

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

**AYGAZ ANONİM ŐİRKETİ  
AND ITS SUBSIDIARIES**

**JANUARY 1 – SEPTEMBER 30, 2020 INTERIM  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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

**Aygaz Anonim Şirketi and its Subsidiaries**

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

**Aygaz Anonim Şirketi and its Subsidiaries**

**Consolidated statement of financial position**

**as at September 30, 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

<b>Assets</b>	<b>Notes</b>	<b>Current period (Unaudited) September 30, 2020</b>	<b>Prior period (Audited) December 31, 2019</b>
<b>Current assets</b>		<b>2.392.808</b>	<b>1.589.116</b>
Cash and cash equivalents	4	1.084.229	665.391
Trade receivables		601.096	566.282
-Trade receivables from related parties	20	103.925	131.194
-Trade receivables from third parties	8	497.171	435.088
Other receivables		59.093	3.242
-Other receivables from third parties	16	59.093	3.242
Derivative financial instruments	7	44.604	28.269
Inventories	9	512.750	263.309
Prepaid expenses		65.930	43.761
Assets related to current year tax		130	2.029
Other current assets		24.976	16.833
<b>Non-current assets</b>		<b>3.019.509</b>	<b>3.365.743</b>
Financial investments	5	291.724	395.444
Trade receivables		5.199	8.092
-Trade receivables from third parties	8	5.199	8.092
Other receivables		157	154
-Other receivables from third parties		157	154
Derivative financial instruments	7	-	14.097
Investments accounted under equity method	10	1.801.405	2.059.470
Tangible assests	11	694.241	712.554
Right-of-use assets	13	172.208	110.066
Intangible assets		20.552	23.817
-Other intangible assets	12	20.552	23.817
Prepaid expenses		33.426	41.656
Deferred tax asset	19	597	393
<b>Total assets</b>		<b>5.412.317</b>	<b>4.954.859</b>

The accompanying accounting policies and notes between the pages 9 and 45 form an integral part of these interim condensed consolidated financial statements.

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

**Aygaz Anonim Şirketi and its Subsidiaries**

**Consolidated statement of financial position**

**as at September 30, 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

Liabilities	Notes	Current period (Unaudited) September 30, 2020	Prior period (Audited) December 31, 2019
<b>Short-term liabilities</b>		<b>2.137.709</b>	<b>1.495.037</b>
Short-term financial borrowings	6	221.278	64.883
Current portion of long-term financial borrowings	6	436.348	418.454
Trade payables		916.835	578.783
- Trade payables to related parties	20	150.804	156.902
- Trade payables to third parties	8	766.031	421.881
Liabilities for employee benefits		12.896	54.042
Other payables		1.685	1.555
- Other payables to related parties	20	1.273	1.211
- Other payables to third parties		412	344
Derivative financial instruments	7	38.037	12.709
Deferred income		7.125	7.235
Provision for taxation on income		24.349	12.274
Short-term provisions		358.474	246.935
-Provisions from employee benefits		31.028	-
-Other provisions	15	327.446	246.935
Other current liabilities	15	120.682	98.167
<b>Long-term liabilities</b>		<b>1.215.271</b>	<b>981.739</b>
Long-term borrowings	6	1.014.421	764.426
Other payables		114.034	107.213
- Other payables to third parties		114.034	107.213
Derivative financial instruments	7	-	14.100
Long-term provisions		60.814	53.702
-Provisions for employee benefits		60.814	53.702
Deferred tax liabilities	19	26.002	42.298
<b>Total liabilities</b>		<b>3.352.980</b>	<b>2.476.776</b>
<b>Equity</b>		<b>2.059.337</b>	<b>2.478.083</b>
Share capital	17	300.000	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		125.454	224.425
Gains (losses) on the revaluation and/or reclassification		126.550	225.521
-Gains (losses) remeasurement from defined benefit plans		336	336
-Gains (losses) on financial assets measured at fair value through other comprehensive income		126.214	225.185
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss		(1.096)	(1.096)
Other comprehensive income or expenses to be reclassified to profit or loss		(291.004)	(224.279)
Currency translation differences		(12.528)	(8.835)
Gains (losses) on hedge		(9.732)	(8.835)
-Gains (losses) on cash flow hedges		(9.732)	(8.835)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		(268.744)	(215.444)
Restricted reserves		352.192	338.692
Retained earnings		1.611.683	1.501.706
Net profit for the period		(103.050)	273.477
<b>Equity attributable to equity holders of the parent</b>		<b>2.059.337</b>	<b>2.478.083</b>
<b>Total equity and liabilities</b>		<b>5.412.317</b>	<b>4.954.859</b>

The accompanying accounting policies and notes between the pages 9 and 45 form an integral part of these interim condensed consolidated financial statements.

