

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

AYGAZ ANONİM ŐİRKETİ

**1 JANUARY - 30 SEPTEMBER 2022 INTERIM
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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AYGAZ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

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

	Notes	Unaudited 30 September 2022	Audited 31 December 2021
ASSETS			
Current assets			
Cash and cash equivalents	4	2.009.037	1.693.433
Financial investments		61.867	-
Trade receivables		2.090.889	1.065.040
- Trade receivables from related parties	20	121.299	71.565
- Trade receivables from third parties	8	1.969.590	993.475
Other receivables		93.453	105.610
- Other receivables from third parties	16	93.453	105.610
Derivative financial instruments	7	57.177	185
Inventories	9	1.886.925	1.433.089
Prepaid expenses		104.503	91.326
Assets related to current year tax		7.906	-
Other current assets		323.878	248.908
Total current assets		6.635.635	4.637.591
Non-current assets			
Financial investments	5	964.617	462.013
Trade receivables		8.474	6.545
- Trade receivables from third parties	8	8.474	6.545
Other receivables		8.556	156
- Other receivables from third parties		8.556	156
Investments accounted under equity method	10	4.593.076	2.160.939
Property, plant and equipment	11	880.165	771.735
Right-of-use assets	13	207.641	188.420
Intangible assets		27.402	32.620
- Other intangible assets	12	27.402	32.620
Prepaid expenses		24.819	28.908
Deferred tax asset	19	39.805	44.204
Total non-current assets		6.754.555	3.695.540
Total assets		13.390.190	8.333.131

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 30 SEPTEMBER 2022

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

	Notes	Unaudited 30 September 2022	Audited 31 December 2021
LIABILITIES AND EQUITY			
Short-term liabilities			
Short-term financial borrowings	6	1.269.002	111.624
Current portion of long-term financial borrowings	6	1.216.180	954.983
Trade payables		3.191.162	2.122.269
- Trade payables to related parties	20	390.531	308.739
- Trade payables to third parties	8	2.800.631	1.813.530
Liabilities for employee benefits		32.525	61.415
Other payables		4.228	3.388
- Other payables to related parties	20	1.397	1.335
- Other payables to third parties		2.831	2.053
Derivative financial instruments	7	-	44.598
Deferred income		1.031	9.207
Current income tax liabilities		4.480	27.421
Short-term provisions		612.998	496.748
- Short-term provisions for employee benefits		86.727	-
- Other provisions	15	526.271	496.748
Other current liabilities		116.324	37.006
Total short-term liabilities		6.447.930	3.868.659
Long-term liabilities			
Long-term financial borrowings	6	1.205.885	1.485.852
Other payables		134.529	141.749
- Trade payables to third parties		134.529	141.749
Long-term provisions		177.845	115.715
- Long-term provisions for employee benefits		126.049	91.919
- Other long-term provisions	15	51.796	23.796
Deferred tax liabilities	19	42.438	1.957
Total long-term liabilities		1.560.697	1.745.273
Total liabilities		8.008.627	5.613.932
Equity			
Share capital	17	219.801	300.000
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		762.599	285.626
Gains (losses) on the revaluation and/or reclassification		764.349	287.376
- Gains (losses) remeasurement from defined benefit plans		(413)	(413)
- Gains (losses) on financial assets measured at fair value through other comprehensive income		764.762	287.789
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss		(1.750)	(1.750)
Other comprehensive income or expenses to be reclassified to profit or loss		(60.123)	(411.216)
Currency translation differences		(38.456)	3.311
Gains (losses) on hedge		(32.526)	(14.550)
- Gains (losses) on cash flow hedges		(32.526)	(14.550)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		10.859	(399.977)
Restricted reserves		379.192	365.692
Retained earnings		1.116.826	1.423.454
Net profit (loss) for the period		2.832.829	670.105
Equity attributable to equity holders of the parent		5.315.186	2.697.723
Non-controlling interest		66.377	21.476
Total equity		5.381.563	2.719.199
Total equity and liabilities		13.390.190	8.333.131

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

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

	Notes	Unaudited 1 January - 30 September 2022	Unaudited 1 July - 30 September 2022	Unaudited 1 January - 30 September 2021	Unaudited 1 July - 30 September 2021
Revenue		26.490.998	10.521.575	10.170.226	4.768.012
Cost of sales (-)		(24.876.832)	(9.815.256)	(9.241.096)	(4.335.508)
Gross profit		1.614.166	706.319	929.130	432.504
General administrative expenses (-)		(517.612)	(186.597)	(277.232)	(102.328)
Marketing expenses (-)		(756.736)	(311.577)	(332.891)	(135.163)
Research and development expenses (-)		(6.524)	(2.709)	(3.582)	(1.547)
Other operating income		1.088.290	339.912	522.905	119.366
Other operating expenses (-)		(1.151.863)	(231.829)	(511.229)	(124.953)
Operating profit		269.721	313.519	327.101	187.879
Income from investment activities		32.725	2.004	17.128	2.466
Loss from investment activities (-)		(4.096)	(1.656)	(3.203)	(1.517)
Profit (losses) from investments accounted under equity method	10	2.740.095	1.370.352	260.717	125.154
Operating profit before financial income (expense)		3.038.445	1.684.219	601.743	313.982
Financial income		408.995	145.968	151.855	64.526
Financial expense (-)		(668.521)	(276.847)	(231.994)	(80.557)
Profit from continuing operations before tax		2.778.919	1.553.340	521.604	297.951
Tax income (expense), continuing operations					
Current tax expense for the period (-)	19	(31.915)	(15.123)	(111.193)	(48.182)
Deferred tax income (expense)	19	(31.274)	(50.667)	94.758	71.054
Profit (loss) for the period		2.715.730	1.487.550	505.169	320.823
Distribution of profit (loss) for the period					
Non-controlling interest		(117.099)	(50.728)	(15.545)	(15.545)
Equity holders of the parent		2.832.829	1.538.278	520.714	336.368
Earnings (losses) per share (TL)	18	9,7318	5,6292	1,7357	1,1212
Diluted earnings (losses) per share (TL)	18	9,7318	5,6292	1,7357	1,1212

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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

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

	Notes	Unaudited 1 January - 30 September 2022	Unaudited 1 July - 30 September 2022	Unaudited 1 January - 30 September 2021	Unaudited 1 July - 30 September 2021
Profit (loss) for the period		2.715.730	1.487.550	505.169	320.823
Other comprehensive income					
Not to be reclassified to profit or loss		476.973	354.175	(86.606)	32.315
Gains (losses) on financial assets measured at fair value through other comprehensive income					
- Gains (losses) on financial assets measured at fair value through other comprehensive income		502.077	372.816	(91.164)	34.016
Taxes relating to other comprehensive income not to be reclassified to profit (loss)					
- Gains (losses) on financial assets measured at fair value through other comprehensive income, tax effect	19	(25.104)	(18.641)	4.558	(1.701)
To be reclassified to profit or loss		351.093	422.143	15.037	27.689
Currency translation differences		(41.767)	(36.427)	5.164	1.365
Gains (losses) on cash flow hedges					
- Gains (losses) on cash flow hedges		(29.474)	(48.926)	5.332	15.176
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss					
- Gains (losses) from cash flow hedges of investments using equity method		285.696	432.705	(394)	14.175
- Gains (losses) from currency translation differences of investments using equity method		125.140	58.432	6.487	1.050
Taxes relating to other comprehensive income to be reclassified to profit (loss)					
- Gains (losses) on cash flow hedges, tax effect	19	11.498	16.359	(1.552)	(4.077)
Other comprehensive income (expense) (after taxation)		828.066	776.318	(71.569)	60.004
Total other comprehensive income (expense)		3.543.796	2.263.868	433.600	380.827
Distribution of total comprehensive income (expense)					
- Non-controlling interest		(117.099)	(50.728)	(15.545)	(15.545)
- Equity holders of the parent		3.660.895	2.314.596	449.145	396.372

