

AYGAZ

INVESTOR PRESENTATION

February 2021



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A

Aygaz overview

LEADING
LPG
DISTRIBUTOR
of TURKEY

2020

₺ 10.1 billion REVENUE

2,2 m tons SALES OF LPG

26%* LPG MARKET SHARE

* EMRA December 2020

DIVERSIFIED
PARTICIPATION
PORTFOLIO
IN ENERGY

NATURAL GAS

AYGAZ
DOĞALGAZ

REFINERY

Tüpraş

ENTEK

POWER GENERATION

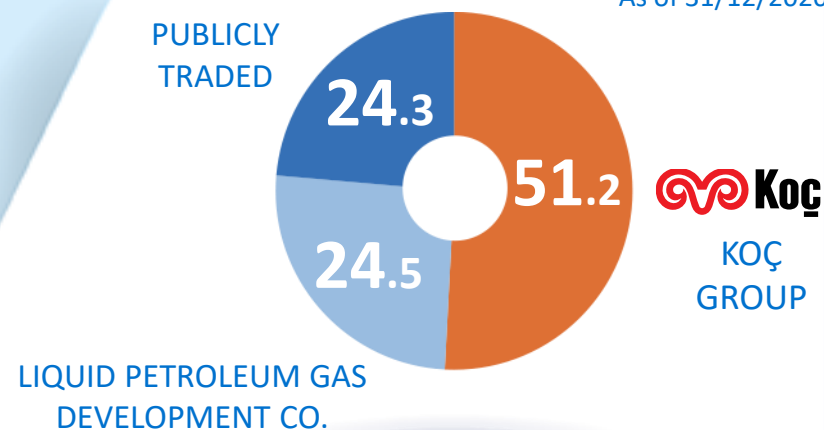
> Overview

SUMMARY FINANCIALS

(Cons. In m TL)	2020	2019	2018	2020-2019 Change
Revenue	10,145	10,211	9,554	-1%
EBITDA	444	492	160	-10%
Net Profit	-25	273	228	-109%
EBITDA Margin	4%	5%	2%	-1
Net Profit Margin	-0.2%	3%	2%	-3
Volume (000 tons)	2,150	2,068	2,000	4%

SHAREHOLDERS (%)

As of 31/12/2020



> Core business - LPG distribution

Generic brand for LPG

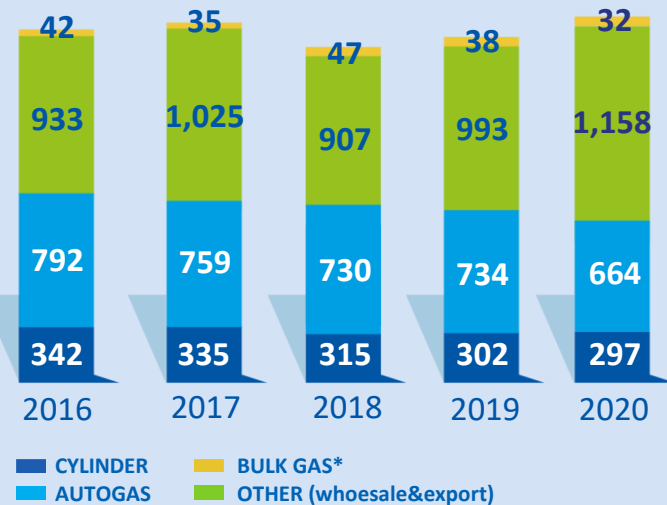
22nd largest industrial company of Turkey, as of 2019

Most preferred LPG brand in Turkey since its foundation

Market leader with 3 brands

AYGAZ **Mogaz** **Lipetgaz**

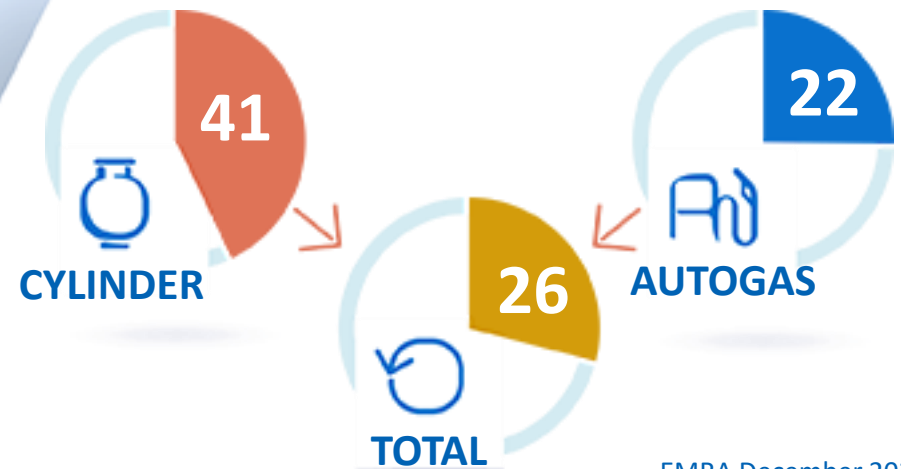
AYGAZ VOLUMES (000 tons)



*With petrochemical sales

EMRA, Aygaz

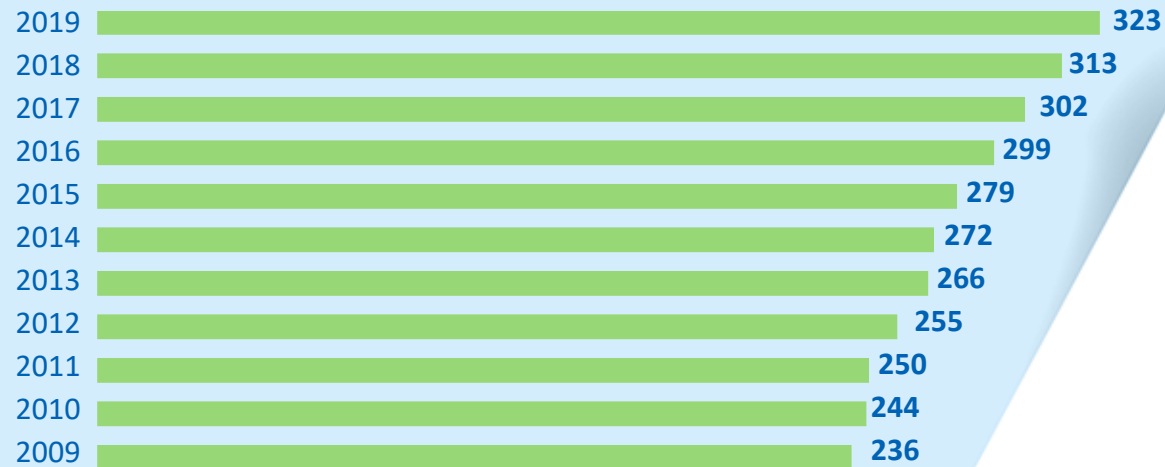
MARKET SHARES (%)



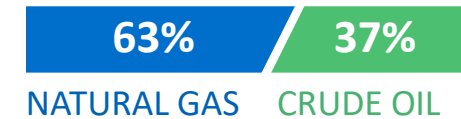
EMRA December 2020

B World LPG market

WORLD LPG CONSUMPTION (m tons)



- Fastest growing energy source after renewable energy
- 300 billion USD business size worldwide
- Sources of LPG production;



LPG AS A COMMODITY



Mixture of Hydrocarbons (Butane and Propane)



Portable and versatile



Low GHG Emission; Eco-friendly



Diversity of Supply sources; Abundant reserves



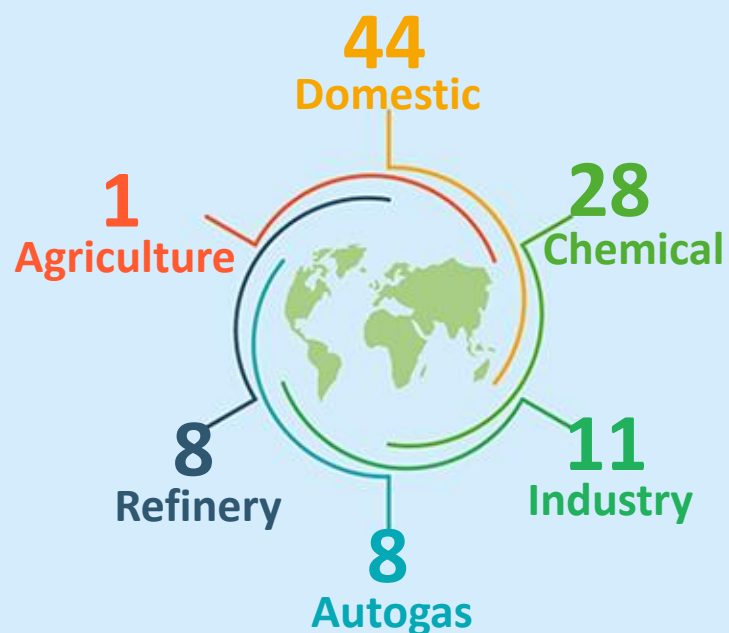
Cleaner, safer And cheaper at home & transportation

WLPGA Statistical Review of Global LP Gas Report, 2020



World LPG consumption

World LPG Consumption
By Sectors (%)