**Aygaz Anonim Şirketi and its Subsidiaries**

**Consolidated profit or loss and other comprehensive income statement  
for the nine-month interim period ended September 30, 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

		(Unaudited)		(Unaudited)	
	Notes	January 1- September 30, 2020	July 1- September 30, 2020	January 1- September 30, 2019	July 1- September 30, 2019
Revenue		7.195.333	3.044.979	7.645.016	2.548.724
Cost of sales (-)		(6.542.245)	(2.708.272)	(6.968.122)	(2.271.752)
<b>Gross profit</b>		<b>653.088</b>	<b>336.707</b>	676.894	276.972
General administrative expenses (-)		(200.336)	(65.339)	(206.796)	(65.524)
Marketing expenses (-)		(259.101)	(101.132)	(244.159)	(91.766)
Research and development expenses (-)		(1.999)	(789)	(1.822)	(779)
Other operating income		215.735	134.969	169.126	42.286
Other operating expenses (-)		(208.461)	(132.660)	(142.832)	(32.654)
<b>Operating profit</b>		<b>198.926</b>	<b>171.756</b>	250.411	128.535
Income from investment activities		76.779	1.461	5.355	738
Loss from investment activities (-)		(675)	(268)	(1.900)	(1.246)
Gain/loss from investments accounted under equity method	10	(204.765)	(11.689)	114.814	11.660
<b>Operating profit before financial income (expense)</b>		<b>70.265</b>	<b>161.260</b>	368.680	139.687
Financial income		71.716	5.507	114.858	43.805
Financial expense (-)		(206.203)	(50.365)	(267.391)	(103.624)
<b>Profit from continuing operations before tax</b>		<b>(64.222)</b>	<b>116.402</b>	216.147	79.868
<b>Tax income (expense), continuing operations</b>					
Current tax expense for the period (-)	19	(49.983)	(38.081)	(25.925)	(10.528)
Deferred tax income (expense)	19	11.155	4.224	8.461	(1.452)
<b>Profit for the period</b>		<b>(103.050)</b>	<b>82.545</b>	198.683	67.888
<b>Distribution of profit for the period</b>					
Equity holders of the parent		(103.050)	82.545	198.683	67.888
<b>Earnings per share (TL)</b>	18	<b>(0,343500)</b>	<b>0,275150</b>	0,662277	0,226293
<b>Diluted earnings per share (TL)</b>	18	<b>(0,343500)</b>	<b>0,275150</b>	0,662277	0,226293

The accompanying accounting policies and notes between the pages 9 and 45 form an integral part of these interim condensed consolidated financial statements.

**Aygaz Anonim Şirketi and its Subsidiaries**

**Consolidated profit or loss and other comprehensive income statement  
for the nine-month interim period ended September 30, 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

	(Unaudited)		(Unaudited)	
	January 1- September 30, 2020	July 1- September 30, 2020	January 1- September 30, 2019	July 1- September 30, 2019
	Notes			
<b>Profit for the period</b>		<b>(103.050)</b>	198.683	67.888
<b>Other comprehensive income</b>				
<b>Not to be reclassified to profit or loss</b>		<b>(98.971)</b>	56.145	-
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		<b>(104.180)</b>	59.100	-
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		<b>5.209</b>	(2.955)	-
<b>To be reclassified as profit or loss</b>		<b>(66.725)</b>	(8.151)	1.549
Currency translation differences		<b>(12.528)</b>	-	-
Other comprehensive income (expenses) on cash flow hedges				
-Gains (losses) on cash flow hedges		<b>(1.033)</b>	(15.568)	(14.587)
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 hedging of investments using equity method		<b>(56.799)</b>	3.874	13.408
-Gains (losses) from foreign currency translation differences of investments using equity method		<b>3.499</b>	118	(481)
Taxes relating to other comprehensive income to be reclassified to profit (loss)				
-Other comprehensive income (expenses) on cash flow hedges, tax effect	19	<b>136</b>	3.425	3.209
<b>Other comprehensive income / (expense) (after taxation)</b>		<b>(165.696)</b>	47.994	1.549
<b>Total other comprehensive income</b>		<b>(268.746)</b>	246.677	69.437
<b>Distribution of total comprehensive income</b>				
Equity holders of the parent		<b>(268.746)</b>	246.677	69.437

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(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and its Subsidiaries**

**Consolidated statement of changes in equity**

**for the period ended September 30, 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

	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			Equity attributable to equity holders of the parent	Total equity
	Share capital	Adjustment to share capital	Adjustment to share capital due to cross-ownership (-)	Gains (losses) on re-measurement of defined benefit plans	Gains (losses) on financial assets measured at fair value through other comprehensive income	Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	Currency translation differences	Profit or loss relating to avoidance of risk of cash flow	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		
Unaudited														
Balance as of January 1, 2019	300.000	71.504	(7.442)	2.789	122.253	226	-	7.631	(220.949)	294.210	1.703.805	228.383	2.502.410	2.502.410
Transfers	-	-	-	-	-	-	-	-	-	37.100	191.283	(228.383)	-	-
Total comprehensive income (expense)	-	-	-	-	56.145	-	-	(12.143)	3.992	-	-	198.683	246.677	246.677
Net income	-	-	-	-	-	-	-	-	-	-	-	198.683	198.683	198.683
Other comprehensive income (expense)	-	-	-	-	56.145	-	-	(12.143)	3.992	-	-	-	47.994	47.994
Dividend paid	-	-	-	-	-	-	-	-	-	-	(386.000)	-	(386.000)	(386.000)
Balance as of September 30, 2019	300.000	71.504	(7.442)	2.789	178.398	226	-	(4.512)	(216.957)	331.310	1.509.088	198.683	2.363.087	2.363.087
Unaudited														
Balance as of January 1, 2020	300.000	71.504	(7.442)	336	225.185	(1.096)	-	(8.835)	(215.444)	338.692	1.501.706	273.477	2.478.083	2.478.083
Transfers	-	-	-	-	-	-	-	-	-	13.500	259.977	(273.477)	-	-
Total comprehensive income (expense)	-	-	-	-	(98.971)	-	(12.528)	(897)	(53.300)	-	-	(103.050)	(268.746)	(268.746)
Net income	-	-	-	-	-	-	-	-	-	-	-	(103.050)	(103.050)	(103.050)
Other comprehensive income (expense)	-	-	-	-	(98.971)	-	(12.528)	(897)	(53.300)	-	-	-	(165.696)	(165.696)
Dividend paid (Note 17)	-	-	-	-	-	-	-	-	-	-	(150.000)	-	(150.000)	(150.000)
Balance as of September 30, 2020	300.000	71.504	(7.442)	336	126.214	(1.096)	(12.528)	(9.732)	(268.744)	352.192	1.611.683	(103.050)	2.059.337	2.059.337