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AYGAZ ANONİM ŞİRKETİ

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

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

Notes	Share capital	Adjustment to share capital	Adjustment to share capital due to cross-ownership (-)	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				Total equity	
				Gains (losses) on 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
Unaudited															
As of 1 January 2021	300.000	71.504	(7.442)	237	249.012	(1.233)	(4.822)	5.405	(234.244)	352.192	1.611.683	(24.889)	2.317.403	-	2.317.403
Transfers	-	-	-	-	-	-	-	-	-	13.500	(38.389)	24.889	-	-	-
Increase in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	48.600	48.600
Decrease due to share ratio changes that do not result in loss of control in subsidiaries	-	-	-	-	-	-	-	-	-	-	160	-	160	15.815	15.975
Total comprehensive income (expense)	-	-	-	-	(86.606)	-	5.164	3.780	6.093	-	-	520.714	449.145	(15.545)	433.600
<i>Net income</i>	-	-	-	-	-	-	-	-	-	-	-	520.714	520.714	(15.545)	505.169
<i>Other comprehensive income (expense)</i>	-	-	-	-	(86.606)	-	5.164	3.780	6.093	-	-	-	(71.569)	-	(71.569)
Dividend paid	-	-	-	-	-	-	-	-	-	-	(150.000)	-	(150.000)	-	(150.000)
As of 30 September 2021	300.000	71.504	(7.442)	237	162.406	(1.233)	342	9.185	(228.151)	365.692	1.423.454	520.714	2.616.708	48.870	2.665.578
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	-	-	-	-	-	-	-	-	-	-	-	-	-	162.000	162.000
Payments made to shareholders except dividend	(80.199)	-	-	-	-	-	-	-	-	-	(813.233)	-	(893.432)	-	(893.432)
Total comprehensive income (expense)	-	-	-	-	476.973	-	(41.767)	(17.976)	410.836	-	-	2.832.829	3.660.895	(117.099)	3.543.796
<i>Net income</i>	-	-	-	-	-	-	-	-	-	-	-	2.832.829	2.832.829	(117.099)	2.715.730
<i>Other comprehensive income (expense)</i>	-	-	-	-	476.973	-	(41.767)	(17.976)	410.836	-	-	-	828.066	-	828.066
Dividend paid	17	-	-	-	-	-	-	-	-	-	(150.000)	-	(150.000)	-	(150.000)
As of 30 September 2022	219.801	71.504	(7.442)	(413)	764.762	(1.750)	(38.456)	(32.526)	10.859	379.192	1.116.826	2.832.829	5.315.186	66.377	5.381.563

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 30 SEPTEMBER 2022

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

	Notes	Unaudited 1 January - 30 September 2022	Unaudited 1 January - 30 September 2021
Cash flows from operating activities		(67.610)	348.295
Net income (loss)		2.715.730	505.169
Adjustments related with the reconciliation of net profit (loss) for the period		(2.281.972)	51.007
Adjustments for depreciation and amortization expenses	3, 11, 12, 13	178.804	133.671
Adjustments for impairment reversal (loss)		(85)	1.141
Adjustments for provisions		179.553	95.791
Adjustments for dividend income (expense)		(16.863)	(7.525)
Adjustments for interest income		(94.475)	(83.237)
Adjustments for interest expense		406.537	161.575
Adjustments for unrealized foreign translation differences		(115.181)	(5.016)
Adjustments for fair value gains (losses) on derivative financial instruments		(119.566)	3.637
Adjustments for undistributed profits of investments accounted under equity method	10	(2.740.095)	(260.717)
Adjustments for tax income (expenses)	19	63.189	16.435
Adjustments for gains (losses) on disposal of non-current assets		(11.766)	(6.400)
Other adjustments for reconciliation of profit (loss)		(12.024)	1.652
Changes in working capital		(438.559)	(128.834)
Change in blocked deposits		15.915	(693)
Adjustments for decrease (increase) in trade receivables		(1.027.693)	(94.114)
Adjustments for decrease (increase) in other operating receivables		(71.213)	(126.816)
Adjustments for decrease (increase) in inventories		(453.836)	(475.487)
Decrease (increase) in prepaid expenses		(6.435)	(100.957)
Adjustments for increase (decrease) in trade payables		1.068.893	734.978
Increase (decrease) in liabilities for employee benefits		(28.890)	(54.322)
Adjustments for increase (decrease) in other operating payables		72.876	(12.421)
Increase (decrease) in deferred income		(8.176)	998
Cash flows from operating activities		(4.801)	427.342
Payments related to provisions for employee benefits		(47)	(6.061)
Tax returns (payments)		(62.762)	(72.986)
Cash flows from investing activities		(235.086)	(80.804)
Cash inflows from sales that do not result in loss of control of subsidiaries		-	15.975
Cash outflows from the purchase of interests or capital increase of investments in associates or joint ventures	10	(174.638)	(56.657)
Cash inflows from the sale of property, plant and equipment and intangible assets		28.936	19.528
Cash outflows from the purchase of property, plant and equipment and intangible assets	11, 12	(206.380)	(115.775)
Dividends received		16.863	7.525
Other cash inflows (outflows)			
- Decrease (increase) in financial investments		(61.867)	-
- Contributions of non-controlling interests to capital increases		162.000	48.600
Cash flows from financing activities		394.722	37.340
Proceeds from borrowings		2.517.620	730.900
Repayments of borrowings		(1.702.590)	(451.450)
Payments of lease liabilities		(118.683)	(78.173)
Dividends paid		(149.938)	(149.938)
Interest paid		(243.509)	(97.253)
Interest received		91.822	83.254
Net increase (decrease) in cash and cash equivalents before currency translation differences		92.026	304.831
Effect of currency translation differences		239.493	42.019
Net increase (decrease) in cash and cash equivalents		331.519	346.850
Cash and cash equivalents at the beginning of the period	4	1.671.074	958.212
Cash and cash equivalents at the end of the period	4	2.002.593	1.305.062

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 30 SEPTEMBER 2022

(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. In 2019 the Company opened a branch office in London with the aim of increasing trade volume with third parties in international markets and creating additional value for its domestic operations by monitoring the opportunities in global markets. 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 30 September 2022, 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>	
	<u>30 September 2022</u>	<u>31 December 2021</u>	<u>1 January -</u>	<u>1 January -</u>
			<u>30 September 2022</u>	<u>30 September 2021</u>
Monthly paid	960	840	901	735
Hourly paid	674	632	687	661
Total number of personnel	1.634	1.472	1.588	1.396

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”). 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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

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

and distribution activities in 2020. With the Ordinary General Assembly Meetings of Sendeo, held on 19 February 2021 and 2 September 2021, it was decided to increase the Sendeo's capital from TL 500 thousand to TL 35.500 thousand, and from TL 35.500 thousand to TL 143.500 thousand, respectively. 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 each with a nominal value of TL 15.975 thousand were transferred to Koç Holding A.Ş. with a cash price of TL 15.975 thousand and the full payment was collected by the Company in cash. With the decision of the Extraordinary General Assembly registered on 14 February 2022, the capital of Sendeo has been decided to be increased from TL 143.500 thousand to TL 423.500 thousand and full of the total amount has been paid in cash by the shareholders of Sendeo until 9 February 2022 and 7 July 2022. With the decision of the Extraordinary General Assembly registered on 23 August 2022, it was decided to increase its capital to TL 503.500 thousand and the total amount has been paid in cash by the shareholders of Sendeo on 31 August 2022.

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

Subsidiaries	Place of incorporation and operation	Ownership interest (%)		Voting power right	Principal activity
		30 September 2022	31 December 2021		
Anadoluhisari	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	100	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.