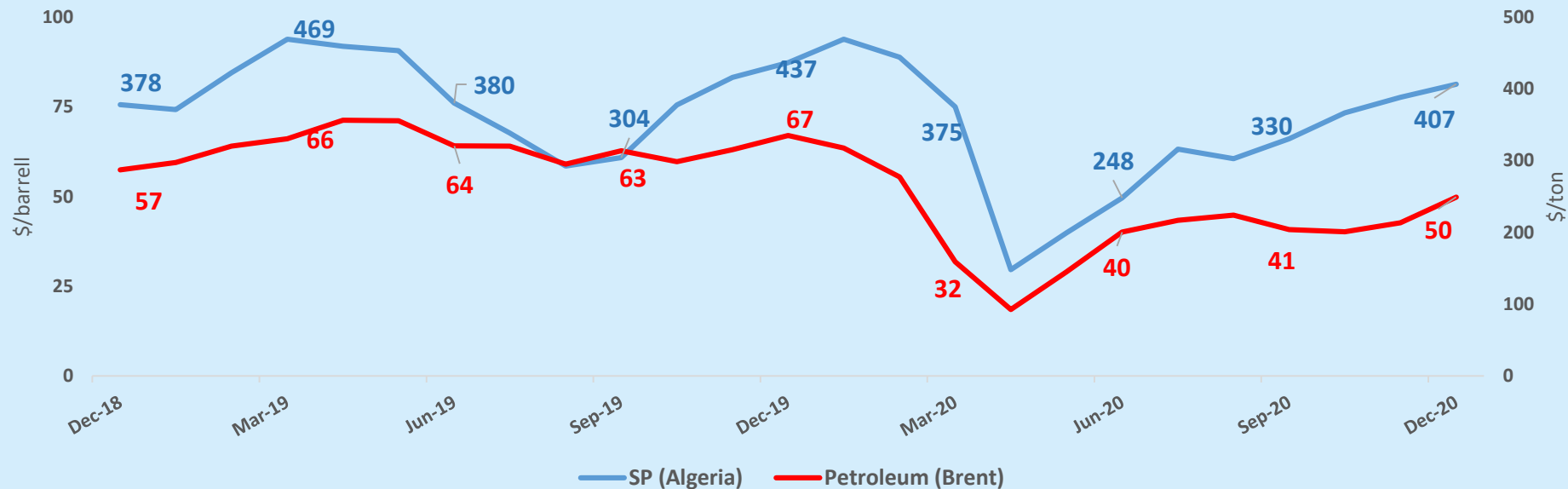
World LPG Consumption
By Regions (%)



WLPGA Statistical Review of Global LP Gas Report, 2020



Prices of LPG and brent

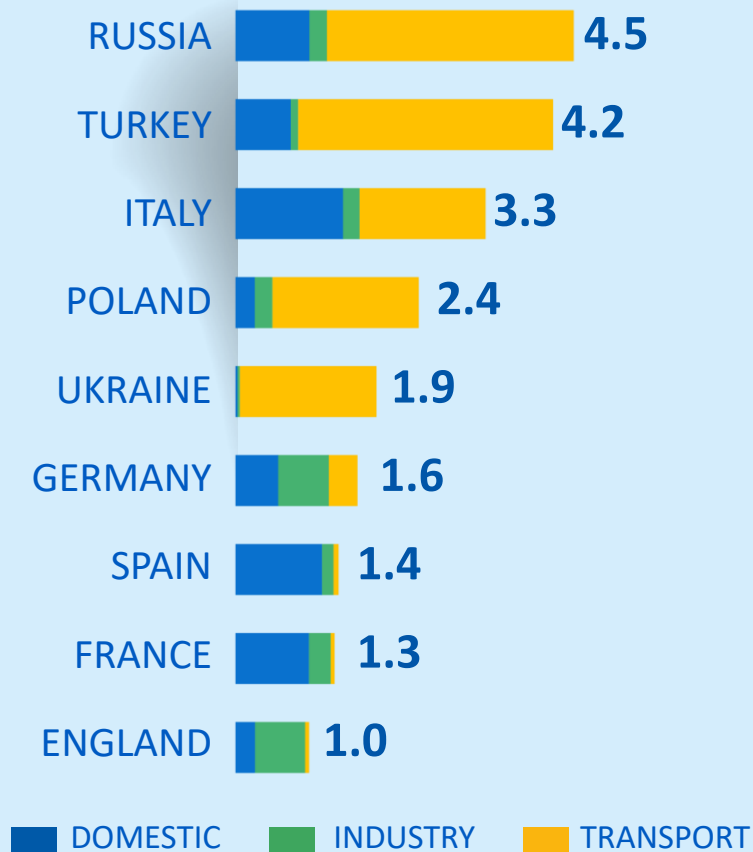


- There is a correlation between LPG and oil price
- Seasonality can also affect LPG price
- December 2020 Sonatrach LPG price is at USD 407 and 7% lower than December 2019 price. Average LPG price for 2020 is 333 USD/ton and is 15% lower compared to 2019 average price.

Sonatrach / Market data

C Turkish LPG market

LPG consumption in Europe (m ton)



WLPGA Statistical Review of Global LP Gas Report, 2019

4.2 m tons #2 in Europe #10* in the World

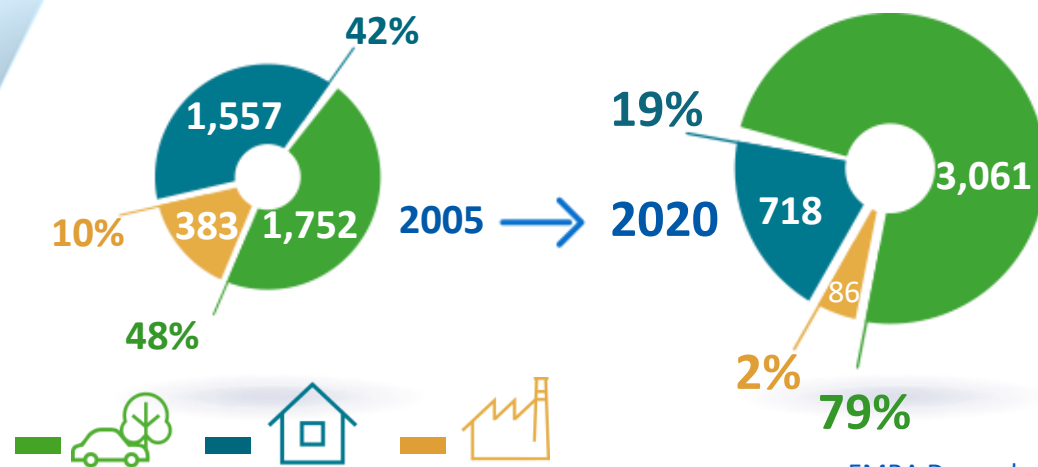
~90 distribution companies

Leading 3 players in the cylinder market and first 8 players in the autogas market hold over 80% of the total market

Liberal market with regulatory body-EMRA

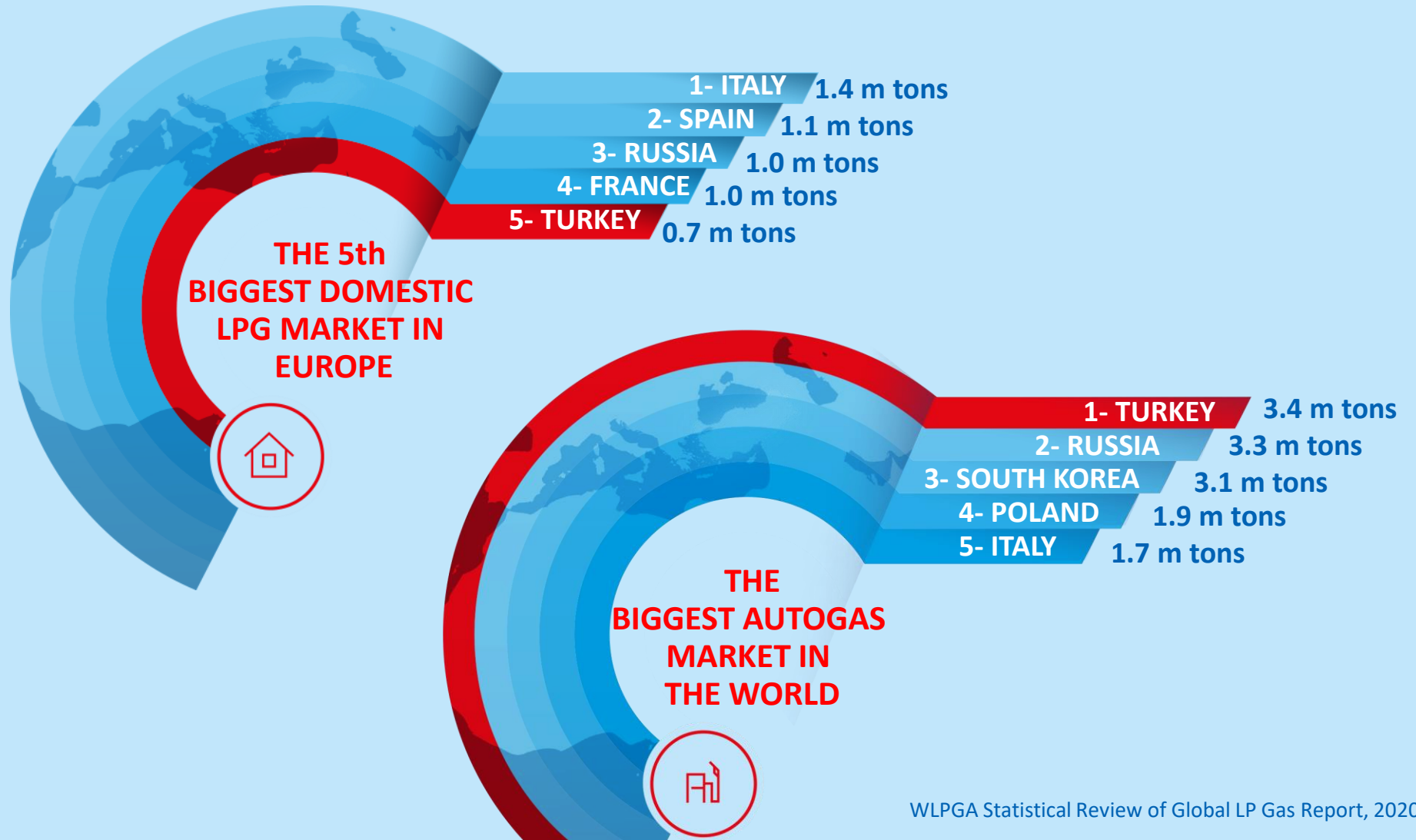
* when p. chemical and refinery is excluded