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(Convenience translation of financial statements originally issued in Turkish)

**Aygaz Anonim Şirketi and its Subsidiaries**

**Consolidated cash flow statement**

**for the period ended September 30, 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

		(Unaudited) January 1- September 30, 2020	(Unaudited) January 1- September 30, 2019
	Notes		
<b>Cash flows from operating activities</b>		<b>326.276</b>	<b>457.765</b>
<b>Net income from continuing operations</b>		<b>(103.050)</b>	<b>198.683</b>
<b>Adjustments related with the reconciliation of net profit (loss) for the period</b>		<b>500.201</b>	<b>216.146</b>
-Adjustments for depreciation and amortization expenses	3,11,12,13	<b>114.194</b>	94.392
-Adjustments for impairment loss (reversal)		<b>307</b>	1.111
-Adjustments for provisions		<b>59.612</b>	83.207
-Adjustments for dividend (income) expense		<b>(98)</b>	-
-Adjustments for interest (income) expense		<b>109.896</b>	135.714
-Adjustments for interest income		<b>(34.178)</b>	(58.792)
-Adjustments for interest expense		<b>144.074</b>	194.506
-Adjustments for unrealized foreign exchange differences		<b>41.229</b>	(1.879)
-Adjustments for fair value losses (gains) on derivative financial instruments		<b>8.093</b>	7.862
-Adjustments for undistributed profits of investments accounted under equity method	10	<b>204.765</b>	(114.814)
-Adjustments for tax (income) expenses	19	<b>38.828</b>	17.464
-Adjustments for losses (gains) on disposal of non-current assets		<b>(53.607)</b>	(3.385)
-Adjustments for other items causing cash flows from investment or financial activities		<b>(22.421)</b>	-
-Termination compensation income	5	<b>(22.421)</b>	-
-Other adjustments for reconciliation of profit (loss)		<b>(597)</b>	(3.526)
<b>Changes in working capital</b>		<b>(30.494)</b>	<b>64.380</b>
-Adjustments for decrease (increase) in trade receivables		<b>(32.228)</b>	(154.104)
-Adjustments for decrease (increase) in other operating receivables		<b>(63.997)</b>	(1.992)
-Adjustments for decrease (increase) in inventories		<b>(249.441)</b>	179.610
-Decrease (increase) in prepaid expenses		<b>(13.627)</b>	59.674
-Adjustments for increase (decrease) in trade payables		<b>338.052</b>	(14.366)
-Increase (decrease) in liabilities for employee benefits		<b>(41.146)</b>	(39.091)
-Adjustments for increase (decrease) in other operating payables		<b>29.404</b>	38.035
-Increase (decrease) in deferred income		<b>(110)</b>	(3.386)
-Change in blocked deposits		<b>2.599</b>	-
<b>Cash flows from operating activities</b>		<b>366.657</b>	<b>479.209</b>
-Payments related to provisions for employee benefits		<b>(4.372)</b>	(6.629)
-Tax returns (payments)		<b>(36.009)</b>	(14.815)
<b>Cash flows from investing activities</b>		<b>24.989</b>	<b>328.952</b>
Cash inflows from the sale of interests or capital decrease of investments in associates or joint ventures	10	-	200.000
Cash inflows from the sale of property, plant and equipment and intangible assets		<b>57.209</b>	53.686
Cash outflows from the purchase of property, plant and equipment and intangible assets	11,12	<b>(54.739)</b>	(72.956)
Dividends received		<b>98</b>	186.712
Other cash inflows/(outflows)		<b>22.421</b>	(38.490)
-Cash inflows due to termination payment	5	<b>22.421</b>	-
-Cash outflows due to business combinations		-	(38.490)
<b>Cash flows from financing activities</b>		<b>51.701</b>	<b>(621.274)</b>
Proceeds from borrowings		<b>1.242.000</b>	412.898
Repayments of borrowings		<b>(898.106)</b>	(462.475)
Payments of lease liabilities		<b>(56.494)</b>	(40.436)
Dividend payment		<b>(149.938)</b>	(384.789)
Interest paid		<b>(119.627)</b>	(204.395)
Interest received		<b>33.866</b>	57.923
<b>Net increase (decrease) in cash and cash equivalents before currency translation differences</b>		<b>402.966</b>	<b>165.443</b>
Effect of currency translation differences		<b>18.471</b>	4.241
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>421.437</b>	<b>169.684</b>
<b>Cash and cash equivalents at the beginning of the period</b>	4	<b>661.320</b>	<b>648.010</b>
<b>Cash and cash equivalents at the end of the period</b>	4	<b>1.082.757</b>	<b>817.694</b>

The accompanying accounting policies and notes between the pages 9 and 45 form an integral part of these interim condensed consolidated financial statements.