Entek Elektrik Üretim A.Ş. ("Entek") operates as the electricity generation company of Koç Group. On 4 August 2021, Entek acquired all of the shares of companies Süloğlu Elektrik Üretimi A.Ş. (Former trade name: STEAG Rüzgar Sülüoğlu Enerji Üretim ve Ticaret A.Ş.) and Enspire Enerji Yatırımları ve Hizmetleri A.Ş. (Former trade name: STEAG Turkey Enerji Yatırımları ve Hizmetleri A.Ş.) from STEAG GmbH for 58.9 million USD in cash. With this purchase, as of 30 September 2022, it has a total installed capacity of 436 MW, 324 MW of which is in renewable energy, with eight hydroelectric power plants in Kahramanmaraş, Karaman, Samsun and Mersin with capacity of 264 MW, one natural gas cycling plant with capacity of 112 MW in Kocaeli, and one wind power plant with capacity of 60 MW in Edirne. The electrical installed power of the Süloğlu wind power plant has been increased from 60 MW to 66 MW as of August 2022 and the license was renewed.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

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

Investments in associates (Continued)

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. 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’s 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
		30 September 2022	31 December 2021		
EYAŞ	Turkey	20,00	20,00	20,00	Energy
Entek	Turkey	-	49,62	-	Electricity

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 fulfillment of all the conditions precedents set forth in the Contract, the transfer of shares are completed, following the payment of 50.000 thousand Bangladesh Taka (“BDT”) (TL 4.507 thousand) to the Seller in cash by the Company on 20 January 2021. With the Board of Directors Decision of the Company dated on 1 July 2021, it was decided to increase capital of United LPG Ltd., the joint venture of the Company, from BDT 100.000 thousand to BDT 1.120.000 thousand, and the BDT 510.000 thousand (approximately TL 52.150 thousand), corresponding to the 50% share of the Company has been paid on 8 July 2021. With the Board of Directors Decision of the Company dated on 10 February 2022 and 25 May 2022, the capital of United LPG Ltd. was decided to raise to BDT 1.020.000 thousand and to BDT 1.120.000 thousand respectively, and the aforementioned amounts were paid in cash by the shareholders of United LPG Ltd. on 14 February 2022 and 29 June 2022, respectively.

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

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

Joint ventures (Continued)

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
		30 September 2022	31 December 2021		
OAGM	Turkey	50,00	50,00	50,00	Real Estate
United LPG Ltd. (*)	Bangladesh	50,00	50,00	50,00	LPG supply, filling and distribution

(*) With the protocol signed on 20 January 2021, the name of the Joint Venture Company will be United Aygaz LPG Ltd. and the name change will take place with the application to be made following the completion of the necessary permit by the relevant Ministry.

Approval of interim condensed consolidated financial statements:

The interim condensed consolidated financial tables for the period ended on 30 September 2022 are approved on the Board of Directors meeting held on 3 November 2022 to be published.

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/IFRS”) 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/IFRS 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 30 September 2022 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 functional currency of Aygaz UK, the company's branch in London, is US Dollars “USD”.

AYGAZ ANONİM ŞİRKETİ

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

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

2.1 Basis of presentation of financial statements (Continued)

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 nine-month period ended 30 September 2022 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 30 September 2022 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2021. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

2.3 New and revised Turkey Financial Reporting Standards

a. Standards, amendments and interpretations applicable as at 30 September 2022

Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021); The Phase 2 amendments address issues that arise from the implementation of the reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide additional temporary reliefs from applying specific IAS 39 and IFRS 9 hedge accounting requirements to hedging relationships directly affected by IBOR reform.

Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient (effective 1 April 2021); As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. In May 2020, the IASB published an amendment to IFRS 16 that provided an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. On 31 March 2021, the IASB published an additional amendment to extend the date of the practical expedient from 30 September 2021 to 30 September 2022. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurs.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

(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 (Continued)

a. Standards, amendments and interpretations applicable as at 30 September 2022 (Continued)

Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9 (effective 1 January 2021); These amendments defer the date of application of IFRS 17 by two years to 1 January 2023 and change the fixed date of the temporary exemption in IFRS 4 from applying IFRS 9, Financial instrument until 1 January 2023.

b. Standards, amendments and interpretations that are issued but not effective as at 30 September 2022

A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16; effective from annual periods beginning on or after 1 January 2022.

- **Amendments to IFRS 3,** ‘Business combinations’ update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- **Amendments to IAS 16,** ‘Property, plant and equipment’ prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- **Amendments to IAS 37,** ‘Provisions, contingent liabilities and contingent assets’ specify which costs a company includes when assessing whether a contract will be loss-making.

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

Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities; effective date deferred until accounting periods starting not earlier than 1 January 2024. These narrow-scope amendments to IAS 1, ‘Presentation of financial statements’, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.

Narrow scope amendments to IAS 1, Practice statement 2 and IAS 8; effective from annual periods beginning on or after 1 January 2023. The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

(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 (Continued)

b. Standards, amendments and interpretations that are issued but not effective as at 30 September 2022 (Continued)

Amendment to IAS 12 – Deferred tax related to assets and liabilities arising from a single transaction; from annual periods beginning on or after 1 January 2023. These amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

IFRS 17, ‘Insurance Contracts’, as amended in December 2021; 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.

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 evaluates operations and results according to industrial segments for the purpose of making decisions for assigning resources to the segments and evaluating the segmental performances. The distribution of segmental operations with respect to industrial segments is as follows:

- Gas and petroleum products
- Electricity
- Other

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 and operating profit.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

NOTE 3 – SEGMENT INFORMATION (Continued)

As of 30 September 2022 and 31 December 2021, assets and liabilities according to industrial segments are as follows:

	30 September 2022				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	5.928.780	-	800.498	(93.643)	6.635.635
Non-current assets	6.246.524	-	520.030	(11.999)	6.754.555
Total assets	12.175.304	-	1.320.528	(105.642)	13.390.190
Liabilities					
Short term liabilities	6.049.455	-	488.480	(90.005)	6.447.930
Long term liabilities	1.393.784	-	146.020	20.893	1.560.697
Equity	4.732.065	-	686.028	(36.530)	5.381.563
<i>Equity attributable to equity holders of the parent</i>	<i>4.732.065</i>	<i>-</i>	<i>619.651</i>	<i>(36.530)</i>	<i>5.315.186</i>
<i>Non-controlling interest</i>	<i>-</i>	<i>-</i>	<i>66.377</i>	<i>-</i>	<i>66.377</i>
Total liabilities and equity	12.175.304	-	1.320.528	(105.642)	13.390.190
Investments accounted under equity method	4.436.585	-	156.491	-	4.593.076
	31 December 2021				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	4.320.918	-	368.106	(51.433)	4.637.591
Non-current assets	2.989.010	595.318	424.604	(313.392)	3.695.540
Total assets	7.309.928	595.318	792.710	(364.825)	8.333.131
Liabilities					
Short term liabilities	3.693.929	-	225.605	(50.875)	3.868.659
Long term liabilities	1.666.201	-	101.189	(22.117)	1.745.273
Equity	1.949.798	595.318	465.916	(291.833)	2.719.199
<i>Equity attributable to equity holders of the parent</i>	<i>1.949.798</i>	<i>595.318</i>	<i>444.440</i>	<i>(291.833)</i>	<i>2.697.723</i>
<i>Non-controlling interest</i>	<i>-</i>	<i>-</i>	<i>21.476</i>	<i>-</i>	<i>21.476</i>
Total liabilities and equity	7.309.928	595.318	792.710	(364.825)	8.333.131
Investments accounted under equity method	1.421.029	595.318	144.592	-	2.160.939

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

NOTE 3 – SEGMENT INFORMATION (Continued)

For the period ended 30 September 2022 and 2021, profit or loss statements according to industrial segments are as follows:

	1 January - 30 September 2022				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	25.038.444	-	2.040.726	(588.172)	26.490.998
Cost of sales (-)	(23.554.880)	-	(1.910.124)	588.172	(24.876.832)
Gross profit	1.483.564	-	130.602	-	1.614.166
General administrative expenses (-)	(371.698)	-	(152.117)	6.203	(517.612)
Marketing expenses (-)	(622.799)	-	(133.937)	-	(756.736)
Research and development expenses (-)	(6.497)	-	(27)	-	(6.524)
Other operating income	1.047.034	-	48.134	(6.878)	1.088.290
Other operating expenses (-)	(1.117.210)	-	(35.858)	1.205	(1.151.863)
Operating profit (loss)	412.394	-	(143.203)	530	269.721
Income from investment activities	109.227	-	3.398	(79.900)	32.725
Loss from investment activities (-)	(394)	-	(3.702)	-	(4.096)
Profit (losses) from investments accounted under equity method	2.098.396	629.800	11.899	-	2.740.095
Operating profit before financial income (expense)	2.619.623	629.800	(131.608)	(79.370)	3.038.445
Financial income	362.047	-	46.948	-	408.995
Financial expense (-)	(645.241)	-	(23.280)	-	(668.521)
Profit (loss) from continuing operations before tax	2.336.429	629.800	(107.940)	(79.370)	2.778.919
Current tax expense for the period (-)	(20.081)	-	(11.834)	-	(31.915)
Deferred tax income (expense)	(36.540)	-	5.266	-	(31.274)
Profit (loss) for the period	2.279.808	629.800	(114.508)	(79.370)	2.715.730
Distribution of profit (loss) for the period					
Non-controlling interest	-	-	(117.099)	-	(117.099)
Equity holders of the parent	2.279.808	629.800	2.591	(79.370)	2.832.829

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

NOTE 3 – SEGMENT INFORMATION (Continued)

	1 January - 30 September 2021				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	9.790.934	-	614.986	(235.694)	10.170.226
Cost of sales (-)	(8.967.430)	-	(509.360)	235.694	(9.241.096)
Gross profit	823.504	-	105.626	-	929.130
General administrative expenses (-)	(251.559)	-	(30.738)	5.065	(277.232)
Marketing expenses (-)	(283.795)	-	(49.096)	-	(332.891)
Research and development expenses (-)	(3.576)	-	(6)	-	(3.582)
Other operating income	505.365	-	24.280	(6.740)	522.905
Other operating expenses (-)	(495.311)	-	(16.593)	675	(511.229)
Operating profit (loss)	294.628	-	33.473	(1.000)	327.101
Income from investment activities	97.199	-	929	(81.000)	17.128
Loss from investment activities (-)	(1.228)	-	(1.975)	-	(3.203)
Profit (losses) from investments accounted under equity method	189.173	69.246	2.298	-	260.717
Operating profit (loss) before financial income (expense)	579.772	69.246	34.725	(82.000)	601.743
Financial income	142.790	-	9.065	-	151.855
Financial expense (-)	(223.737)	-	(8.257)	-	(231.994)
Profit (loss) from continuing operations before tax	498.825	69.246	35.533	(82.000)	521.604
Current tax expense for the period (-)	(103.602)	-	(7.591)	-	(111.193)
Deferred tax income (expense)	94.536	-	222	-	94.758
Profit (loss) for the period	489.759	69.246	28.164	(82.000)	505.169
Distribution of profit (loss) for the period					
Non-controlling interest	-	-	(15.545)	-	(15.545)
Equity holders of the parent	489.759	69.246	43.709	(82.000)	520.714

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 nine months period 1 January – 30 September 2022, SCT on imported LPG included in revenues and the cost of goods sold is amounting to TL 1.638.565 thousand (1 January- 30 September 2021: TL 162.642 thousand).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

NOTE 3 – SEGMENT INFORMATION (Continued)

The amortization and depreciation expense for the industrial segmental assets for the period ended on 30 September 2022 and 2021 are as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Gas and petroleum products	140.710	114.910
Other	38.094	18.761
	178.804	133.671

TL 58.662 thousand of total amount consist of amortization and depreciation expenses allocated under TFRS 16, ‘Leases’ (2021: TL 35.591 thousand).

The investment expenditures for the industrial segmental assets for the periods ended on 30 September 2022 and 2021 are as follows:

	1 January - 30 September 2022	1 January - 30 September 2021
Gas and petroleum products	120.233	85.778
Other	86.147	29.997
	206.380	115.775

NOTE 4 – CASH AND CASH EQUIVALENTS

	30 September 2022	31 December 2021
Cash on hand	602	520
Cash at banks	1.988.144	1.679.773
- Time deposits	1.868.674	1.632.379
- Demand deposits	119.470	47.394
Receivables from credit card transactions	20.291	13.140
Total	2.009.037	1.693.433

As of 30 September 2022 the Group’s TL time deposits amounting to TL 605.027 thousand with average maturities of 4 day and interest rate of 18,73%; USD time deposits amounting to USD 68.297 thousand (TL 1.263.754 thousand) with average maturities of 13 days and interest rate of 2,84% (31 December 2021: The Group’s TL time deposits amounting to TL 671.928 thousand with average maturities of 3 days and interest rate of 22,78%. USD time deposits amounting to USD 74.009 thousand (TL 960.451 thousand) with average maturities of 3 days and interest rate of 0,50%).

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

NOTE 4 – CASH AND CASH EQUIVALENTS (Continued)

The amount of cash and cash equivalents shown in the statement of cash flow as of 30 September 2022 and 31 December 2021 are as follows:

	30 September 2022	31 December 2021
Cash and cash equivalents	2.009.037	1.693.433
Less: Blocked deposits (*)	(6.444)	(22.359)
	2.002.593	1.671.074

(*) 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 30 September 2022 and 31 December 2021:

	30 September 2022		31 December 2021	
	Participation amount	Participation rate (%)	Participation amount	Participation rate (%)
Financial assets measured at fair value through other comprehensive income				
- Koç Finansal Hizmetler A.Ş.	961.973	3,93	459.896	3,93
Financial assets measured at fair value through profit or loss				
- Ram Dış Ticaret A.Ş.	1.869	2,50	1.516	2,50
- Tat Gıda Sanayi A.Ş.	342	0,08	165	0,08
- Other	433	-	436	-
	964.617		462.013	

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

NOTE 6 – FINANCIAL BORROWINGS

As of 30 September 2022 and 31 December 2021 the Group’s short-term financial borrowings are as follows:

	30 September 2022	31 December 2021
TL-denominated short-term bank borrowings	1.148.025	30.375
Short-term lease liabilities	120.977	81.249
Total short-term financial borrowings	1.269.002	111.624
Short-term portion and interest accruals of		
TL-denominated long-term bank borrowings	826.950	952.819
Short-term portion and interest accruals of		
USD-denominated long-term bank borrowings	8.256	694
Short-term portion of long-term bond issued (*)	380.974	1.470
Total short-term portion of long-term financial borrowings	1.216.180	954.983

(*) On 31 January 2022, the Group has issued, 24% rate bond with a nominal value TL 150.000 with a maturity of 368 days and coupon payment on maturity date.

