869	50.934	11.134	69.049	792.926

(*) TL 67 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 12 - INTANGIBLE ASSETS

	Rights
Acquisition costs	
As of 1 January 2023	159.239
Additions	5.957
Transfers (*)	13
As of 31 March 2023	165.209
Accumulated amortisation	
As of 1 January 2023	81.851
Charge for the period	5.104
Transfers (*)	(1)
As of 31 March 2023	87.056
Net book value	78.153

(*) TL 14 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

	Rights
Acquisition costs	
As of 1 January 2022	103.793
Additions	151
Transfers (*)	66
Disposals	-
As of 31 March 2022	104.010
Accumulated amortisation	
As of 1 January 2022	71.173
Charge for the period	2.365
Transfers (*)	(1)
As of 31 March 2022	73.537
Net book value	30.473

(*) TL 67 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 13 - RIGHT OF USE ASSETS

	Land	Land improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Total
As of 1 January 2023	5.946	3.712	60.078	25.447	24.082	21	119.286
Additions	226	650	13.860	-	6.271	-	21.007
Disposals	-	-	(1.607)	-	(11.181)	-	(12.788)
Charge for the period	(284)	(51)	(5.482)	(575)	(3.557)	(2)	(9.951)
Disposals from accumulated depreciation	-	-	1.595	-	10.789	-	12.384
As of 31 March 2023	5.888	4.311	68.444	24.872	26.404	19	129.938
As of 1 January 2022	3.072	3.880	40.381	27.750	113.307	30	188.420
Additions	-	-	2.495	-	32.474	-	34.969
Disposals	-	-	-	-	(12.213)	-	(12.213)
Charge for the period	(207)	(42)	(2.483)	(575)	(22.328)	(2)	(25.637)
Disposals from accumulated depreciation	-	-	-	-	10.573	-	10.573
As of 31 March 2022	2.865	3.838	40.393	27.175	121.813	28	196.112

NOTE 14 – CONTINGENT ASSETS AND LIABILITIES

Guarantees given as of 31 March 2023 and 31 December 2022 are as follows:

	31 March 2023	31 December 2022
Letter of guarantees given for gas purchase	1.019.413	1.010.741
Other letter of guarantees given	672.621	616.739
	1.692.034	1.627.480

The liability for environmental pollution:

According to the effective environmental laws, the Group is responsible for the environmental pollution it causes as a result of its operational activities without seeking a reason of fault. The Group may be fined with an indemnity if the Group causes an environmental pollution. There is no case opened for environmental pollution against the Group, accordingly the Group does not have a liability related with the environmental pollution cases as of the consolidated balance sheet date.

National inventory reserve liability:

Due to the liability of the storage of national petroleum stocks, petroleum products and LPG distributor license owners should hold a minimum of twenty days’ average reserves at their own or other licensed storages, either together or separately. Within the decision of National Petroleum Reserves Commission numbered 2018/3 on 28 December 2018, it was decided to keep the national petroleum stocks minimum 20 days as of 1 July 2019 by the petroleum products and LPG distributor license owners.

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NOTE 14 - CONTINGENT ASSETS AND LIABILITIES (Continued)

The details of the Company’s and its subsidiaries’ guarantees given or contingent liabilities on the behalf of each other, related parties, parent company or third parties within the context of business operations or other purposes are as follows:

	31 March 2023				31 December 2022					
	TL Equivalent of Euro	TL Equivalent of USD	TL Equivalent of other	TL	Total TL	TL Equivalent of Euro	TL Equivalent of USD	TL Equivalent of other	TL	Total TL
A. CPMBs given on behalf of the Company’s legal personality	230.435	24.315	-	1.167.968	1.422.718	220.829	7.433	-	1.129.535	1.357.797
B. CPMBs given in favor of subsidiaries included in full consolidation (*)	-	214.392	-	53.102	267.494	-	214.392	-	53.102	267.494
C. CPMBs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business (*)	-	-	-	1.822	1.822	-	-	-	2.189	2.189
D. Other CPMBs	-	-	-	-	-	-	-	-	-	-
i. CPMBs given in favor of parent company	-	-	-	-	-	-	-	-	-	-
ii. CPMBs given in favor of companies not in the scope of B and C above	-	-	-	-	-	-	-	-	-	-
iii. CPMBs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-	-	-
Total amount of CPMBs	230.435	238.707	-	1.222.892	1.692.034	220.829	221.825	-	1.184.826	1.627.480

(*) As of 31 March 2023, total amount of commission accrued for guarantees given or contingent liabilities except ‘A. CPMBs given on behalf of the Company’s legal personality’ is TL 1.603 thousand (31 December 2022: TL 1.603 thousand).