## Aygaz Anonim Şirketi and its Subsidiaries

### Notes to the interim condensed consolidated financial statements as of September 30, 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

#### 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 September 30, 2020, 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:

	End of period		Average	
	September 30, 2020	December 31, 2019	January 1-September 30 2020	January 1-September 30 2019
Monthly paid	681	685	679	678
Hourly paid	625	624	621	642
<b>Total number of personnel</b>	<b>1.306</b>	<b>1.309</b>	<b>1.300</b>	<b>1.320</b>

#### Subsidiaries

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

Subsidiaries	Place of incorporation and Operation	Ownership interest (%)		Voting power right	Principal activity
		September 30, 2020	December 31, 2019		
Anadoluhisarı	Turkey	%100	%100	%100	Shipping
Kandilli	Turkey	%100	%100	%100	Shipping
Kuzguncuk	Turkey	%100	%100	%100	Shipping
Kuleli	Turkey	%100	%100	%100	Shipping
Akpa	Turkey	%100	%100	%100	Marketing
Aygaz Doğal Gaz Toptan Satış A.Ş.	Turkey	%100	%100	%100	Natural gas
Aygaz Doğal Gaz İletim A.Ş.	Turkey	%100	%100	%100	Natural gas
Aykargo <sup>(2)</sup>	Turkey	%100	%100	%100	Cargo Transport
Bal Kaynak <sup>(1)</sup>	Turkey	%100	%100	%100	/Distribution Bottled water

<sup>(1)</sup> Acquired in 2019 (Note 23).

<sup>(2)</sup> 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.

Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş. (“Akpa”) reached to its current structure with the merger of four subsidiaries of Koç Holding Energy Group at the end of 2001. Before the merger, four companies were operating separately from each other in Bursa, Eskişehir, Ankara and Antalya. At the time of merger the name of company was Bursa Gaz ve Ticaret A.Ş., later it was changed to “Akpa Dayanıklı Tüketim LPG ve Akaryakıt Ürünleri Pazarlama A.Ş.” with the decision of Ordinary General Meeting held on March 17, 2005. 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.

## Aygaz Anonim Şirketi and its Subsidiaries

### Notes to the interim condensed consolidated financial statements as of September 30, 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

#### 1. Organization and operations of the company (continued)

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 October 13, 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 March 14, 2019 Kuleli has acquired the 100% of shares of Bal Kaynak Su İthalat İhracat Sanayi ve Ticaret A.Ş. (“Bal Kaynak”) (Note 23).

ADG Enerji Yatırımları A.Ş. (“ADG Enerji”) whose main area of activity was natural gas until the Extraordinary General Meeting held on August 11, 2020 by which it is resolved to change the title and the main area of activity of the company. While the new title of ADG Enerji is changed to Aygaz Aykargo Dağıtım Hizmetleri Anonim Şirketi, its main area of activity is also updated with the purpose to take part in cargo distribution sector that grows in line with developments in e-commerce and economy. Within this framework, it was decided to develop the activities within the scope of Aykargo Cargo Distribution Project, which started as an in-house entrepreneurship project, by using Company’s existing dealer network and home delivery experience, through Aygaz Aykargo Dağıtım Hizmetleri Anonim Şirketi that will operate exclusively in this field.

#### Investments in associates

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

Investments in associates	Place of incorporation and operation	Ownership interest (%)			Principal activity
		September 30, 2020	December 31, 2019	Voting power right	
Enerji Yatırımları A.Ş. (“EYAŞ”)	Turkey	20,00	20,00	20,00	Energy
Entek Elektrik Üretimi A.Ş. (“Entek”)	Turkey	49,62	49,62	49,62	Electricity

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 Üretimi A.Ş. (“Entek”), the electricity generation company of Koç Group, operates one natural gas cycling plant with capacity of 97 MW in Kocaeli and eight hydroelectric power plants in Kahramanmaraş, Karaman, Samsun and Mersin with capacity of 265 MW in total reaching aggregate capacity of 362 MW. In September 2017, Entek submitted the highest bid to the Privatization Administration and was granted operating rights of the 178 MW Menzelet and Kılavuzlu HEPPs for 49 years. Following the bid process, the necessary approvals were obtained, and Menzelet and Kılavuzlu HEPPs were taken over by Menzelet Kılavuzlu Elektrik Üretimi A.Ş., wholly owned by Entek, and put into operation on March 9, 2018.