As of 30 September 2022 the details of short-term financial borrowings are as follows:

Currency	Average effective interest rate per annum (%)	Original amount	TL amount
TL	29,00	1.148.025	1.148.025
			1.148.025

As of 31 December 2021, the details of short-term financial borrowings are as follows:

Currency	Average effective interest rate per annum (%)	Original amount	TL amount
TL	19,58	30.375	30.375
			30.375

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

NOTE 6 – FINANCIAL BORROWINGS (Continued)

As of 30 September 2022 and 31 December 2021 the Group’s long-term financial borrowings are as follows:

	30 September 2022	31 December 2021
TL-denominated long-term bank borrowings	390.735	714.803
USD-denominated long-term bank borrowings	555.114	389.294
Long-term bond issued (*)	180.000	280.000
Long-term lease liabilities	80.036	101.755
Total long-term financial borrowings	1.205.885	1.485.852

(*) 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 30 September 2022 the details of long-term financial borrowings are as follows:

Currency	Average effective interest rate per annum (%)	Original amount	TL amount
TL	17,20	1.217.685	1.217.685
US Dollars	4,74	30.446	563.370
Short-term portion of long-term loans and interest accruals			(835.206)
			945.849

As of 31 December 2021 the details of long-term financial borrowings are as follows:

Currency	Average effective interest rate per annum (%)	Original amount	TL amount
TL	14,21	1.667.622	1.667.622
US Dollars	2,78	30.051	389.988
Short-term portion of long-term loans and interest accruals			(953.513)
			1.104.097

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NOTE 7 – DERIVATIVE FINANCIAL INSTRUMENTS

As of 30 September 2022 and 31 December 2021 the Group’s derivative financial instruments are as follows:

	30 September 2022		31 December 2021	
	Contract amount	Fair value assets/ (liabilities)	Contract amount	Fair value assets/ (liabilities)
Short-term derivative instruments				
Futures transactions (1)	2.836.015	57.177	-	-
Forward transactions (2)	-	-	12.971	185
Total short-term derivative financial assets	2.836.015	57.177	12.971	185
Futures transactions (1)	477.671	-	1.792.944	(44.598)
Total short-term derivative financial liabilities	477.671	-	1.792.944	(44.598)

(1) As of 30 September 2022, the Group's future transactions consist of propane, butane, naphtha products and freight swaps.

(2) As of 30 September 2022, the Group has no forward transaction (31 December 2021: The Group has entered into forward transaction with a maturity of 19 days and nominal value amounting to USD 985 thousand) (Note 21).

NOTE 8 - TRADE RECEIVABLES AND PAYABLES FROM THIRD PARTIES

The Group’s trade receivables from third parties as of 30 September 2022 and 31 December 2021 are as follows:

	30 September 2022	31 December 2021
Trade receivables	1.913.957	974.902
Notes receivables	82.784	45.809
Allowance for doubtful receivables (-) (*)	(27.151)	(27.236)
Total current trade receivables	1.969.590	993.475

(*) TL 635 thousand of provision for doubtful receivables consists of expected credit loss provisions (31 December 2021: TL 635 thousand).

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

	30 September 2022	31 December 2021
Notes receivable	8.474	6.545
Total non-current trade receivables	8.474	6.545

The Group’s trade payables to third parties as of 30 September 2022 and 31 December 2021 are as follows:

	30 September 2022	31 December 2021
Trade payables	2.800.631	1.813.530
Total short-term trade payables	2.800.631	1.813.530

NOTE 9 – INVENTORIES

	30 September 2022	31 December 2021
Raw materials	1.775.658	1.371.937
Work in process	11.072	5.054
Finished goods	33.610	30.600
Trade goods	66.814	25.727
Allowance for impairment on inventory (-)	(229)	(229)
	1.886.925	1.433.089

As of 30 September 2022, the inventories comprise of 143.308 tons of LPG (31 December 2021: 117.568 tons).

NOTE 10 – EQUITY INVESTMENTS

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

	30 September 2022		31 December 2021	
	Participation amount	Participation rate (%)	Participation amount	Participation rate (%)
EYAŞ	4.114.371	20,00	1.339.203	20,00
Entek (*)	-	-	595.318	49,62
OAGM	156.491	50,00	144.592	50,00
United LPG Ltd (**)	322.214	50,00	81.826	50,00
	4.593.076		2.160.939	

(*) The registration transactions 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 respectively, to Tüpraş via partial demerger with the share transfer model to the shareholders was completed on 26 August 2022, and the disposal process of the joint venture was completed.

(**) With the protocol signed on 20 January 2021, the name of the Joint Venture Company will be United Aygaz LPG Ltd. and the name change will take place with the application to be made following the completion of the necessary permit by the relevant Ministry.

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NOTE 10 – EQUITY INVESTMENTS (Continued)

The movement of equity investments is as follows:

	2022	2021
As of January 1	2.160.939	1.847.444
Shares of profit/(loss)	2.740.095	260.717
Shares of other comprehensive income/(loss)	410.836	6.093
Disposal effect of the joint venture (*)	(893.432)	-
Purchase of interest in joint venture and increase in capital (**)	174.638	56.657
As of 30 September 2022	4.593.076	2.170.911

(*) It is related to the transfer transactions of Entek’s shares to Tüpraş through a partial demerger with the share transfer model to the shareholders (Note 1).

(**) With the Board of Directors Decision of the Company dated on 10 February 2022 and 25 May 2022, it was decided to increase capital of United LPG Ltd., BDT 1.020.000 thousand and BDT 1.120.000 thousand respectively, and the BDT 510.000 thousand (TL 79.235 thousand) and BDT 560.000 thousand (TL 95.403 thousand), corresponding to 50% share of the Company has been paid on 14 February 2022 and 29 June 2022, respectively (Note 1).

Shares of profit (loss) of equity investments:

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
EYAŞ	2.105.664	934.969	189.173	99.239
Entek	629.800	432.502	69.246	25.176
OAGM	11.899	4.674	2.298	739
United LPG Ltd	(7.268)	(1.793)	-	-
	2.740.095	1.370.352	260.717	125.154

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

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
EYAŞ (*)	324.235	453.412	16.452	16.452
Entek	13.583	97	(10.359)	230
United LPG Ltd	73.018	37.628	-	(1.457)
	410.836	491.137	6.093	15.225

(*) TÜPRAŞ, a subsidiary of EYAŞ, designated its investment loans amounting to USD 257.489 thousand (TL 4.764.521 thousand) (31 December 2021: USD 435.820 thousand, TL 5.809.043 thousand, 1 January 2021: USD 593.982 thousand, TL 4.360.123 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 30 September 2022, foreign exchange gains (losses) on investment loans amounting to TL 3.934.050 thousand (31 December 2021: TL 4.331.350 thousand, 1 January 2021: TL 2.736.854 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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NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

	Land	Land improvements	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 2022	18.306	195.876	91.115	1.890.211	237.997	119.196	35.294	52.434	2.640.429
Additions	-	26	-	313	10.558	30.011	500	163.769	205.177
Transfers (*)	-	6.931	-	69.844	1.451	7.868	2	(87.173)	(1.077)
Disposals	20	(20)	-	(7.591)	(948)	(16.589)	(121)	(1.982)	(27.231)
As of 30 September 2022	18.326	202.813	91.115	1.952.777	249.058	140.486	35.675	127.048	2.817.298
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	-	5.053	1.563	46.303	11.515	12.457	1.836	-	78.727
Transfers (*)	-	-	-	-	(227)	-	-	-	(227)
Disposals	-	-	-	(6.128)	(880)	(2.979)	(74)	-	(10.061)
As of 30 September 2022	-	92.953	58.696	1.526.934	155.386	77.844	25.320	-	1.937.133
Net book value	18.326	109.860	32.419	425.843	93.672	62.642	10.355	127.048	880.165

(*) TL 850 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

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NOTE 11 – PROPERTY, PLANT AND EQUIPMENT (Continued)