EVOLVING FROM CYLINDER TO AUTOGAS (000 tons)



EMRA December 2020

> LPG market ranking



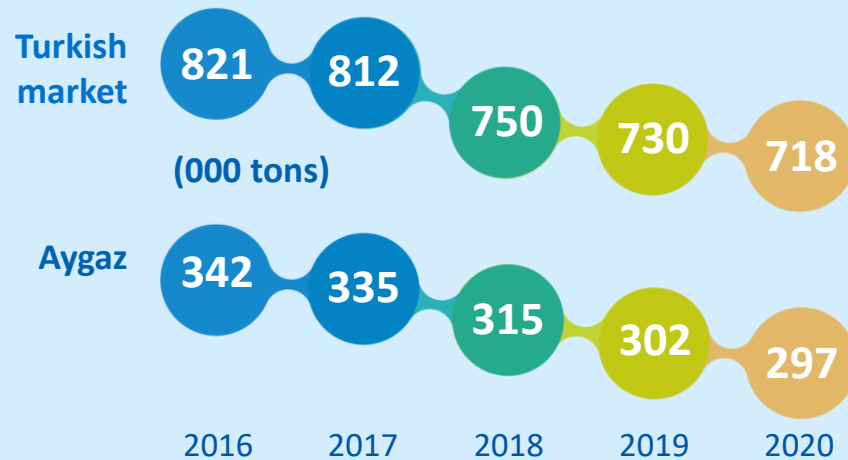
WLPGA Statistical Review of Global LP Gas Report, 2020





Cylinder market starting to stabilize

CYLINDER MARKET



RATES OF CHANGE (YoY)



Increasing residential demand during the lock-down periods due to the Covid-19 pandemic compensated the effects of the on-going natural gas conversions, urban transformation and contraction in commercial sales. Accordingly Aygaz cylinder gas sales contracted by 2% year on year in 2020.

General factors affecting cylinder market;

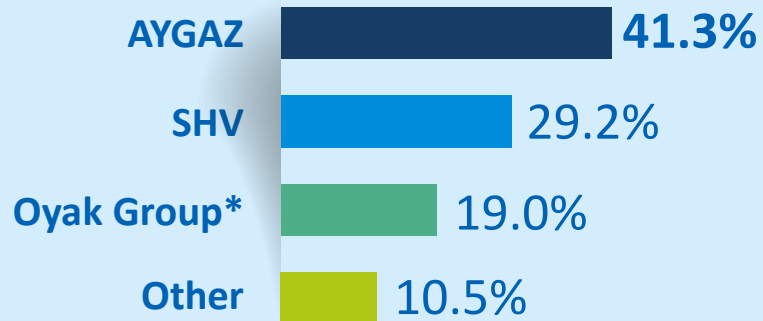
- Pressure on demand due to rising LPG prices
- Continuation of natural gas grid expansion despite deceleration

EMRA data

> Aygaz; leader in cylinder market since its foundation



CYLINDER MARKET SHARES



*Milangaz, Güneş Gaz and Likit gaz

- Generic brand
- Market maker
- Largest dealer network with high sales efficiency
- 60% market share in residential use
- Fully integrated production cycle; Cylinder and gas appliances factory in Gebze plant
- Aygaz Ekspres; digital solutions for optimizing dealers' business&delivery

Aiming to maximize customer satisfaction&loyalty

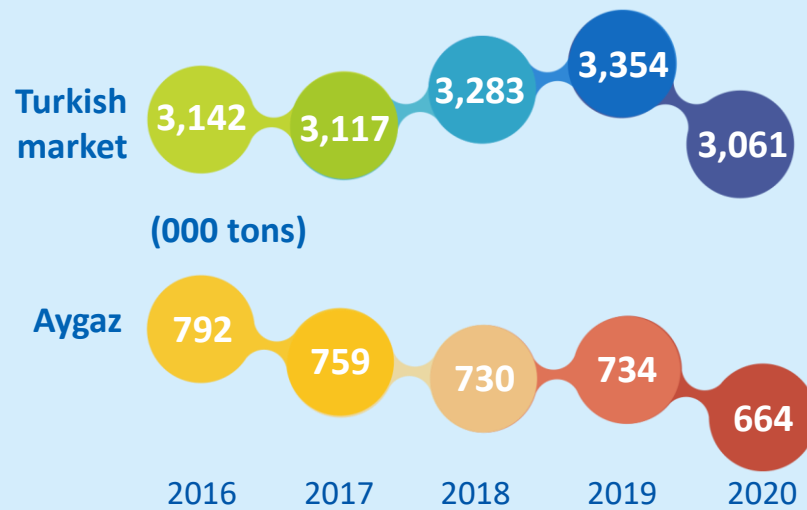
2020	Number of dealers	Sales Volume (tons)	Avg dealer sales (tons)
Aygaz cylinder dealers	2,297	296,934	129

2020 EMRA data

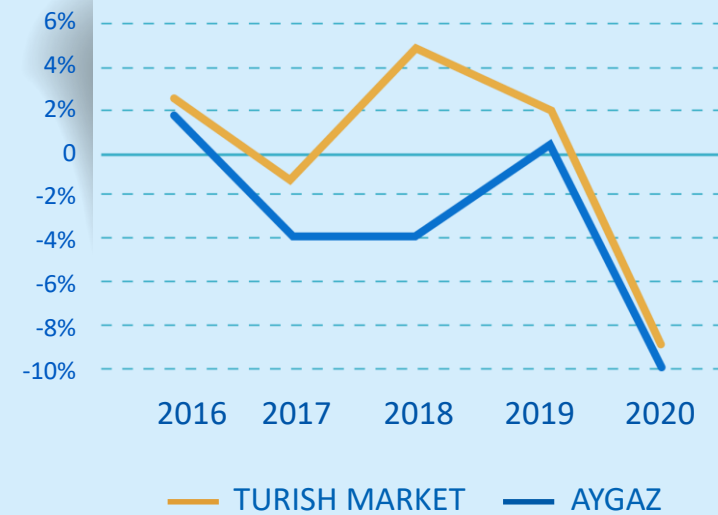


> World's biggest autogas market

AUTOGAS MARKET



RATES OF CHANGE (YoY)



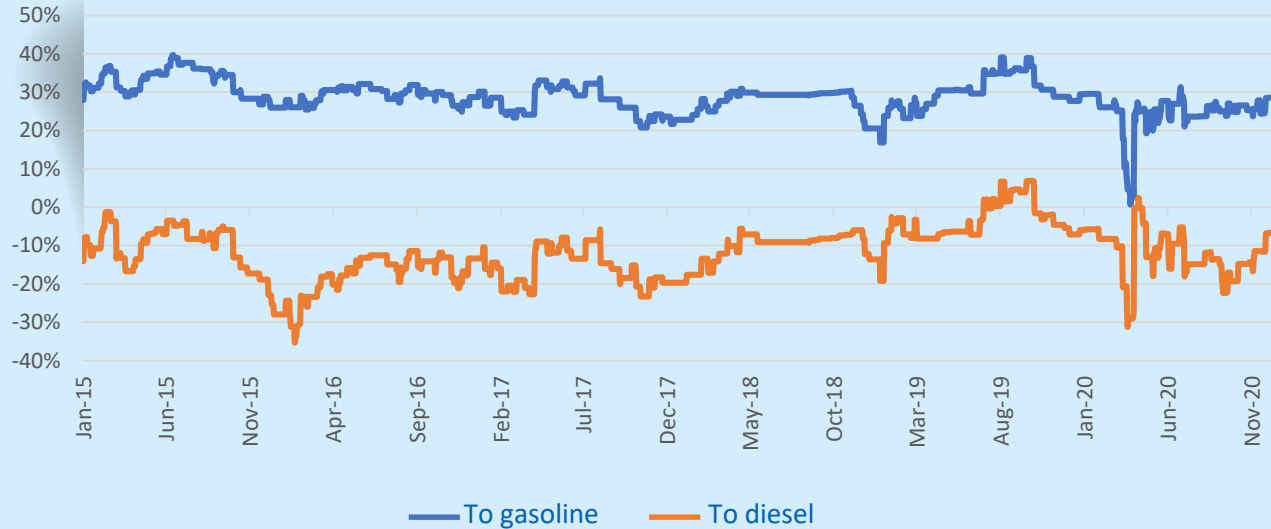
Factors affecting autogas market;

- 30% more economic on average compared to gasoline
- Fierce price competition among national and local players
- Increasing interest of car manufacturers to LPG and conversions with car guarantees