## Aygaz Anonim Şirketi and its Subsidiaries

### Notes to the interim condensed consolidated financial statements as of September 30, 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

#### 1. Organization and operations of the company (continued)

##### Joint ventures

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

Joint venture	Place of incorporation and operation	Ownership interest (%)			Principal activity
		September 30, 2020	December 31, 2019	Voting power right	
Opet Aygaz Gayrimenkul A.Ş. (“OAGM”)	Turkey	%50,00	%50,00	%50,00	Real Estate

Opet Aygaz Gayrimenkul A.Ş. was established on September 20, 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

##### Approval of interim condensed consolidated financial statements:

The interim condensed consolidated financial tables for the period ended on September 30, 2020 are approved on the Board of Directors meeting held on November 3, 2020 to be published.

#### 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 June 13, 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 March 17, 2005, the CMB announced that, effective from January 1, 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 September 30, 2020 in accordance with TAS 34 “Interim Financial Reporting Standards”.

The Group’s interim condensed 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 interim condensed consolidated financial statements are prepared on cost basis in thousands of Turkish Lira (TL), except of financial assets and liabilities shown in fair value.

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.

## Aygaz Anonim Şirketi and its Subsidiaries

### Notes to the interim condensed consolidated financial statements as of September 30, 2020

(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

## 2. Basis of presentation of consolidated financial statements (continued)

### 2.2 Summary of significant accounting policies

The interim condensed consolidated financial statements of the Group for the nine-month period ended September 30, 2020 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 September 30, 2020 are consistent with those used in the preparation of annual consolidated financial statements for the year ended December 31, 2019. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2019.

### 2.3 New and revised Turkey Financial Reporting Standards

#### a) *Standards, amendments and interpretations applicable as at September 30, 2020*

**Amendments to IAS 1 and IAS 8 on the definition of material;** effective from Annual periods beginning on or after 1 January 2020. These amendments to IAS 1, ‘Presentation of financial statements’, and IAS 8, ‘Accounting policies, changes in accounting estimates and errors’, and consequential amendments to other IFRSs:

- i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting;
- ii) clarify the explanation of the definition of material; and
- iii) incorporate some of the guidance in IAS 1 about immaterial information.

These amendments do not have any significant impact on Group’s financial condition and performance.

**Amendments to IFRS 3 - definition of a business;** effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations. The Group will evaluate the effect of the amendments above and apply from effective date.

**Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform;** effective from Annual periods beginning on or after 1 January 2020. These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries. These amendments do not have any significant impact on Group’s financial condition and performance.

**Amendment to IFRS 16, ‘Leases’ – Covid-19 related rent concessions;** effective from Annual periods beginning on or after 1 June 2020. As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. 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. These amendments do not have any significant impact on Group’s financial condition and performance.

**Aygaz Anonim Şirketi and its Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
as of September 30, 2020**

(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

**2. Basis of presentation of consolidated financial statements (continued)**

**b) Standards, amendments and interpretations that are issued but not effective as at 30 September 2020:**

**IFRS 17, ‘Insurance contracts’;** effective from annual periods beginning on or after 1 January 2022. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. The Group is in the process of assessing the impact of the interpretation on financial position or performance of the Group.

**Amendments to IAS 1, Presentation of financial statements’ on classification of liabilities;** effective from 1 January 2022. 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. The Group is in the process of assessing the impact of the interpretation on financial position or performance of the Group.

**A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17 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’. The Group is in the process of assessing the impact of the interpretation on financial position or performance of the Group.

**Aygaz Anonim Şirketi and its Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
as of September 30, 2020**

(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

**2. Basis of presentation of consolidated financial statements (continued)**

**2.4 Significant changes in the current period**

Necessary actions were undertaken by the management to minimize possible effects of Covid-19 on the Group’s operations and financial status. Despite the developments and slowdown in LPG sector and general economic activity due to Covid-19 pandemic, there were no disruption in LPG supply processes but there were some periodical fluctuations in the sales activities due to contracting demand. Especially during the lockdown period, autogas market contracted while cylinder gas market showed a partial growth due to increasing domestic demand. In the meantime, actions were undertaken by the Company to minimize the investment expenditures, operational cost and the increase in the inventory. Cash management strategy was reviewed to strengthen the liquidity position. As the measures taken to prevent the spread of the pandemic are reduced, production and sales operations are continuing without any interruption while the recovery in demand is affecting the Company’s operations positively.

No estimates can be made regarding the duration and the range of spread of the Covid-19 neither globally nor for Turkey. It will be possible to make a more specific and healthy evaluation for the medium and long term as the strength and the duration of the impacts get clearer. However, the Group evaluated the possible effects of Covid-19 pandemic on its financial tables and assessed the estimates and assumptions used during the preparation of consolidated financial tables. In this framework, no impairment was detected in the interim consolidated financial tables dated September 30, 2020.