	Land	Land	Plant,	Vehicles	Furniture and	Leasehold	Construction	Total	
	improvements	improvements	machinery, equipment and LPG cylinders	and vessels	fixtures	improvements	in progress		
Acquisition cost									
As of 1 January 2021	18.351	183.870	79.514	1.833.938	233.070	88.207	25.682	27.683	2.490.315
Additions	-	-	18	240	2.264	18.265	484	94.277	115.548
Transfers (*)	-	2.447	1.471	52.790	1.363	4.101	4	(64.134)	(1.958)
Disposals	(14)	(21)	(95)	(12.691)	(1.426)	(7.871)	(140)	(3.554)	(25.812)
As of 30 September 2021	18.337	186.296	80.908	1.874.277	235.271	102.702	26.030	54.272	2.578.093
Accumulated depreciation									
As of 1 January 2021	-	81.615	55.374	1.437.973	133.150	60.150	25.635	-	1.793.897
Charge of the period	-	4.689	1.314	45.671	9.678	7.179	675	-	69.206
Disposals	-	(14)	(17)	(10.296)	(480)	(1.828)	(49)	-	(12.684)
As of 30 September 2021	-	86.290	56.671	1.476.299	142.348	65.500	23.311	-	1.850.419
Net book value	18.337	100.006	24.237	397.978	92.923	37.202	2.719	54.272	727.674

(*) TL 1.958 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

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NOTE 12 – INTANGIBLE ASSETS

	Rights	Total
Acquisition costs		
As of 1 January 2022	103.793	103.793
Additions	1.203	1.203
Transfers (*)	849	849
As of 30 September 2022	105.845	105.845
Accumulated amortisation		
As of 1 January 2022	71.173	71.173
Charge for the period	7.271	7.271
Transfers (*)	(1)	(1)
As of 30 September 2022	78.443	78.443
Net book value	27.402	27.402

(*) TL 850 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

	Rights	Total
Acquisition costs		
As of 1 January 2021	87.612	87.612
Additions	227	227
Transfers (*)	1.958	1.958
As of 30 September 2021	89.797	89.797
Accumulated amortisation		
As of 1 January 2021	62.297	62.297
Charge for the period	7.348	7.348
As of 30 September 2021	69.645	69.645
Net book value	20.152	20.152

(*) TL 1.958 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

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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 2022	3.072	3.880	40.381	27.750	113.307	30	188.420
Additions	-	-	23.786	-	90.028	-	113.814
Disposals	(2.201)	-	(80)	-	(18.491)	-	(20.772)
Charge for the period	(564)	(126)	(9.486)	(1.726)	(80.897)	(7)	(92.806)
Disposals from accumulated depreciation	2.200	-	79	-	16.706	-	18.985
As of 30 September 2022	2.507	3.754	54.680	26.024	120.653	23	207.641
As of 1 January 2021	3.528	3.056	12.373	30.053	122.437	39	171.486
Additions	367	973	33.047	-	55.292	-	89.679
Disposals	(321)	(42)	(1.215)	-	(5.536)	-	(7.114)
Charge for the period	(617)	(107)	(3.897)	(1.726)	(50.763)	(7)	(57.117)
Disposals from accumulated depreciation	321	42	351	-	3.708	-	4.422
As of 30 September 2021	3.278	3.922	40.659	28.327	125.138	32	201.356

NOTE 14 – CONTINGENT ASSETS AND LIABILITIES

Guarantees given as of 30 September 2022 and 31 December 2021 are as follows:

	30 September 2022	31 December 2021
Letter of guarantees given for gas purchase	990.624	518.737
Other letter of guarantees given	541.559	306.025
	1.532.183	824.762

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:

	30 September 2022					31 December 2021				
	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	198.544	3.701	889	1.063.756	1.266.890	162.643	2.595	640	471.546	637.424
B. CPMBs given in favor of subsidiaries included in full consolidation (*)	-	214.392	-	48.349	262.741	-	129.914	-	51.989	181.903
C. CPMBs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business (*)	-	-	-	2.552	2.552	-	-	-	5.435	5.435
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	198.544	218.093	889	1.114.657	1.532.183	162.643	132.509	640	528.970	824.762

(*) As of 30 September 2022, 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 675 thousand (31 December 2021: TL 1.350 thousand).

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NOTE 15 – OTHER SHORT-TERM PROVISIONS AND LIABILITIES

	30 September 2022	31 December 2021
Provision for price revision (*)	439.635	440.575
Provision for selling and marketing expenses	28.965	12.281
Provision for lawsuit	12.451	12.461
Provision for EMRA contribution	18.685	10.590
Provision for warranty expenses	2.489	2.489
Provision for other operating expenses	24.046	18.352
Other short-term provisions	526.271	496.748

(*) 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"), the amount of provision allocated was re-evaluated as of 30 September 2022 with the best estimates of the Company Management as the price revision arbitration process between Akfel and Gazprom Export LLC ("Gazprom") resulted against Akfel. Accordingly, the provision amount was re-evaluated as USD 23.759 thousand (the equivalent of TRY 439.635 thousand) (31 December 2021: USD 33.949 thousand provision – the equivalent of TRY 440.575 thousand). Provisions no longer required amounting to TRY 188.533 thousand derived from the re-evaluation of the provision amount was accounted under the account of other real operating income in the consolidated financial statements.

	30 September 2022	31 December 2021
Provision for success fees (*)	51.796	23.796
Other long-term provisions	51.796	23.796

(*) The entire amount includes the long-term success fee provision that the Company's subsidiary, Sendeo, is obliged as of 30 September 2022 within the scope of the long-term Consulting Agreement with McKinsey (Note 1).

NOTE 16 – OTHER SHORT-TERM PROVISIONS AND LIABILITIES

	30 September 2022	31 December 2021
Guarantees and deposits given (*)	91.985	103.655
Other receivables	1.468	1.955
Total other current receivables	93.453	105.610

(*) The Group's branch, Aygaz UK which operates in London, performs derivative transactions with third parties and receives clearing services via ADM Investor Services, Inc. ('ADM'). Within this framework, collateral of USD 4.933 thousand (TL 91.283 thousand) (31 December 2021: USD 7.844 thousand equivalent to TL 101.796 thousand) kept under the provision of "fair value" and "margin call" in ADM, classified as deposits and guarantees given under other receivables from third parties.

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NOTE 17 – SHARE CAPITAL

Shareholders	Participation		Participation	
	rate (%)	30 September 2022	rate (%)	31 December 2021
Temel Ticaret ve Yatırım A.Ş.	5,77	12.693	5,77	17.324
Koç Ailesi üyeleri	4,76	10.452	4,76	14.265
Koç Holding A.Ş.	40,68	89.425	40,68	122.054
Liquid Petroleum Gas Development Company ("LPGDC") (*)	24,52	53.885	24,52	73.546
Publicly held (*)	24,27	53.346	24,27	72.811
Nominal capital (**)	100,00	219.801	100,00	300.000
Inflation adjustment (***)		71.504		71.504
Adjusted capital		291.305		371.504

(*) 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.

(**) Since the transfer transactions of Entek's shares to Tüpraş through a partial demerger with the share transfer model to the shareholders, the capital of the Company decreased from TRY 300.000.000 to TRY 219.800.767.

(***) 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 30 March 2022, the Company decided to reserve TL 13.500 thousand as legal reserves and distribute TL 150.000 thousand gross dividends from the net distributable income of 2021 and dividends have been started to be paid as of 6 April 2022.

NOTE 18 – EARNINGS PER SHARE

	1 January - 30 September 2022	1 July - 30 September 2022	1 January - 30 September 2021	1 July - 30 September 2021
Average number of ordinary shares outstanding during the period (one thousand)	29.108.900	27.326.700	30.000.000	30.000.000
Net profit for the year attributable equity holders of the parent company	2.832.829	1.538.278	520.714	336.368
Earnings (losses) per hundred shares (TL)	9,7318	5,6292	1,7357	1,1212

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NOTE 19 – TAX ASSETS AND LIABILITIES

	30 September 2022	31 December 2021
Current corporate tax provision	31.915	153.190
Less: Prepaid taxes and funds	(35.341)	(125.769)
Current tax liability	(3.426)	27.421

	1 January - 30 September 2022	1 January - 30 September 2021
Current corporate tax provision	(31.915)	(111.193)
Deferred tax	(31.274)	94.758
Total tax expense	(63.189)	(16.435)

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 30 September 2022 the rate of tax is 23% (2021: 25%).