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NOTE 15 – OTHER SHORT-TERM PROVISIONS AND LIABILITIES

	31 March 2023	31 December 2022
Provision for price revision (*)	371.412	362.726
Provision for selling and marketing expenses	116.566	16.863
Provision for EMRA contribution	33.083	24.996
Provision for lawsuit	14.904	14.909
Provision for warranty expenses	4.146	4.146
Provision for other operating expenses	57.056	35.197
Other short-term provisions	597.167	458.837

(*) As per the contract with Akfel Gaz Sanayi ve Ticaret A.Ş. (“Akfel”) which is the natural gas supplier of the Company's subsidiary Aygaz Doğal Gaz Toptan Satış A.Ş.(“ADG”), as the price revision arbitration process between Akfel and Gazprom Export LLC (“Gazprom”) resulted against Akfel, the amount of provision set aside as of 31 March 2023 is USD 19.399 thousand (the equivalent of TL 371.412 thousand) (31 December 2022: USD 19.399 thousand provision – the equivalent of TL 362.726 thousand).

	31 March 2023	31 December 2022
Provision for success fees (*)	60.941	60.941
Other long-term provisions	60.941	60.941

(*) The entire amount includes the long-term success fee provision that the Company's subsidiary, Sendeo, is obliged as of 31 March 2023 within the scope of the long-term Consulting Agreement with McKinsey (Note 1).

NOTE 16 - OTHER SHORT-TERM PROVISIONS AND LIABILITIES

	31 March 2023	31 December 2022
Guarantees and deposits given	763	61.606
Other receivables	3.878	3.451
Total other current receivables	4.641	65.057

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NOTE 17- SHARE CAPITAL

Share holders	Participation rate (%)	31 March 2023	Participation rate (%)	31 December 2022
Temel Ticaret ve Yatırım A.Ş.	5,77	12.693	5,77	12.693
Koç Ailesi üyeleri	4,76	10.452	4,76	10.452
Koç Holding A.Ş.	40,68	89.425	40,68	89.425
Liquid Petroleum Gas Development Company (“LPGDC”) (*)	24,52	53.885	24,52	53.885
Publicly held (*)	24,27	53.346	24,27	53.346
Nominal capital	100,00	219.801	100,00	219.801
Inflation adjustment (**)		71.504		71.504
Adjusted capital		291.305		291.305

(*) TL 2.725.041,31 under publicly held shares (0,91% participation rate on the share capital) belong to Hilal Madeni Eşya Ticaret Sanayi ve Yatırım A.Ş., a 100% owned subsidiary of LPGDC.

(**) Adjustment to share capital” represents the restatement effect of cash and cash equivalent contributions to share capital measured in accordance with the IAS/IFRS promulgated by the POA. “Adjustment to share capital” has no use other than being transferred to paid-in share capital.

Dividends paid

In the Ordinary General Meeting held on 20 March 2023, the Company decided to reserve TL 20.881 thousand as legal reserves and distribute TL 219.801 thousand gross dividends from the net distributable income of 2022 and dividends have been started to be paid as of 27 March 2023.

NOTE 18 – EARNINGS PER SHARE

	1 January - 31 March 2023	1 January - 31 March 2022
Average number of ordinary shares outstanding during the period (one thousand)	21.980.100	30.000.000
Net profit for the year attributable equity holders of the parent company	687.319	200.894
Earnings (losses) per hundred shares (TL)	3,1270	0,6696

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NOTE 19 – TAX ASSETS AND LIABILITIES

	31 March 2023	31 December 2022
Current corporate tax provision	54.729	53.297
Less: Prepaid taxes and funds	(19.576)	(45.541)
Current tax liability	35.153	7.756

	1 January - 31 March 2023	1 January - 31 March 2022
Current corporate tax provision	(54.729)	(10.862)
Deferred tax	55.008	(24.514)
Total tax expense	279	(35.376)

Corporate tax

The Group is subject to Turkish corporate taxes. Provision is made in the accompanying financial statements for the estimated tax charge based on the Group's results for the years and periods.