## Aygaz Anonim Şirketi and its Subsidiaries

### Notes to the interim condensed consolidated financial statements as of September 30, 2020

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

### 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.

As of September 30, 2020, and December 31, 2019, assets and liabilities according to industrial segments are as follows:

	September 30, 2020				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
<b>Assets</b>					
Current assets	2.221.960	-	200.115	(29.267)	2.392.808
Non-current assets	2.341.601	622.751	337.019	(281.862)	3.019.509
<b>Total assets</b>	<b>4.563.561</b>	<b>622.751</b>	<b>537.134</b>	<b>(311.129)</b>	<b>5.412.317</b>
<b>Liabilities</b>					
Short-term liabilities	2.021.560	-	145.685	(29.536)	2.137.709
Long-term liabilities	1.183.870	-	44.812	(13.411)	1.215.271
Equity	1.358.131	622.751	346.637	(268.182)	2.059.337
<b>Total liabilities and equity</b>	<b>4.563.561</b>	<b>622.751</b>	<b>537.134</b>	<b>(311.129)</b>	<b>5.412.317</b>
<b>Investments accounted under equity method</b>	<b>1.039.279</b>	<b>622.751</b>	<b>139.375</b>	<b>-</b>	<b>1.801.405</b>
	December 31, 2019				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	1.428.921	-	194.691	(34.496)	1.589.116
Non-current assets	2.657.872	541.649	342.612	(176.390)	3.365.743
<b>Total assets</b>	<b>4.086.793</b>	<b>541.649</b>	<b>537.303</b>	<b>(210.886)</b>	<b>4.954.859</b>
Liabilities					
Short-term liabilities	1.414.871	-	114.671	(34.505)	1.495.037
Long-term liabilities	938.218	-	50.245	(6.724)	981.739
Equity	1.733.704	541.649	372.387	(169.657)	2.478.083
<b>Total liabilities and equity</b>	<b>4.086.793</b>	<b>541.649</b>	<b>537.303</b>	<b>(210.886)</b>	<b>4.954.859</b>
<b>Investments accounted under equity method</b>	<b>1.379.117</b>	<b>541.649</b>	<b>138.704</b>	<b>-</b>	<b>2.059.470</b>

**Aygaz Anonim Şirketi and its Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
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(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

**3. Segment information (continued)**

For the period ended September 30, 2020 and 2019, profit or loss statements according to industrial segments are as follows:

	January 1 – September 30, 2020				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	6.836.364	-	582.495	(223.526)	7.195.333
Cost of sales (-)	(6.295.675)	-	(470.096)	223.526	(6.542.245)
<b>Gross profit</b>	<b>540.689</b>	<b>-</b>	<b>112.399</b>	<b>-</b>	<b>653.088</b>
General administrative expenses (-)	(182.775)	-	(21.469)	3.908	(200.336)
Marketing expenses (-)	(218.882)	-	(40.219)	-	(259.101)
Research and development expenses (-)	(1.951)	-	(48)	-	(1.999)
Other operating income	210.160	-	10.083	(4.508)	215.735
Other operating expenses (-)	(199.121)	-	(10.399)	1.059	(208.461)
<b>Operating profit (loss)</b>	<b>148.120</b>	<b>-</b>	<b>50.347</b>	<b>459</b>	<b>198.926</b>
Income from investment activities	142.980	-	1.071	(67.272)	76.779
Loss from investment activities (-)	(200)	-	(475)	-	(675)
Profit/losses from investments accounted under equity method	(296.000)	90.564	671	-	(204.765)
<b>Operating profit (loss) before financial income (expense)</b>	<b>(5.100)</b>	<b>90.564</b>	<b>51.614</b>	<b>(66.813)</b>	<b>70.265</b>
Financial income	64.864	-	6.852	-	71.716
Financial expense (-)	(195.089)	-	(11.114)	-	(206.203)
<b>Profit (loss) from continuing operations before tax</b>	<b>(135.325)</b>	<b>90.564</b>	<b>47.352</b>	<b>(66.813)</b>	<b>(64.222)</b>
<b>Tax income (expense) from continuing operations</b>					
Current tax expense for the period (-)	(42.948)	-	(7.035)	-	(49.983)
Deferred tax income/(expense)	11.021	-	134	-	11.155
<b>Profit for the period</b>	<b>(167.252)</b>	<b>90.564</b>	<b>40.451</b>	<b>(66.813)</b>	<b>(103.050)</b>

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-month period January 1, September 30, 2020, SCT on imported LPG included in revenues and the cost of goods sold is amounting to TL 1.446.965 thousand (January 1 - September 30, 2019: TL 1.462.632 thousand).

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**3. Segment information (continued)**

	January 1 – September 30, 2019				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	7.304.434	-	566.048	(225.466)	7.645.016
Cost of sales (-)	(6.708.078)	-	(485.510)	225.466	(6.968.122)
<b>Gross profit</b>	<b>596.356</b>	<b>-</b>	<b>80.538</b>	<b>-</b>	<b>676.894</b>
General administrative expenses (-)	(192.547)	-	(17.836)	3.587	(206.796)
Marketing expenses (-)	(223.184)	-	(20.975)	-	(244.159)
Research and development expenses (-)	(1.821)	-	(1)	-	(1.822)
Other operating income	157.659	-	16.179	(4.712)	169.126
Other operating expenses (-)	(128.760)	-	(15.297)	1.225	(142.832)
<b>Operating profit</b>	<b>207.703</b>	<b>-</b>	<b>42.608</b>	<b>100</b>	<b>250.411</b>
Income from investment activities	454.363	-	2.004	(451.012)	5.355
Loss from investment activities (-)	(1.760)	-	(140)	-	(1.900)
Profit/losses from investments accounted under equity method	30.222	82.932	1.660	-	114.814
<b>Operating profit before financial income (expense)</b>	<b>690.528</b>	<b>82.932</b>	<b>46.132</b>	<b>(450.912)</b>	<b>368.680</b>
Financial income	105.217	-	9.641	-	114.858
Financial expense (-)	(262.375)	-	(5.016)	-	(267.391)
<b>Profit from continuing operations before tax</b>	<b>533.370</b>	<b>82.932</b>	<b>50.757</b>	<b>(450.912)</b>	<b>216.147</b>
Tax income (expense), continuing operations					
Current tax expense for the period (-)	(19.764)	-	(6.161)	-	(25.925)
Deferred tax income/(expense)	8.403	-	58	-	8.461
<b>Profit for the period</b>	<b>522.009</b>	<b>82.932</b>	<b>44.654</b>	<b>(450.912)</b>	<b>198.683</b>