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.

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.

The Company revalued its tangible and intangible assets and their depreciation as of 30 September 2022, 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. The effect of deferred tax assets is TL 61.288 thousand.

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NOTE 19 – TAX ASSETS AND LIABILITIES (Continued)

As of 30 September 2022 and 31 December 2021, the distribution of deferred tax liability calculated using effective tax rates as of the balance sheet date is as follows:

	30 September 2022	31 December 2021
Depreciation/amortization differences of property, plant and equipment and other intangible assets	5.209	(2.550)
Revaluation of financial assets measured at fair value through other comprehensive income	40.251	15.147
Provision for employment termination benefits	(20.985)	(15.829)
Valuation of inventories	31.986	(10.664)
Derivative instruments	(16.348)	(4.804)
Other	(37.480)	(23.547)
Deferred tax assets/liabilities	2.633	(42.247)

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.

	30 September 2022	31 December 2021
Deferred tax assets	(79.492)	(62.716)
Deferred tax liabilities	82.125	20.469
Deferred tax (assets) / liabilities, net	2.633	(42.247)

Movement of deferred tax assets and liabilities are as follows:

	2022	2021
As of January 1	(42.247)	43.703
Change to the profit or loss	31.274	(94.758)
Change to the equity		
- Effect of gains/(losses) on financial assets measured at fair value through other comprehensive income	25.104	(4.558)
- Effect of gains/(losses) on cash flow hedges	(11.498)	1.552
As of 30 September	2.633	(54.061)

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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 30 September 2022, there is a dividend payable to shareholders other than Koç Group amounting to TL 1.397 thousand (31 December 2021: TL 1.335 thousand) in the other payables to related parties of the consolidated balance sheet.

Balances with related parties	30 September 2022			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	38.358	-	123.657	-
Demir Export A.Ş.	3.337	-	-	-
Tofaş Türk Otomobil Fabrikası A.Ş.	3.295	-	-	-
Opet Petrolcülük A.Ş.	3.170	-	206.536	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	2.817	-	191	-
Otokar Otomotiv ve Savunma Sanayi A.Ş.	2.011	-	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	1.913	-	-	-
Demir Export A.Ş. - Fernas İnşaat A.Ş. Adi Ortaklığı	1.470	-	-	-
Ford Otomotiv Sanayi A.Ş.	1.461	-	-	-
Arçelik A.Ş.	1.366	-	217	-
Otokoç Otomotiv Tic. ve San. A.Ş.	245	-	6.725	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	224	-	11.777	-
Opet-Fuchs Madeni Yağlar	11	-	3.991	-
Entek Elektrik Üretimi A.Ş.	10	-	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	29.836	-
Ram Dış Ticaret A.Ş.	-	-	15	-
Other	3.431	-	7.585	-
Shareholders				
Koç Holding A.Ş.	23	-	1	-
Investments accounted under the equity method				
United Lpg Ltd.	58.157	-	-	-
	121.299	-	390.531	-
Balances with related parties	31 December 2021			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	16.946	-	186.781	-
Demir Export A.Ş.	5.301	-	-	-
Opet Petrolcülük A.Ş.	1.870	-	63.836	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	1.334	-	135	-
Otokoç Otomotiv Tic. ve San. A.Ş.	191	-	8.589	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	49	-	16.358	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	25	-	12.872	-
Other	6.176	-	7.402	-
Shareholders				
Koç Holding A.Ş.	30	-	12.766	-
Investments accounted under the equity method				
United Lpg Ltd.	39.642	-	-	-
Entek Elektrik Üretimi A.Ş.	1	-	-	-
	71.565	-	308.739	-

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

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

	1 January - 30 September 2022			
Transactions with related parties	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	2.485.328	329.193	9.438	56
Opet Petrolcülük A.Ş.(**) (***)	973.780	15.223	141.756	826
Zer Merkezi Hizmetler ve Ticaret A.Ş.	44.759	137	96.107	251
Opet Fuchs Madeni Yağ San. Tic A.Ş.	18.330	82	-	21
Ram Dış Ticaret A.Ş.	6.207	-	342	-
Arçelik A.Ş.	194	8.909	335	1.443
Eltek Elektrik A.Ş.	121	-	17.483	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	118	5.337	286	3.277
Divan Turizm İşletmeleri A.Ş.	32	4.407	354	16
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	6	259	29.268	1.184
Türk Traktör ve Ziraat Makinaları A.Ş.	-	17.599	-	19
Tofaş Türk Otomobil Fabrikası A.Ş.	-	16.304	150	77
Demir Export A.Ş.	-	15.155	-	3
Ford Otomotiv Sanayi A.Ş.	-	14.277	-	103
Otokar Otomotiv ve Savunma Sanayi A.Ş.	-	10.342	-	133
Demir Export A.Ş. - Fernas İnşaat A.Ş. Adi Ortaklığı	-	7.616	-	-
Setur Servis Turistik A.Ş.	-	118	10.942	53
Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	-	17	3.601	-
Opet Market ve Akaryakıt İstasyon İşl. A.Ş.	-	56.352	-	-
Entek Elektrik Üretimi A.Ş.	-	123	-	3
Other	3.312	15.269	13.933	1.584
Shareholders				
Koç Holding A.Ş. (****)	-	172	28.467	-
Investments accounted under the equity method				
United Lpg Ltd.	-	59.379	-	-
	3.532.187	576.270	352.462	9.049
	1 January - 30 September 2021			
Transactions with related parties	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	897.792	300.544	6.767	-
Opet Petrolcülük A.Ş.(**) (***)	198.183	14.792	105.570	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	20.980	31	22.600	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	133	116	12.337	-
Demir Export A.Ş.	-	7.430	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	5.686	-	-
Ford Otomotiv Sanayi A.Ş.	-	4.398	-	-
Demir Export A.Ş. - Fernas İnşaat A.Ş. Adi Ortaklığı	-	2.650	-	-
Otokar Otomotiv ve Savunma Sanayi A.Ş.	-	2.645	-	-
Other	11.291	12.868	13.726	-
Shareholders				
Koç Holding A.Ş. (****)	-	66	14.961	-
Investments accounted under the equity method				
Entek Elektrik Üretimi A.Ş.	-	29	7.236	-
	1.128.379	351.255	183.197	-

(*) Group companies include Koç Group companies.

(**) Commission expenses regarding LPG sold at Opet stations for nine-month period ended 30 September 2022 is TL 136.980 thousand (1 January – 30 September 2021: TL 104.337 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 amounting to TL 2.176 thousand has been made to Opet for nine-month period ended 30 September 2022 in consideration of 5 years sale agreement on average to be paid to Aygaz Dealers making auto-gas sales at Opet stations (1 January – 30 September 2021: TL 1.487 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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(Amounts expressed in thousands Turkish Lira (“TRY”) unless otherwise stated.)