Corporate tax is applied on taxable corporate income, which is calculated from the statutory accounting profit by adding back non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

As of 31 March 2023 the rate of tax is 20% (2022: 23%).

In Turkey, advance tax returns are filed on a quarterly basis. Losses are allowed to be carried 5 years maximum to be deducted from the taxable profit of the following years. Tax carry back is not allowed.

In accordance with the regulation published in Official Gazette numbered 31462 on 22 April 2021, corporate tax rate in Turkey for the year 2021 has been determined as 25%, for the year 2022 as 23%, for the year 2023 and beyond as 20%. In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns between 1-25 April following the close of the accounting year to which they relate. Tax authorities may examine such returns and the underlying accounting records and may revise assessments within five years.

In accordance with the Law No. 7440 on the "Restructuring of Certain Receivables and Amending Certain Laws" published in the Official Gazette on 12 March 2023, with the exceptions and deductions subject to deduction from corporate income in accordance with the regulations in the laws, by being shown in the corporate tax return for the year 2022. An additional tax of 10% should be calculated over the bases subject to reduced corporate tax, without being associated with the period income, and at the rate of 5% over the exempted earnings. As of 31 March 2023, the Company's accrued amount for the related tax in addition to the corporate tax is TL 29.934 thousand, and the payment for the said tax will be made in two installments in 2023.

Deferred tax

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between the financial statements as reported for IAS/IFRS purposes issued by POA and financial statements prepared in accordance with the tax legislation. These differences arise from the differences in accounting periods for the recognition of income and expenses in accordance with IAS/IFRS and tax legislation.

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NOTE 19 – TAX ASSETS AND LIABILITIES (Continued)

The Company revalued its tangible and intangible assets and their depreciation as of 31 March 2023, within the scope of the Tax Procedure Law General Communiqué (Sequence No: 530) published by the Ministry of Treasury and Finance. Due to IFRS, related assets are continued to be accounted under cost method. It has calculated the deferred tax asset/liability, which is currently calculated over the temporary difference between IFRS and TPL, over the current TPL values that will occur with the effect of revaluation, and the deferred tax income that will arise due to this application, to the extent that the recovery of the said tax advantage is deemed possible, is calculated as a single income tax accounted for in the table.

As of 31 March 2023 and 31 December 2022, the distribution of deferred tax liability calculated using effective tax rates as of the balance sheet date is as follows:

	31 March 2023	31 December 2022
Depreciation/amortization differences of property, plant and equipment and other intangible assets	(41.041)	(56.478)
Revaluation of financial assets measured at fair value through other comprehensive income	57.259	72.498
Allowable financial losses	(131.225)	(93.792)
Provision for employment termination benefits	(33.205)	(38.800)
Valuation of inventories	(28.848)	(264)
Derivative instruments	-	16.150
Other	(4.749)	(9.532)
Deferred tax assets/liabilities	(181.809)	(110.218)

In Turkey, since the companies cannot declare consolidated tax refund, subsidiaries with deferred tax assets and subsidiaries with deferred tax liabilities cannot be netted off and are shown separately.

	31 March 2023	31 December 2022
Deferred tax assets	(183.782)	(112.664)
Deferred tax liabilities	1.973	2.446
Deferred tax (assets) / liabilities, net	(181.809)	(110.218)

Movement of deferred tax assets and liabilities are as follows:

	2023	2022
As of January 1	(110.218)	(42.247)
Change to the profit or loss	(55.008)	24.514
Change to the equity		
- Effect of gains/(losses) on financial assets measured at fair value through other comprehensive income	(15.239)	4.150
- Effect of gains/(losses) on cash flow hedges	(1.344)	(7.896)
As of 31 December	(181.809)	(21.479)

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NOTE 20 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

A company is defined as a related party of the Company, if one of the companies has a control power on the other company or has a significant impact on financial and administrative decisions of the other company. The Company is controlled by Koç Holding, Koç Family or entities owned by Koç Family. In financial statements, shareholder companies, shareholders and financial investments and other Group companies’ assets are shown as related parties. As of 31 March 2023, there is a dividend payable to shareholders other than Koç Group amounting to TL 4.981 thousand (31 December 2022: TL 1.394 thousand) in the other payables to related parties of the consolidated balance sheet.