The amortization and depreciation expense for the industrial segmental assets for the period ended on September 30, 2020 and 2019 are as follows:

	January 1 - September 30, 2020	January 1 - September 30, 2019
Gas and petroleum products	<b>101.028</b>	84.251
Other	<b>13.166</b>	10.141
	<b>114.194</b>	94.392

TL 41.479 thousand of total amount consist of amortization and depreciation expenses allocated under TFRS 16 ‘Leases’ (2019: TL 21.828 thousand).

**Aygaz Anonim Şirketi and its Subsidiaries**

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(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

**3. Segment information (continued)**

The investment expenditures for the industrial segmental assets for the periods ended on September 30, 2020 and 2019 are as follows:

	January 1 - September 30, 2020	January 1 - September 30, 2019
Gas and petroleum products	42.575	66.006
Other	12.164	6.950
	<b>54.739</b>	<b>72.956</b>

**4. Cash and cash equivalents**

	September 30, 2020	December 31, 2019
Cash on hand	222	374
Cash at banks	1.020.802	617.106
- Demand deposits	37.734	30.038
- Time deposits	983.068	587.068
Receivables from credit card transactions	63.205	47.911
<b>Total cash and cash equivalents</b>	<b>1.084.229</b>	<b>665.391</b>

As of September 30, 2020 the Group’s TL time deposits amounting to TL 581.715 thousand with maturities of 1 day and interest rates of 11,80%-12,80%; USD time deposits amounting to USD 51.504 thousand (TL 401.353 thousand) with maturities of 1 days and interest rate of 1% (As of December 31, 2019 the Group’s TL time deposits amounting to TL 269.255 thousand with maturities of 2 days and interest rates of 11,15-11,65%. USD time deposits amounting to USD 53.502 thousand (TL 317.813 thousand) with maturities of 2 days and interest rate of 1,75%).

The amount of cash and cash equivalents shown in the statement of cash flow as of September 30, 2020 and December 31, 2019 are as follows:

	September 30, 2020	December 31, 2019
Cash and cash equivalents	1.084.229	665.391
Less: Blocked deposits (*)	(1.472)	(4.071)
	<b>1.082.757</b>	<b>661.320</b>

(\*) 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).

**Aygaz Anonim Şirketi and its Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
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**5. Financial assets**

The long-term financial assets of the Group are as follows as of September 30, 2020 and December 31, 2019:

	September 30, 2020		December 31, 2019	
	Participation amount	Participation rate %	Participation amount	Participation rate %
Financial assets measured at fair value through other comprehensive income:				
-Koç Finansal Hizmetler A.Ş.(*)	289.817	3,93	393.997	1,97
Financial assets measured at fair value through profit or loss:				
- Ram Dış Ticaret A.Ş.	1.039	2,50	654	2,50
-Tanı Pazarlama ve İletişim Hizmetleri A.Ş.(**)	270	10,00	270	10,00
-Tat Gıda Sanayi A.Ş.	162	0,08	87	0,08
-Other	436		436	-
	<b>291.724</b>		<b>395.444</b>	

(\*) After the end of the business partnership between Koç Group and UniCredit S.P.A (“UniCredit”) on February 5, 2020, 100% of the shares representing the capital of Koç Finansal Hizmetler A.Ş. (“KFS”) passed to Koç Group (Koç Holding, Koç companies, Koç Family, partnerships and related foundations controlled by Koç Family) in proportion to their shares in KFS; In addition, KFS's Yapı ve Kredi Bankası A.Ş. (“YKB”) shares of 31.93% were transferred to UniCredit and 9.02% to Koç Holding A.Ş. KFS's share in YKB decreased from 81.9% to 40.95%. Within this framework, the Company's share in KFS increased from 1.97% to 3.93%. Within the scope of termination of the business partnership between Koç Group and UniCredit in line with UniCredit's strategic goals, UniCredit made a termination payment of TL 22.421 thousand to the Company on February 6, 2020. It was measured on the basis of Level 1 (actively traded market price) as of September 30, 2020 (Note 21).

(\*\*) In 2019 it was decided to decrease the paid-in capital of Tanı Pazarlama ve İletişim Hizmetleri A.Ş in which having a share of %10 in its share capital, by half.