EMRA data



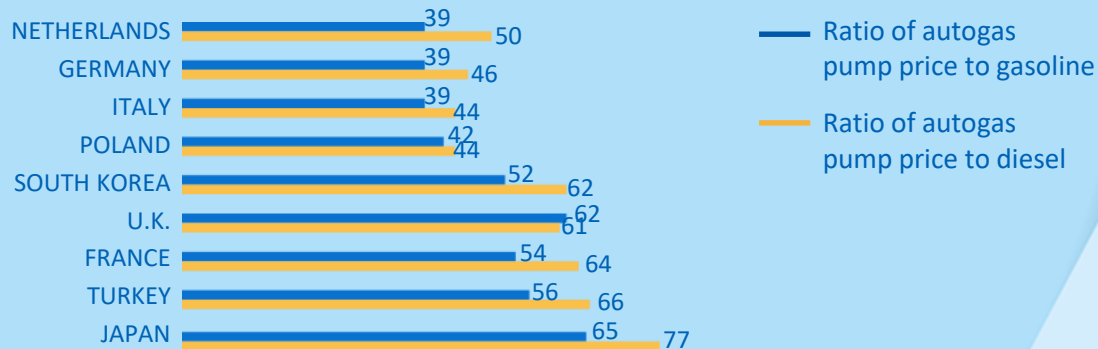
Price economy of autogas



30%+

price advantage to gasoline

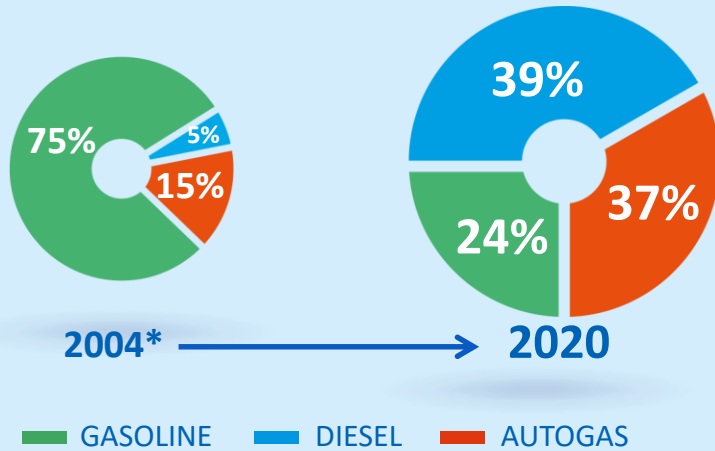
PUMP PRICE OF AUTOGAS ACROSS THE WORLD (%)



WLPGA Global LP Gas Report

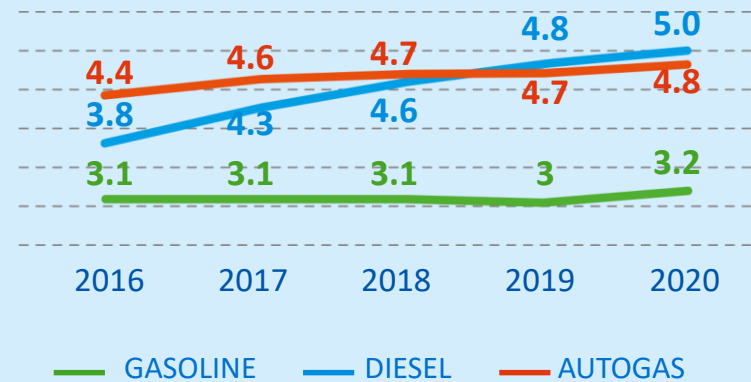
> Autogas; most widely-used passenger car fuel of Turkey

RATIO OF CARS REGISTERED TO TRAFFIC ACC. TO FUEL TYPE



* Fuel type unknown: 5%

TURKISH CAR PARK (m cars)



- Most widely-used passenger car fuel since 2011
- With 4.8 million cars, 4 out of 10 passenger cars run on LPG
- Largest LPG vehicle fleet in the world; 16% of the world
- Approx. 11,000 autogas stations all over Turkey

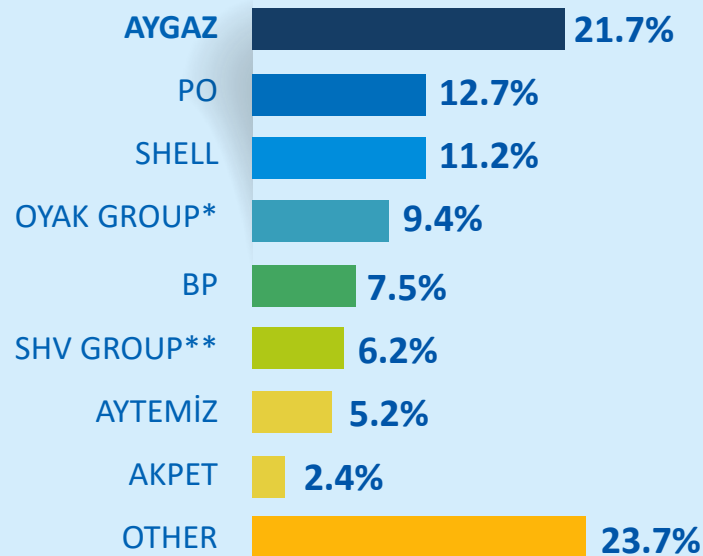
CAR OWNERSHIP PER PERSON



Turkstat, ACEA

Leader of the biggest autogas market in the world

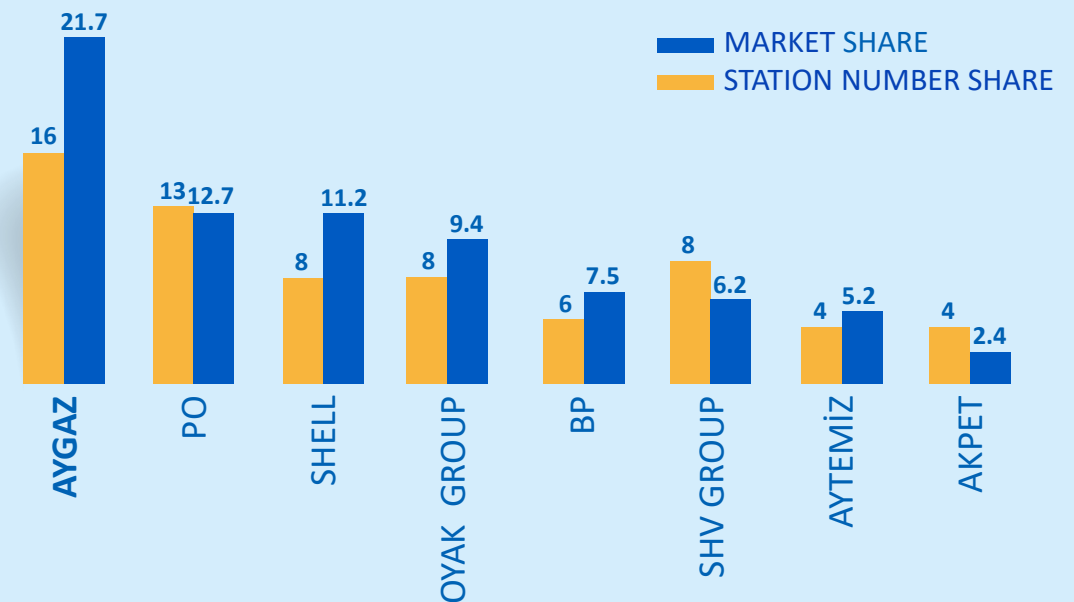
AUTOGAS MARKET SHARES



*Likitgaz, Milangaz & Güzel ** İpragaz & Yıldırım

- Largest dealer network with high sales efficiency
- Creating network synergy with sister company Opet
- Core business is LPG unlike other fuel distributors

MARKET SHARE & STATION NUMBER SHARE (%)



2020	Number of dealers	Sales Volume (tons)	Avg dealer sales (tons)
Aygaz autogas dealers	1,736	663,601	382
Total autogas dealers	10,854	3,061,374	281