Balances with related parties	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
	31 March 2023			
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	129.534	-	11.530	-
Demir Export A.Ş. - Fernas İnşaat A.Ş. Adi Ortaklığı	3.771	-	-	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	3.923	-	311	-
Opet Petrolcülük A.Ş.	3.860	-	136.462	-
Arçelik A.Ş.	2.654	-	583	-
Tofaş Türk Otomobil Fabrikası A.Ş.	2.192	-	-	-
Divan Turizm İşletmeleri A.Ş.	657	-	7	-
Otokoç Otomotiv Tic. ve San. A.Ş.	544	-	45.418	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	489	-	12.814	-
Opet-Fuchs Madeni Yağlar	27	-	1.430	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	19.053	-
Ram Dış Ticaret A.Ş.	-	-	-	-
Other	15.027	-	9.021	-
Shareholders				
Koç Holding A.Ş.	112	-	2.022	-
Investments accounted under the equity method				
United Aygaz	133.788	-	-	-
	296.578	-	238.651	-
Balances with related parties	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
	31 December 2022			
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	15.842	-	108.399	-
Demir Export A.Ş. - Fernas İnşaat A.Ş. Adi Ortaklığı	5.653	-	-	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	3.812	-	315	-
Tofaş Türk Otomobil Fabrikası A.Ş.	3.373	-	1.214	-
Opet Petrolcülük A.Ş.	3.051	-	188.254	-
Arçelik A.Ş.	2.369	-	731	-
Divan Turizm İşletmeleri A.Ş.	1.185	-	216	-
Otokoç Otomotiv Tic. ve San. A.Ş.	322	-	47.141	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	318	-	23.996	-
Opet-Fuchs Madeni Yağlar	16	-	1.877	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	1	-	67.519	-
Other	12.700	-	11.818	-
Shareholders				
Koç Holding A.Ş.	21	84.375	26.442	-
Investments accounted under the equity method				
United Aygaz	91.594	-	-	-
	140.257	84.375	477.922	-

(*) Group companies include Koç Group companies.

(**) Zer Merkezi Hizmetler ve Ticaret A.Ş. (“Zer”) provides purchasing services for various item to the Group. As of balance sheet date, trade payables consist of Group’s payables to third party intermediary service companies and payables to Zer for commissions for intermediary activities.

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NOTE 20 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

	1 January - 31 March 2023			
Transactions with related parties	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	452.381	164.010	9.911	22
Opet Petrolcülük A.Ş.(**) (***)	360.634	37.688	59.769	919
Zer Merkezi Hizmetler ve Ticaret A.Ş.	12.341	90	37.029	11
Entek Elektrik Üretimi A.Ş.	5.590	13	2.104	11
Opet Fuchs Madeni Yağ San. Tic A.Ş.	2.773	25	98	20
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	2.361	70	9.001	481
Arçelik A.Ş.	-	7.222	-	65
Other	714	40.439	16.390	5.421
Shareholders				
Koç Holding A.Ş. (****)	-	90	16.126	-
Investments accounted under the equity method				
United Aygaz	-	156.860	-	-
	836.794	406.507	150.428	6.950
	1 January - 31 March 2022			
Transactions with related parties	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	981.128	92.248	685	-
Opet Petrolcülük A.Ş.(**) (***)	225.092	14.305	23.640	-
Otokoç Otomotiv Tic. ve San. A.Ş.	9.547	-	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	7.953	15	11.796	-
Opet Fuchs Madeni Yağ San. Tic A.Ş.	4.776	44	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	622	109	10.101	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	8.754	152	-
Other	427	32.325	5.977	-
Shareholders				
Koç Holding A.Ş. (****)	-	33	6.349	-
Investments accounted under the equity method				
Entek Elektrik Üretimi A.Ş.	-	20	3.475	-
	1.229.545	147.853	62.175	-

(*) Group companies include Koç Group companies.