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

	1 January - 30 September 2022			
	Rent	Rent	Tangible and	Tangible
Tangible asset and rent transactions with related parties	income	expense	intangible asset purchases	asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	1.132	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	12.151	-
Opet Aygaz Gayrimenkul A.Ş.	-	-	-	240
KoçDigital Çözümler A.Ş.	-	-	93	-
Other	-	-	4.229	442
Shareholders				
Koç Holding A.Ş.	-	1.727	-	-
	1.132	1.727	16.473	682

	1 January - 30 September 2021			
	Rent	Rent	Tangible and	Tangible
Tangible asset and rent transactions with related parties	income	expense	intangible asset purchases	asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	717	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	5.407	-
KoçDigital Çözümler A.Ş.	-	-	629	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	-	744	815
Other	-	-	498	8
Shareholders				
Koç Holding A.Ş.	-	956	-	2
	717	956	7.278	825

	1 January - 30 September 2022			
	Financial	Financial	Other	Other
Financial and other transactions with related parties	income	expense	income	expense
Group companies (*)				
Yapı ve Kredi Bankası A.Ş.	211.134	38.223	-	-
Other	-	-	38	243
	211.134	38.223	38	243

	1 January - 30 September 2021			
	Financial	Financial	Other	Other
Financial and other transactions with related parties	income	expense	income	expense
Group companies (*)				
Yapı ve Kredi Bankası A.Ş.	96.391	46.940	-	-
Other	-	-	34	408
	96.391	46.940	34	408

(*) Group companies include Koç Group companies.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

Cash at banks	30 September 2022 31 December 2021	
Group companies (*)		
Yapı ve Kredi Bankası A.Ş.	469.394	1.266.207
Credit card receivables	30 September 2022 31 December 2021	
Group companies (*)		
Yapı ve Kredi Bankası A.Ş.	15.002	10.447
Bank loans	30 September 2022 31 December 2021	
Group companies (*)		
Yapı ve Kredi Bankası A.Ş.	77.481	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 30 September 2022, total benefit provided to the senior management of the Company is TL 14.316 thousand (30 September 2021: TL 9.058 thousand). There are no payments made to senior management of the Company in this amount due to their leaving the job (30 September 2021: 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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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

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

	30 September 2022			
	Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	Other
1. Trade receivables	366.554	357.788	8.766	-
2.a Monetary financial assets	1.317.196	1.313.066	3.651	479
2.b Non-monetary financial assets	-	-	-	-
3. Other	81.310	81.310	-	-
4. Current assets	1.765.060	1.752.164	12.417	479
5. Trade receivables	-	-	-	-
6.a Monetary financial assets	-	-	-	-
6.b Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets	-	-	-	-
9. Total assets	1.765.060	1.752.164	12.417	479
10. Trade payables	(2.255.202)	(2.252.995)	(1.969)	(238)
11. Financial liabilities	(11.031)	(8.256)	(2.775)	-
12.a Other monetary financial liabilities	(439.644)	(439.644)	-	-
12.b Other non-monetary financial liabilities	(1.823)	(666)	(1.157)	-
13. Current liabilities	(2.707.700)	(2.701.561)	(5.901)	(238)
14. Trade payables	-	-	-	-
15. Financial liabilities	(555.114)	(555.114)	-	-
16.a Other monetary financial liabilities	-	-	-	-
16.b Other non-monetary financial liabilities	-	-	-	-
17. Non-current liabilities	(555.114)	(555.114)	-	-
18. Total liabilities	(3.262.814)	(3.256.675)	(5.901)	(238)
19. Net asset/liability position of off balance sheet asset and liabilities (19a-19b)	-	-	-	-
19.a Total derivative assets	-	-	-	-
19.b Total derivative liabilities	-	-	-	-
Net foreign currency asset/ (liability) position (9+18+19)	(1.497.754)	(1.504.511)	6.516	241
Net foreign currency asset/(liability) position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)	(1.577.241)	(1.585.155)	7.673	241
22. Fair value of derivative instruments held for hedging	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Export (*)	6.365.152	6.144.666	181.343	39.143
26. Import (*)	16.064.394	16.042.737	21.657	-

(*) Transit sales and purchases are included.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

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

	31 December 2021			
	Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	Other
1. Trade receivables	185.948	173.903	12.045	-
2.a Monetary financial assets	993.466	988.686	300	4.480
2.b Non-monetary financial assets	-	-	-	-
3. Other	103.405	103.025	380	-
4. Current assets	1.282.819	1.265.614	12.725	4.480
5. Trade receivables	-	-	-	-
6.a Monetary financial assets	-	-	-	-
6.b Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets	-	-	-	-
9. Total assets	1.282.819	1.265.614	12.725	4.480
10. Trade payables	(1.615.709)	(1.611.545)	(3.714)	(450)
11. Financial liabilities	(4.097)	(662)	(3.435)	-
12.a Other monetary financial liabilities	(440.583)	(440.583)	-	-
12.b Other non-monetary financial liabilities	(2.117)	(1.384)	(733)	-
13. Current liabilities	(2.062.506)	(2.054.174)	(7.882)	(450)
14. Trade payables	-	-	-	-
15. Financial liabilities	(389.325)	(389.325)	-	-
16.a Other monetary financial liabilities	-	-	-	-
16.b Other non-monetary financial liabilities	-	-	-	-
17. Non-current liabilities	(389.325)	(389.325)	-	-
18. Total liabilities	(2.451.831)	(2.443.499)	(7.882)	(450)
19. Net asset/liability position of off balance sheet asset and liabilities (19a-19b)	12.971	12.971	-	-
19.a Total derivative assets	12.971	12.971	-	-
19.b Total derivative liabilities	-	-	-	-
Net foreign currency asset/ 20. (liability) position (9+18+19)	(1.156.041)	(1.164.914)	4.843	4.030
Net foreign currency asset/(liability) position of monetary items				
21. (1+2a+5+6a+10+11+12a+14+15+16a)	(1.270.300)	(1.279.526)	5.196	4.030
22. Fair value of derivative instruments held for hedging	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Export (*)	5.135.183	5.068.950	65.215	1.018
26. Import (*)	11.475.925	11.454.485	19.213	2.227

(*) Transit sales and purchases are included.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022

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

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:

	30 September 2022	31 December 2021
Assets	1.765.060	1.282.819
Liabilities	(3.262.814)	(2.451.831)
Net asset/liability position	(1.497.754)	(1.169.012)
Derivative instruments net position	-	12.971
Net foreign currency asset/liability position	(1.497.754)	(1.156.041)
Inventories under the natural hedge (*)	1.674.484	1.145.064
Net foreign currency position after the natural hedge	176.730	(10.977)

(*) 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 30 September 2022, the Group has LPG amounting to TL 1.674.484 thousand (31 December 2021: TL 1.145.064 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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NOTE 21 – NATURE AND LEVEL OF RISK DERIVED FROM FINANCIAL INSTRUMENTS (Continued)

	30 September 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)	(158.516)	158.516	(158.516)	158.516
Secured portion from USD risk	-	-	-	-
USD net effect	(158.516)	158.516	(158.516)	158.516
10% fluctuation of Euro rate				
Euro net asset/(liability)	767	(767)	767	(767)
Secured portion from Euro risk	-	-	-	-
Euro net effect	767	(767)	767	(767)
Total net effect	(157.749)	157.749	(157.749)	157.749

	31 December 2021			
	Income/(Expense)		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/(liability)	(127.953)	127.953	(127.953)	127.953
Secured portion from USD risk	1.297	(1.297)	1.297	(1.297)
USD net effect	(126.656)	126.656	(126.656)	126.656
10% fluctuation of Euro rate				
Euro net asset/(liability)	520	(520)	520	(520)
Secured portion from Euro risk	-	-	-	-
Euro net effect	520	(520)	520	(520)
Total net effect	(126.136)	126.136	(126.136)	126.136

Currency forward agreements

The Group had no currency forward agreements of 30 September 2022. Currency forward agreements which are valid as of 31 December 2021 are summarized at the table below.

Maturity	Parity	Type of contract	Transactions	31 December 2021	
				Total amount	Currency
19 days	13,17	Forward	Buys USD, sells TL	985.000	USD

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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)

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			
	30 September 2022	1st level	2nd level	3rd level
Financial assets measured at fair value	964.617	962.315	1.869	433
Derivative financial instruments	57.177	-	57.177	-

Financial assets/(liabilities)	Level of fair value as of reporting date			
	31 December 2021	1st level	2nd level	3rd level
Financial assets measured at fair value	462.013	460.061	1.516	436
Derivative financial instruments	(44.413)	-	(44.413)	-

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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