EMRA December 2020

Autogas car park growth

Autogas conversions



1,000+ conversion points

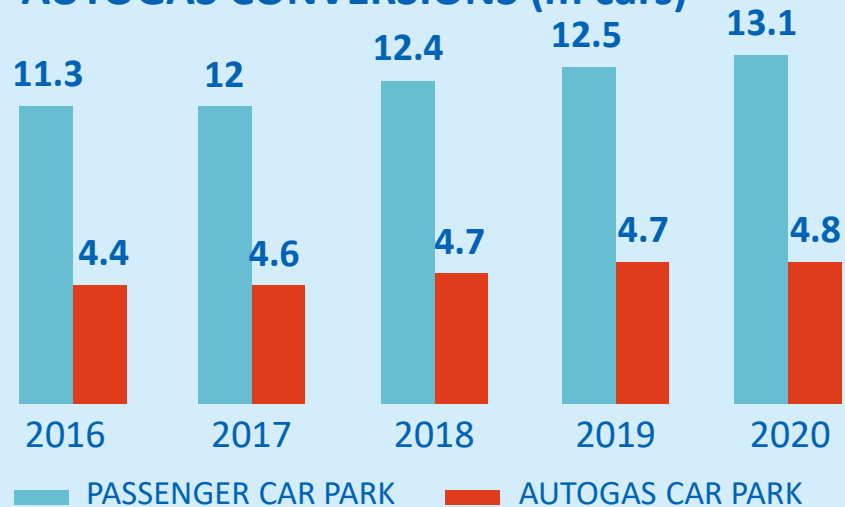
\$500 average cost of conversion

Payback in 15,000 km

OEM; original equipment manufacturer

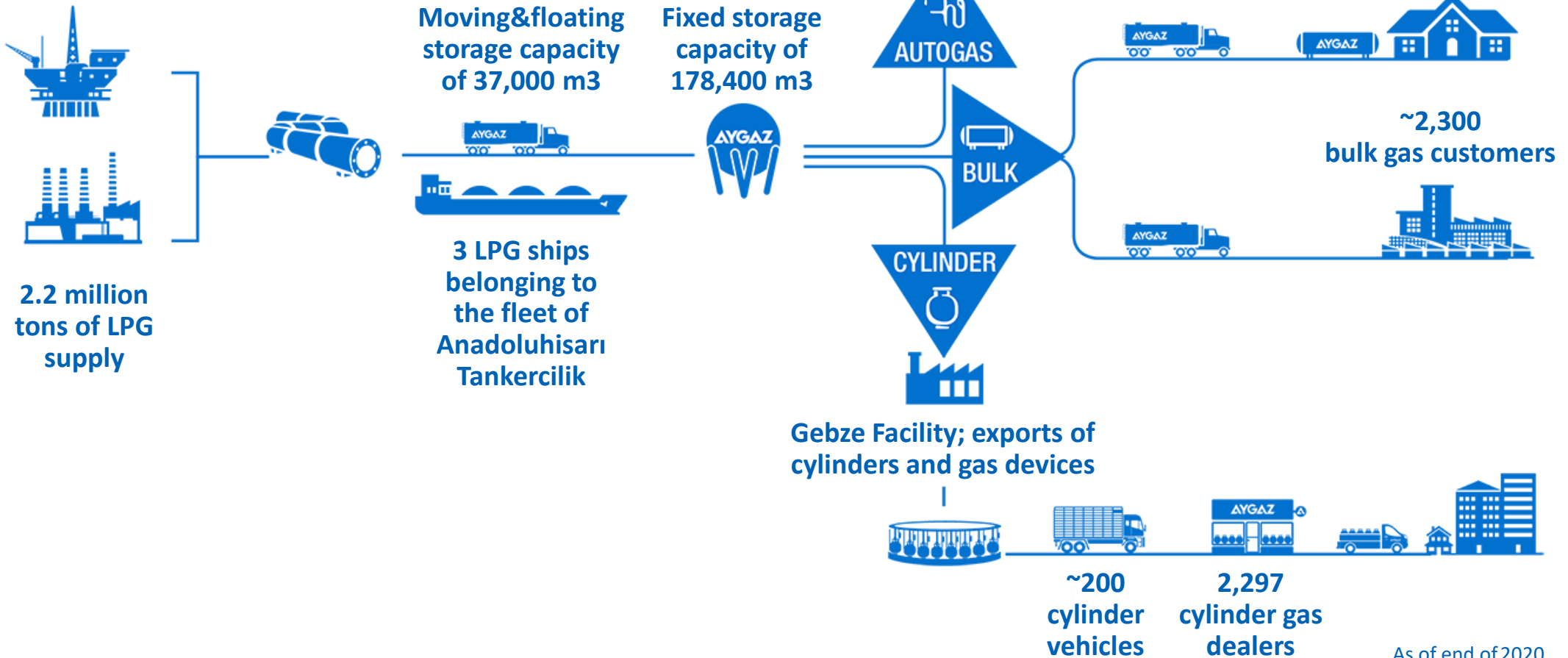
- Some major car manufacturers are providing guaranteed conversion currently

AUTOGAS CONVERSIONS (m cars)



Turkstat

D The LPG value chain



As of end of 2020



Competitive supply chain



BIG PLAYER

- #1 purchaser in Mediterranean
- #1 importer in Turkey
- #1 LPG exporter in Turkey
- #1 storage owner in Turkey
(~24% of TR)



ADVANCED MODEL

- Direct imports to 5 different locations
- Most diversified supply portfolio in Turkey
Diversified supplier & origins
Diversified supply pattern (ex-refinery, FOB, CIF)
- Only company in Med capable of discharging a VLGC in single port



FLEET MANAGEMENT

- Top-notch LPG fleet owner
- Total capacity: 28,800 cbm, Average age: 15 yrs
- Single LPG vessel charterer (in/out) in Turkey
- Reduces logistics costs
- Provides flexibility in sourcing and inventory management

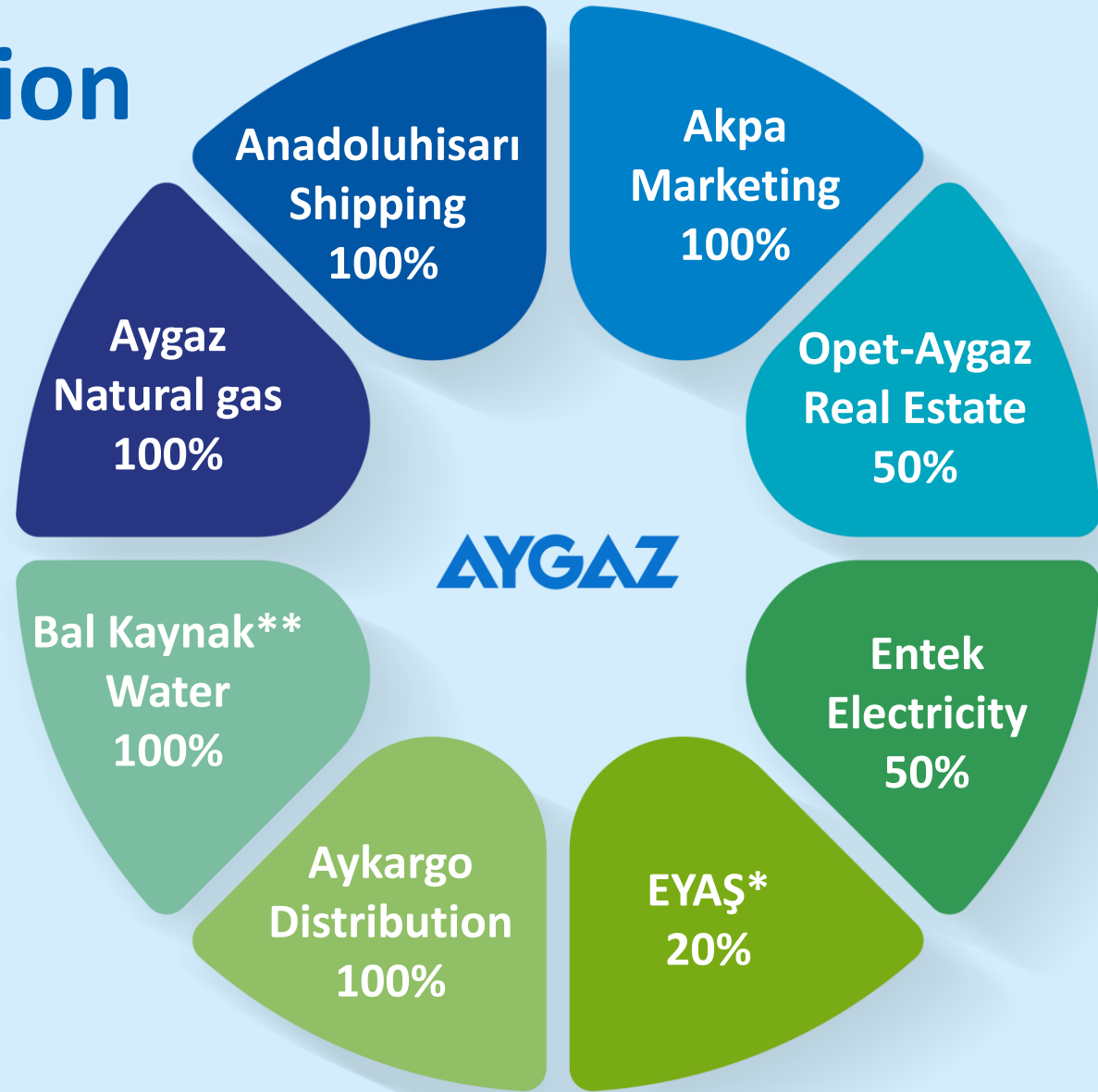


OVERLAND TRANSPORTATION

- Biggest LPG truck fleet in Turkey
>500 vehicles
- Transporting 1.4 million ton/year
- 45 million km/year



E Participation portfolio



*EYAŞ owns 51% of the shares of TÜPRAŞ

** 100% of the company shares are owned by Aygaz A.Ş.'s full subsidiary Kuleli Tankercilik A.Ş.

Financial Investments: Koç Finansal Hizmetler A.Ş. (3.93%), Ram Dış Ticaret A.Ş. (2.5%), Tanı Pazarlama ve İletişim Hizmetleri A.Ş. (10%), Tat Gıda Sanayi A.Ş. (0.08%)

F

Natural gas

AYGAZ
DÖĞALGAZ

LNG SALES



Transportation
and regasification



17% market share,
300 industrial
customers

2020 sales:
73 mcm

PIPELINE NATURAL GAS SALES



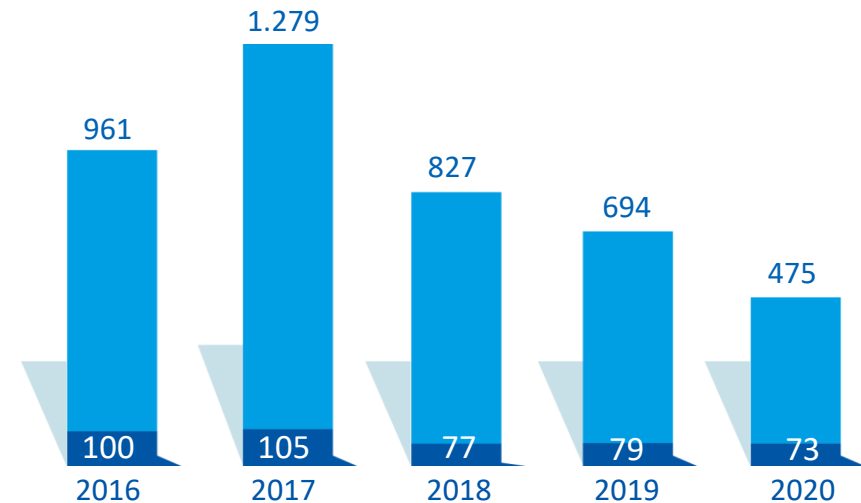
Started in
2010

2020 sales:
475 mcm

PROJECTS

LNG & Pipeline gas import

SALES VOLUME (mcm)



■ LNG SALES

■ PIPELINE NG SALES

G

Other participations

POWER GENERATION



TOTAL INSTALLED CAPACITY: 377 MW

Kocaeli Natural Gas

Combined Cycle (NGCC): 112 MW

8 Hydro Assets: (HEPP): 265 MW

STRATEGY

Selective growth depending on opportunities and liberalization in the market

SALES AND MARKETING

Direct sale of cylinder gas and carboy water throughout Turkey

Fuel trade at its fuel stations

akpa

OPET AYGAZ GAYRİMENKUL

Founded in 2013 as a 50-50 partnership with Opet to purchase real estate and manage or lease these properties as fuel or autogas stations