(**) Commission expenses regarding LPG sold at Opet stations for three-month period ended 31 March 2023 is TL 55.121 thousand (1 January – 31 March 2022: TL 22.909 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under income statement as sales discounts.

(***) Though not presented at transactions with related parties, so as to fulfil fuel and auto gas sales exclusively and on the basis of station, prepayments and/or infrastructural investments are made directed for sales under “Agreement of Auto Gas Sales at Gas Stations” between Aygaz and Opet. Prepayments are presented under prepaid expenses in consolidated statement of financial position and are periodically amortized based on duration of dealer agreements. Prepayments and investment contribution margin is made to Opet in consideration of 5 years sale agreement on average to be paid to Aygaz Dealers making auto-gas sales at Opet stations. No prepayments or investment contribution margins were made in the period of 1 January-31 March 2023. (1 January – 31 March 2022: TL 950 thousand).

(****) Billed remuneration for services such as finance, law, planning, tax and senior management provided by Koç Holding, the main shareholder, to Group companies, service expenses including personnel and senior management as a result of arrangement of 1st Serial Number of General Communique About Transfer Pricing Through Hidden Income Distribution’s “11- In Group Services”.

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NOTE 20 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

Tangible asset and rent transactions with related parties	1 January - 31 March 2023			
	Rent income	Rent expense	Tangible and intangible asset purchases	Tangible asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	683	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	4.012	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	123	-
Other	-	-	71	141
Shareholders				
Koç Holding A.Ş.	-	659	-	-
	683	659	4.206	141

Tangible asset and rent transactions with related parties	1 January - 31 March 2022			
	Rent income	Rent expense	Tangible and intangible asset purchases	Tangible asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	377	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	3.372	-
Opet Aygaz Gayrimenkul A.Ş.	-	-	-	240
Other	-	-	133	54
Shareholders				
Koç Holding A.Ş.	-	534	-	-
	377	534	3.505	294

Financial and other transactions with related parties	1 January - 31 March 2023			
	Financial income	Financial expense	Other income	Other expense
Group companies (*)				
Yapı ve Kredi Bankası A.Ş.	16.381	8.303	-	-
Other	-	-	-	60
	16.381	8.303	-	60

Financial and other transactions with related parties	1 January - 31 March 2022			
	Financial income	Financial expense	Other income	Other expense
Group companies (*)				
Yapı ve Kredi Bankası A.Ş.	111.745	11.863	-	-
Other	-	-	-	18
	111.745	11.863	-	18

(*) Group companies include Koç Group companies.

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NOTE 20 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

	31 March 2023	31 December 2022
Cash at banks		
Group companies (*)		
Yapı ve Kredi Bankası A.Ş.	419.887	355.350
Credit card receivables		
Group companies (*)		
Yapı ve Kredi Bankası A.Ş.	14.889	6.582
Bank loans		
Group companies (*)		
Yapı ve Kredi Bankası A.Ş.	108.562	81.486

(*) Group companies include Koç Group companies.

Benefits to Top Management:

The Company has determined senior managers as Board of Directors’ members, General Manager, Vice General Managers and Directors directly reporting to General Manager.

Benefits to top management personnel includes salaries, premiums, SSI employer’s contribution, employer’s contribution of unemployment insurance and the attendance fees of board of directors.

As of 31 March 2023, total benefit provided to the senior management of the Company is TL 7.391 thousand (31 March 2022: TL 4.369 thousand). There are no payments made to senior management of the Company in this amount due to their leaving the job (31 March 2022: None), total amount is consist of the short-term benefits.

NOTE 21 – NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS

Foreign currency risk management

Transactions in terms of foreign currency cause the Group expose to foreign exchange risk. The Group controls foreign currency risk coming from its operations and cash flows of finance contracts by using “foreign exchange forward contracts”.