Currently owns 21 stations

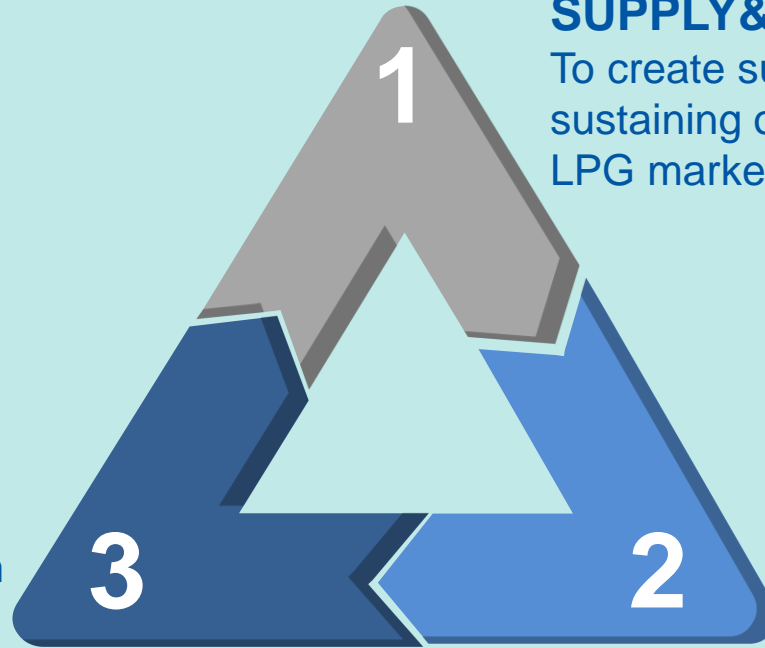




Long term strategic plan of Aygaz

NEW BUSINESS MODELS

To develop new business lines through utilizing Aygaz brand and platform



TURKEY LPG SUPPLY&DISTRIBUTION

To create sustainable value while sustaining our leadership in Turkish LPG market

OVERSEAS LPG SUPPLY&DISTRIBUTION

To become an international LPG player



Bangladesh Investment - *United Aygaz LPG Ltd.*

- Bangladesh average GDP growth rate between 2015-2019 is 7% and it is one of the most densely populated countries in the world.



163 million



Bangladesh LPG Market

148 K ton

2015

CAGR 45%

960 K ton

2019



85% domestic consumption

- Aygaz's partner, **United Enterprises & Co. Ltd.** (UECL) was established in 1978 and has become one of the pioneering companies in the country. UECL has a diverse investment portfolio spanning from power generation to healthcare, education, real-estate, construction, port, yarn spinning, specialized services, shipping, mineral oil distribution and logistics among others.
- The critical success factors for Aygaz within this investment stand out to be its **60 years** of expertise in the sector, brand power and the supply and operational advantages that are planned to be created.

WLPGA , World Bank

Aygaz key takeaways

Consistent
Market
Leader



Brand
Power

Strong Sales &
Logistics Network

Long-term
Strategy
Builder



Diversifier
& Portfolio
Investor

Financial
Strength

STRATEGIC PRIORITIES

Sustain its market leadership in LPG by;

- Investing in the future with the responsibility of being the industry's highly reputable, reliable and consumer-oriented brand,
- Prioritizing high safety standards and product quality,
- Developing innovative products and services with solutions that place innovation and digitalization at the core.

Ensure sustainable growth to move its current position forward by:

- Following and seizing opportunities for mergers, acquisitions and investments at home and abroad,
- Improving efficiency in all processes from sourcing to selling LPG,
- Aiming to create value for all stakeholders.

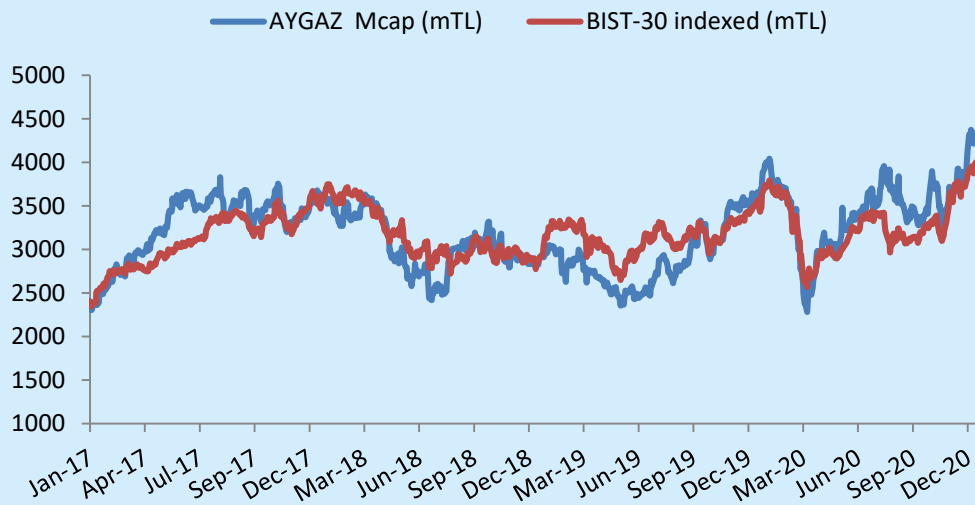


Shareholder value

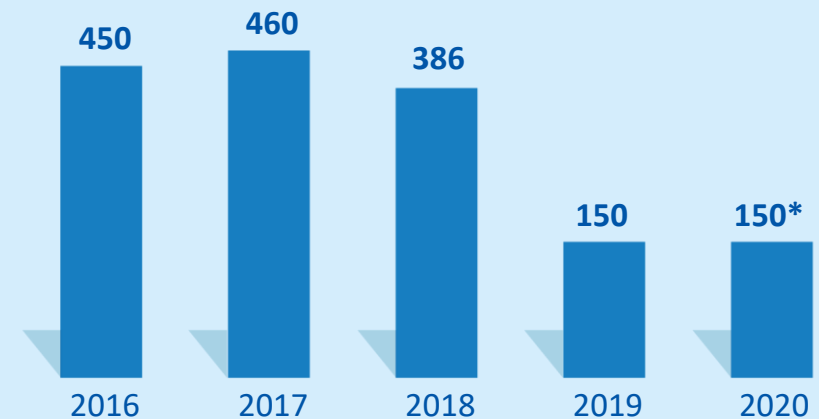
BIST Code	AYGAZ
Bloomberg Code	AYGAZ.TI
Reuters Code	AYGAZ.IS
IPO Date	13.01.1988
Free Float Rate	24.3%

STRENGTHS

- Sustainable operating profitability from core business; LPG
- Resistant to economic fluctuations and crises
- Regular dividend payments
- Corporate governance practices at international standards;
 - SAHA Corporate Governance and Credit Rating Services confirmed Aygaz's corporate governance rating score as 9.42 on June 22, 2020.

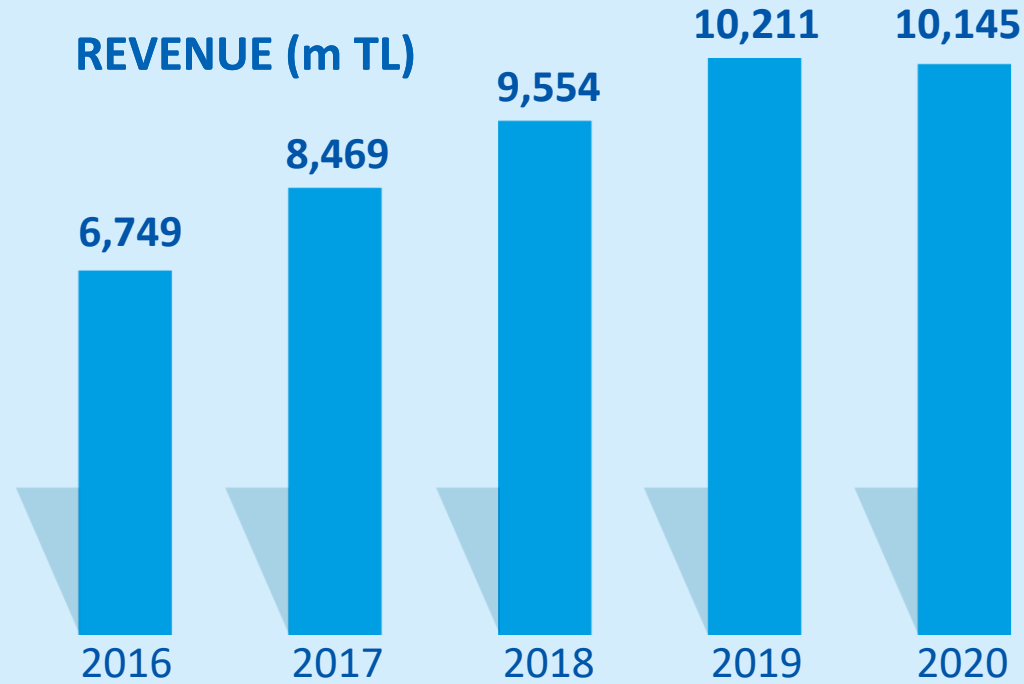


DIVIDEND (m TL)



* to be approved by General Assembly

H Financial highlights

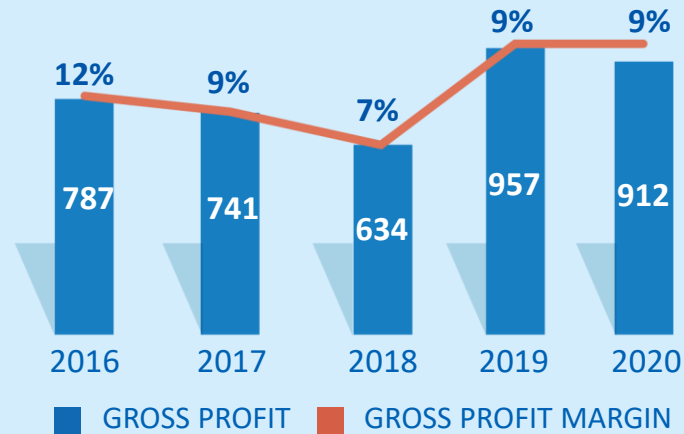


Revenue figure fluctuations are mainly due to;

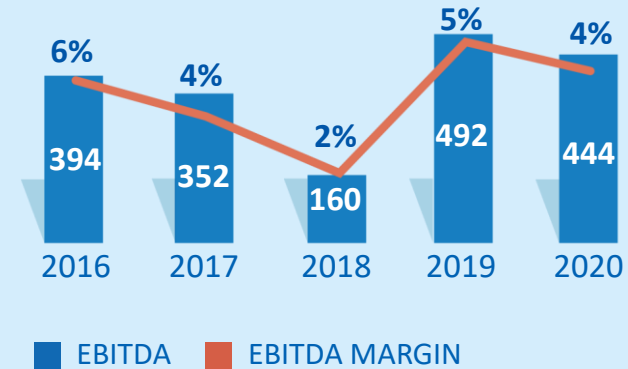
- FX rate changes
- Commodity price changes

> Financial highlights

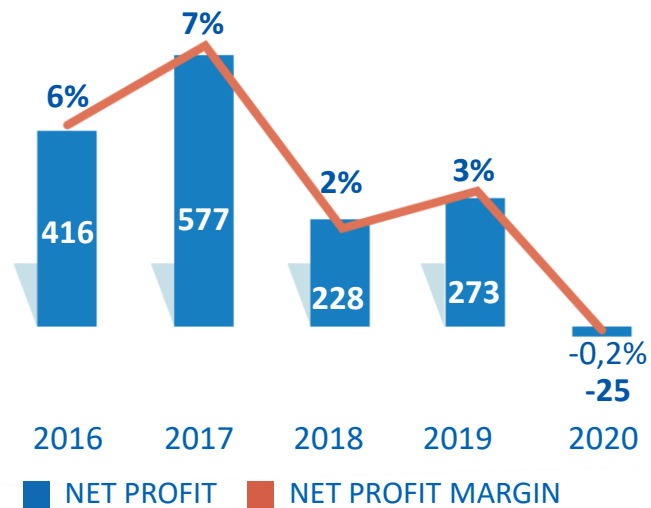
GROSS PROFIT AND GPM



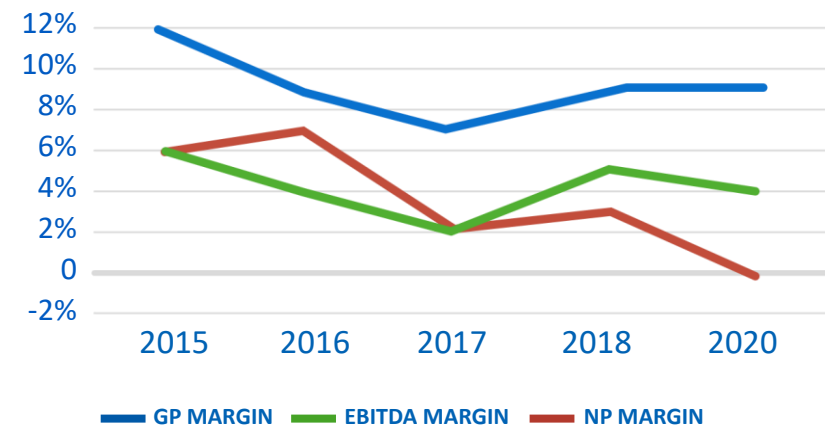
EBITDA AND EBITDA MARGIN



NET PROFIT AND NPM



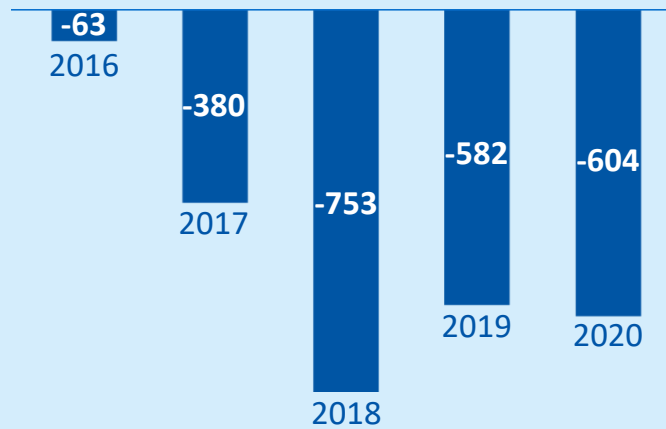
PROFIT MARGINS



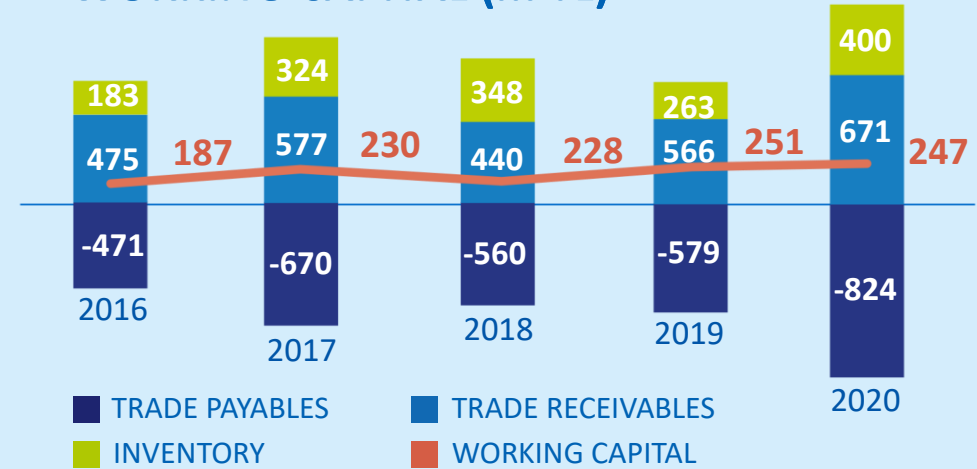
Bar figures: m TRY

> Financial highlights

NET CASH (m TL)



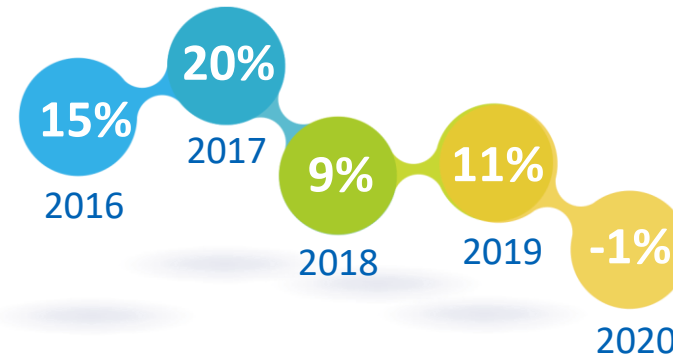
WORKING CAPITAL (m TL)



CURRENT RATIO



RETURN ON EQUITY



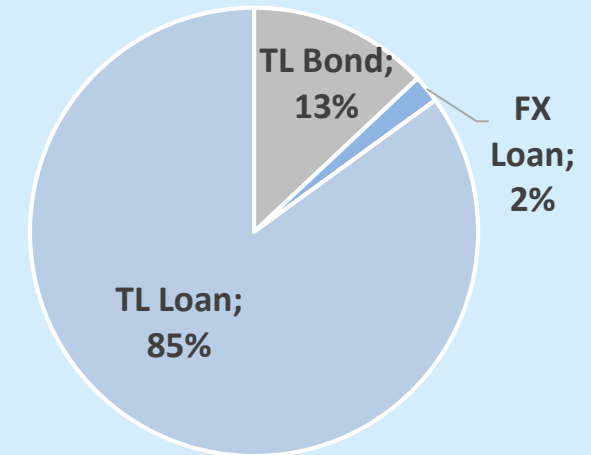
Financial highlights

(m TL)	12M 2020	12M 2019
ST Borrowings	221	65
Current portion of LT Borrowings	346	418
LT Borrowings	997	764
Total Debt	1,564	1,247
Cash and cash equivalents (-)	(961)	(665)
= Net Debt	604	582

ST: Short-term LT: Long-term

- Maturity structures of the debts are wide-range and long term.
- FX position is actively monitored and managed including derivatives.

DEBT PROFILE AS OF
31/12/2020



CREDIT RATING: Following the comparative analysis of the sector and examination of financial/operational risks carried by the Company, as well as its domestic market position by SAHA Corporate Governance and Credit Rating Services, AYGAZ received a long term rating of (TR) AAA and a short term rating of (TR) A1+ and outlook as stable on June 22, 2020.