The Group’s monetary and non-monetary assets and liabilities in terms of foreign currencies are as follows:

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NOTE 21 – NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

	31 March 2023			
	Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	Other
1. Trade receivables	1.038.080	973.838	64.242	-
2.a Monetary financial assets	1.459.673	1.454.413	4.657	603
2.b Non-monetary financial assets	-	-	-	-
3. Other	407	65	342	-
4. Current assets	2.498.160	2.428.316	69.241	603
5. Trade receivables	-	-	-	-
6.a Monetary financial assets	-	-	-	-
6.b Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets	-	-	-	-
9. Total assets	2.498.160	2.428.316	69.241	603
10. Trade payables	(2.019.443)	(2.010.379)	(9.064)	-
11. Financial liabilities	(168.474)	(168.474)	-	-
12.a Other monetary financial liabilities	(371.420)	(371.420)	-	-
12.b Other non-monetary financial liabilities	(2.819)	(1.477)	(1.342)	-
13. Current liabilities	(2.562.156)	(2.551.750)	(10.406)	-
14. Trade payables	-	-	-	-
15. Financial liabilities	(574.380)	(574.380)	-	-
16.a Other monetary financial liabilities	-	-	-	-
16.b Other non-monetary financial liabilities	-	-	-	-
17. Non-current liabilities	(574.380)	(574.380)	-	-
18. Total liabilities	(3.136.536)	(3.126.130)	(10.406)	-
19. Net asset/liability position of off balance sheet asset and liabilities (19a-19b)	-	-	-	-
19.a Total derivative assets	-	-	-	-
19.b Total derivative liabilities	-	-	-	-
20. Net foreign currency asset/ (liability) position (9+18+19)	(638.376)	(697.814)	58.835	603
21. Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)	(635.964)	(696.402)	59.835	603
22. Fair value of derivative instruments held for hedging	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Export (*)	4.127.589	3.970.737	155.483	1.369
26. Import (*)	8.405.230	8.395.586	8.450	1.194

(*) Transit sales and purchases are included.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2023

(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 21 – NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

		31 December 2022			
		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	Other
1.	Trade receivables	842.386	814.831	27.555	-
2.a	Monetary financial assets	543.875	537.738	5.552	585
2.b	Non-monetary financial assets	-	-	-	-
3.	Other	66.190	66.184	6	-
4.	Current assets	1.452.451	1.418.753	33.113	585
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets	-	-	-	-
9.	Total assets	1.452.451	1.418.753	33.113	585
10.	Trade payables	(2.806.319)	(2.558.172)	(247.648)	(499)
11.	Financial liabilities	(2.630)	(2.630)	-	-
12.a	Other monetary financial liabilities	(362.735)	(362.735)	-	-
12.b	Other non-monetary financial liabilities	(4.203)	(3.380)	(823)	-
13.	Current liabilities	(3.175.887)	(2.926.917)	(248.471)	(499)
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(560.949)	(560.949)	-	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non-monetary financial liabilities	-	-	-	-
17.	Non-current liabilities	(560.949)	(560.949)	-	-
18.	Total liabilities	(3.736.836)	(3.487.866)	(248.471)	(499)
19.	Net asset/liability position of off balance sheet asset and liabilities (19a-19b)	206.478	206.478	-	-
19.a	Total derivative assets	206.478	206.478	-	-
19.b	Total derivative liabilities	-	-	-	-
20.	Net foreign currency asset/ (liability) position (9+18+19)	(2.077.907)	(1.862.635)	(215.358)	86
21.	Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)	(2.346.372)	(2.131.917)	(214.541)	86
22.	Fair value of derivative instruments held for hedging	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export (*)	9.567.065	9.226.978	299.738	40.349
26.	Import (*)	24.952.117	24.908.258	39.082	4.777

(*) Transit sales and purchases are included.

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NOTE 21 – NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Group’s consolidated assets and liabilities denominated in foreign currency are as follows:

	31 March 2023	31 December 2022
Assets	2.498.160	1.452.451
Liabilities	(3.136.536)	(3.736.836)
Net asset/liability position	(638.376)	(2.284.385)
Derivative instruments net position	-	206.478
Net foreign currency asset/liability position	(638.376)	(2.077.907)
Inventories under the natural hedge (*)	615.057	2.155.409
Net foreign currency position after the natural hedge	(23.319)	77.502

(*) The Group manages its foreign currency risk by regularly considering and reflecting the foreign exchange rate changes in the determination of product prices (natural hedge). As of 31 March 2023, the Group has LPG amounting to TL 615.057 thousand (31 December 2022: TL 2.155.409 thousand).

The Group is exposed to exchange risk due to its operations based on foreign currency. The respective exchange risk, together with the monetary assets and liabilities in foreign currency in the balance sheet, is managed with a comprehensive risk monitoring system within the targeted limits with the treasury transactions, natural hedge applications and forward foreign currency purchase/sale or derivative transaction contracts made by the Group to eliminate the currency risk.

Foreign currency sensitivity:

The Group is mainly exposed to foreign currency risk in USD and EURO.

The following table details the Group’s sensitivity to a 10% increase and decrease in the USD and Euro. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the possible change in foreign exchange rates. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower.

A positive number indicates an increase in profit/loss and other equity accounts.

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(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

NOTE 21 – NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

	31 March 2023			
	Income/(Expense)		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/(liability)	(69.640)	69.640	(69.640)	69.640
Secured portion from USD risk	-	-	-	-
USD net effect	(69.640)	69.640	(69.640)	69.640
10% fluctuation of Euro rate				
Euro net asset/(liability)	5.984	(5.984)	5.984	(5.984)
Secured portion from Euro risk	-	-	-	-
Euro net effect	5.984	(5.984)	5.984	(5.984)
Total net effect	(63.656)	63.656	(63.656)	63.656

	31 December 2022			
	Income/(Expense)		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/(liability)	(213.192)	213.192	(213.192)	213.192
Secured portion from USD risk	20.648	(20.648)	20.648	(20.648)
USD net effect	(192.544)	192.544	(192.544)	192.544
10% fluctuation of Euro rate				
Euro net asset/(liability)	(21.454)	21.454	(21.454)	21.454
Secured portion from Euro risk	-	-	-	-
Euro net effect	(21.454)	21.454	(21.454)	21.454
Total net effect	(213.998)	213.998	(213.998)	213.998

Currency forward agreements

The Group had no currency forward agreements of 31 March 2023. Currency forward agreements which are valid as of 31 December 2022 are summarized at the table below.

Maturity	Parity	Type of contract	Transactions	31 December 2022	
				Total amount	Currency
11 days	1,06	Forward	Buys Euro, sells USD	12.653	USD
28-42 days	1,0566 - 1,058	Forward	Buys USD, sells Euro	1.610	USD

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NOTE 21 – NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy table

The fair values of financial assets and financial liabilities are determined as follows:

- First level: The fair value of financial assets and financial liabilities are determined with reference to actively traded market prices;
- Second level: Other than market prices specified at first level, the fair value of financial assets and financial liabilities are evaluated with reference to inputs that used to determine directly or indirectly observable price in market;
- Third level: The fair value of financial assets and financial liabilities are evaluated with reference to inputs that used to determine fair value but not relying on observable data in the market.

Level classifications of financial assets and liabilities at fair value are as follows:

Financial assets/(liabilities)	Level of fair value as of reporting date			
	31 March 2023	1st level	2nd level	3rd level
Financial assets measured at fair value	1.305.691	1.302.424	2.834	433
Derivative financial instruments	17.257	-	17.257	-

Financial assets/(liabilities)	Level of fair value as of reporting date			
	31 December 2022	1st level	2nd level	3rd level
Financial assets measured at fair value	1.610.681	1.607.414	2.834	433
Derivative financial instruments	85.754	-	85.754	-

Information for reflecting financial assets and liabilities at fair value

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by a quoted market price, if one exists.

The estimated fair values of financial instruments have been determined by the Group, using available market information and appropriate valuation methodologies. However, judgements are necessarily required to interpret the market data to estimate the fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Group could realize in a current market exchange.

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NOTE 21 – NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

Following methods and assumptions were used to estimate the fair value of the financial instruments for which is practicable to estimate fair value:

Financial assets

The carrying amounts of foreign currency denominated monetary assets which are translated at year end exchange rates are considered to approximate their fair values.

The carrying values of cash and cash equivalents are estimated to be their fair values since they are short-term.

The carrying values of trade receivables along with the related allowances for uncollectability are estimated to be their fair values.

Financial Liabilities

The carrying values of short-term financial liabilities and other financial liabilities are estimated to be their fair values since they are short-term.

NOTE 22 - SUBSEQUENT EVENTS

None.

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