Appendix

1 Income statement summary

(m TRY)	2016	2017	2018	2019	2020
Revenue	6,749	8,469	9,554	10,211	10,145
COGS	(5,962)	(7,728)	(8,920)	(9,254)	(9,233)
Gross Profit	787	741	634	957	912
Operating Profit	308	265	71	365	288
Profit Before Tax	469	621	250	306	31
Net Profit	416	577	228	273	-25
EBITDA	394	352	160	492	444
MARGINS					
GP margin	12%	9%	7%	9%	9%
OP margin	5%	3%	1%	4%	3%
NP margin	6%	7%	2%	3%	-0.2%
EBITDA margin	6%	4%	2%	5%	4%

2

Balance sheet summary

(m TRY)	2016	2017	2018	2019	2020
Cash & Cash Eq.	568	593	648	665	961
Trade Receivables	475	577	440	566	671
Inventories	183	324	348	263	400
Inv. Acc. Under Equity Method	1,922	2,273	2,305	2,059	1,847
Prop. Plant & Eq.	658	678	687	713	696
Financial Debt	(630)	(973)	(1,401)	(1,247)	(1,564)
Trade Payable	(471)	(670)	(560)	(579)	(824)
Equity	2,742	2,923	2,502	2,478	2,317
Total Assets	4,231	4,966	5,013	4,955	5,395
Net Cash (Debt)	(63)	(380)	(753)	(582)	(604)
Working Capital	187	230	228	251	247

3

2020 Q4 – Income Statement Summary

QUARTERLY / (YoY)

Revenue	2,949 Million TL	15%	↑
Operating profit	89 Million TL	-22%	↓
EBITDA	131 Million TL	-11%	↓
EBITDA (excl. other op. inc/exp)	111 Million TL	-30%	↓
Net profit	78 Million TL	5%	↑

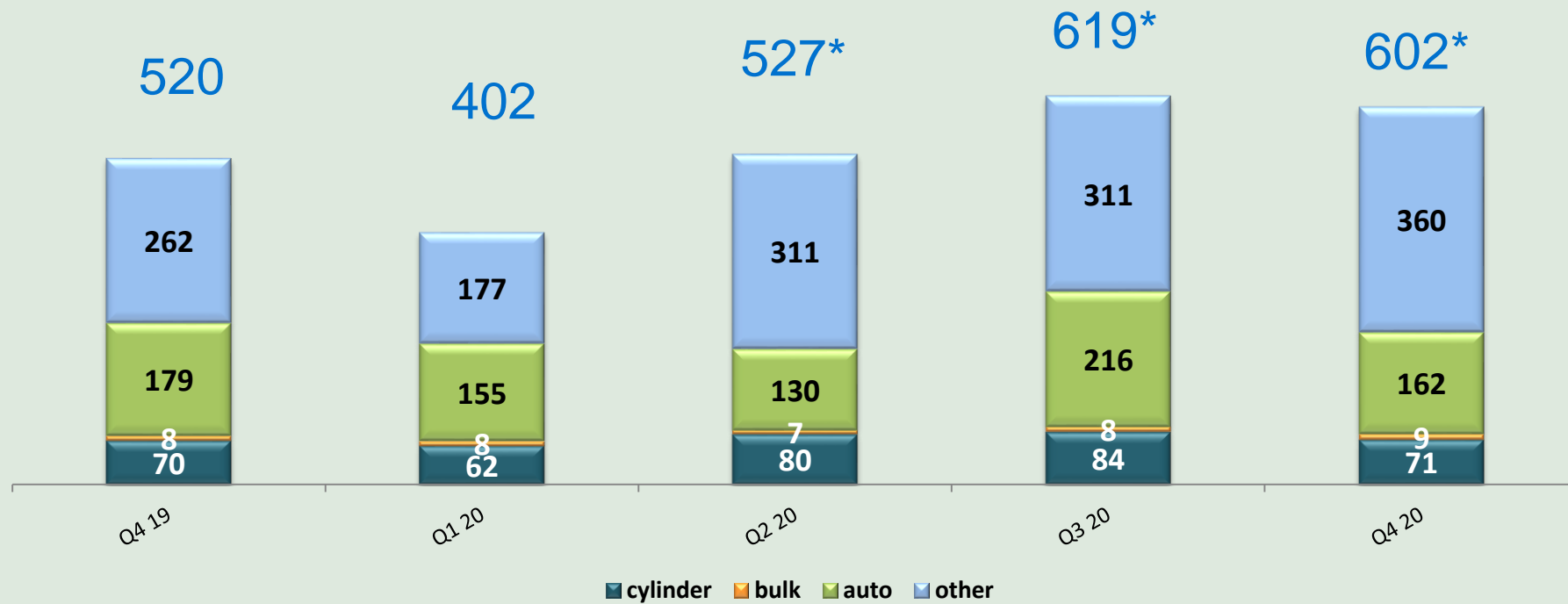
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2020 12M - Income Statement Summary

12 MONTHS CUMULATIVE / (YoY)

Revenue	10,145 Million TL	-1%	↓
Operating profit	288 Million TL	-21%	↓
EBITDA	444 Million TL	-10%	↓
EBITDA (excl. other op. inc/exp)	416 Million TL	-12%	↓
Net profit	-25 Million TL	-109%	↓

2020 Q4 Aygaz LPG Sales (000 tons)



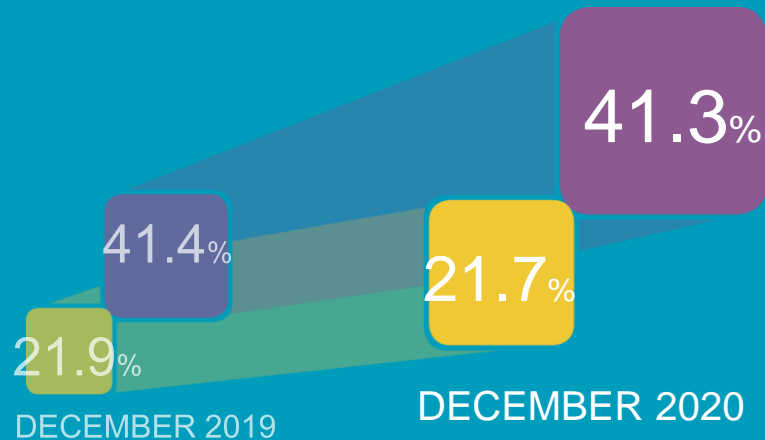
Q4 2020 sales volumes were realized as

- 162 thousand tons in Autogas (-9% YoY)
- 71 thousand tons in Cylinder Gas (+2% YoY)
- 602 thousand tons in Total (+16% YoY)

(*)Contribution from Aygaz UK: 94 thousand tons in Q2, 47 thousand tons in Q3 and 138 thousand tons in Q4

EMRA, Aygaz

Market Shares



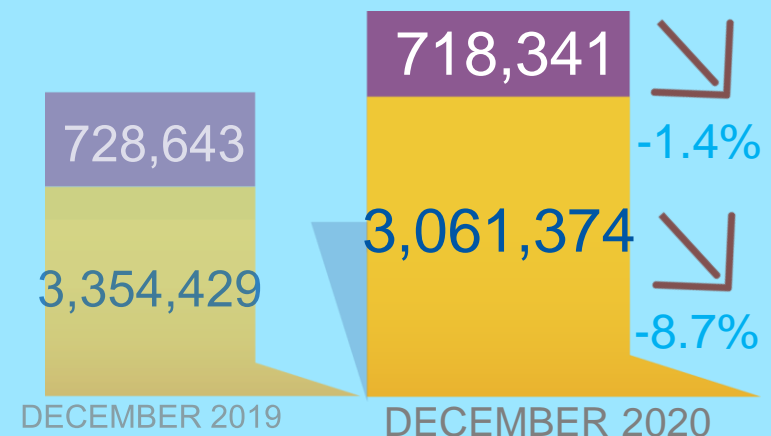
As of December 2020 EMRA report, Aygaz cylinder and autogas market shares are 41.3% and 21.7% respectively.

(41.4% and 21.9% in December 2019)

According to December 2020 EMRA report, Turkish cylinder sales volume is 718,341 tons and autogas volume is 3,061,374 tons.

2019/12 months:

Cylinder gas	728,643	tons
Autogas	3,354,429	tons



SALES VOLUME (Tons)

EMRA, Aygaz

7

Subsidiaries and Affiliates

Subsidiaries	Principal activity	Participation
Anadoluhisarı Tankercilik A.Ş.	Shipping	100%
Kandilli Tankercilik A.Ş.	Shipping	100%
Kuleli Tankercilik A.Ş.	Shipping	100%
Kuzguncuk Tankercilik A.Ş.	Shipping	100%
Akpa Day. Tük. Lpg ve Akar. Ürün. Paz. A.Ş.	Marketing	100%
Aygaz Doğal Gaz Toptan Satış A.Ş.	Natural gas	100%
Aygaz Doğal Gaz İletim A.Ş.	Natural gas	100%
Aygaz Aykargo Dağıtım Hizmetleri A.Ş. (*)	Cargo Transport/Distribution(*)	100%
Bal Kaynak Su İth. İhr. Sanayi ve Ticaret A.Ş.	Water distr.	100%

(*) The title of ADG Enerji Yatırımları A.Ş. has been updated as Aygaz Aykargo Dağıtım Hizmetleri A.Ş. and its principal activity as Cargo Transport/Distribution by the Extraordinary General Assembly which was registered on August 11, 2020.



Subsidiaries and Affiliates

Affiliates	Principal activity	Participation
Enerji Yatırımları A.Ş.	Energy	20%
Entek Elektrik Üretimi A.Ş.	Electricity	50%
Opet Aygaz Gayrimenkul A.Ş.	Real Estate	50%

Financial Assets	Principal activity	Participation
Koç Finansal Hizmetler A.Ş.	Finance	3.93%
Ram Dış Ticaret A.Ş.	Trade	2.50%
Tanı Pazarlama ve İlet. Hiz. A.Ş.	Marketing	10.00%
Tat Gıda Sanayi A.Ş.	Food	0.08%

8 Forward looking statements for 2021

Sales volume

- Cylinder: 285-295 thousand tons
- Autogas: 700-730 thousand tons

Market share

- Cylinder: 41.0%-43.0%
- Autogas: 21.5%-22.5%

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Glossary

LPG	Liquid Petroleum Gas
EMRA	Energy Market Regulatory Authority
WLPGA	World LPG Association
SP	Sonatrach Price
PETDER	Petroleum Industry Association
FOB	Free On Board
CIF	Cost, Insurance & Freight
Med	Mediterranean
VLGC	Very Large Gas Carrier
EYAŞ	Enerji Yatırımları A.Ş.
LNG	Liquid Natural Gas
Mcm	Million Cubic Meters
Bcm	Billion Cubic Meters
NGCC	Natural Gas Combine-Cycle
MW	Megawatt (one million watts)
BIST	Borsa Istanbul (Istanbul Stock Exchange)
IPO	Initial Public Offering
GHG	Greenhouse Gas Protocol

K Disclaimer

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