**Aygaz Anonim Şirketi and its Subsidiaries**

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**6. Financial borrowings**

As of September 30, 2020, and December 31, 2019 the Group's short-term financial borrowings are as follows:

	<b>September 30, 2020</b>	December 31, 2019
TL-denominated short-term bank borrowings	<b>159.263</b>	34.162
Short-term lease liabilities	<b>62.015</b>	30.721
<b>Total short-term financial borrowings</b>	<b>221.278</b>	64.883
Short-term portion and interest accruals of TL-denominated long-term bank borrowings	<b>193.987</b>	185.917
Short-term portion and interest accruals of USD-denominated long-term bank borrowings	<b>70.807</b>	132.156
Short-term portion of long-term bond issued (*)	<b>171.554</b>	100.381
<b>Total short-term portion of long-term financial borrowings</b>	<b>436.348</b>	418.454

(\*) On June 21, 2019 and August 7, 2019, the Group has issued, a floating rate bond with a nominal value TL 90.000 thousand with a maturity of 728 days and quarterly coupon payments and a floating rate bond with a nominal value TL 80.000 thousand with a maturity of 728 days and quarterly coupon payments respectively. In order to hedge cash flow risk, the interest rates of the issued bonds dated on June 21, 2019 and August 7, 2019 have been fixed by interest rate swap transaction (Note 7).

As of September 30, 2020, the details of short-term financial borrowings are as follows:

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original amount</b>	<b>TL amount</b>
TL	<b>9,78</b>	<b>159.263</b>	<b>159.263</b>
			<b>159.263</b>

As of December 31, 2019, the details of short-term financial borrowings are as follows:

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original amount</b>	<b>TL amount</b>
TL	-	2.750	2.750
TL	12,54	31.412	31.412
			<b>34.162</b>

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**6. Financial borrowings (continued)**

As of September 30, 2020 and December 31, 2019 the Group’s long-term financial borrowings are as follows:

	<b>September 30, 2020</b>	December 31, 2019
TL-denominated long-term bank borrowings	<b>904.585</b>	512.368
USD-denominated long-term bank borrowings	-	26.731
<b>Total long-term financial borrowings</b>	<b>904.585</b>	539.099
Long-term bonds issued	-	151.590
<b>Total long-term bonds</b>	-	151.590
Long-term lease liabilities	<b>109.836</b>	73.737
<b>Total long-term lease liabilities</b>	<b>109.836</b>	73.737
<b>Total long-term financial borrowings</b>	<b>1.014.421</b>	764.426

As of September 30, 2020, the details of long-term financial borrowings are as follows:

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original amount</b>	<b>TL amount</b>
TL	<b>10,20</b>	<b>1.098.572</b>	<b>1.098.572</b>
USD	<b>5,19</b>	<b>9.069</b>	<b>70.807</b>
Short-term portion of long-term bank borrowings and interest accruals			<b>(264.794)</b>
			<b>904.585</b>

As of December 31, 2019, the details of long-term financial borrowings are as follows:

<b>Currency</b>	<b>Effective interest rate per annum (%)</b>	<b>Original amount</b>	<b>TL amount</b>
TL	16,26	698.285	698.285
USD	4,90	26.748	158.887
Short-term portion of long-term bank borrowings and interest accruals			(318.073)
			539.099

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**7. Derivative financial instruments**

As of September 30, 2020, and December 31, 2019 the Group's derivative financial instruments are as follows:

	September 30, 2020		December 31, 2019	
	Contract amount	Fair value assets (liabilities)	Contract amount	Fair value assets (liabilities)
Forward transactions <sup>(1)</sup>	-	-	(29.850)	75
Cross currency swap contracts <sup>(2)</sup>	26.100	44.604	26.100	28.194
<b>Total short-term derivative financial assets</b>	<b>26.100</b>	<b>44.604</b>	<b>(3.750)</b>	<b>28.269</b>
Interest rate swap <sup>(3)</sup>	170.000	(15.576)	-	-
Futures contracts <sup>(4)</sup>	906.056	(16.661)	-	-
Commodity hedge <sup>(5)</sup>	74.020	(5.800)	42.772	(12.709)
<b>Total short-term derivative financial liabilities</b>	<b>1.150.076</b>	<b>(38.037)</b>	<b>42.772</b>	<b>(12.709)</b>

	September 30, 2020		December 31, 2019	
	Contract amount	Fair value assets (liabilities)	Contract amount	Fair value assets (liabilities)
Foreign currency swap contracts <sup>(2)</sup>	-	-	13.050	14.097
<b>Total long-term derivative financial assets</b>	<b>-</b>	<b>-</b>	<b>13.050</b>	<b>14.097</b>
Interest rate swap <sup>(3)</sup>	-	-	170.000	(14.100)
<b>Total long-term derivative financial liabilities</b>	<b>-</b>	<b>-</b>	<b>170.000</b>	<b>(14.100)</b>

(1) As of September 30, 2020, the Group has no forward transaction. (As of December 31, 2019, the Group has entered into forward transaction with a maturity of 17 days and nominal value amounting to USD 5.000 thousand).

(2) In June, 2016, the Group has realized swap transaction with a contract amounting to TL 91.350 thousand with 5 years maturity, half yearly interest payment and fixed interest rate of 13,415%, in return for USD 31.500 thousand with a floating interest rate of six-month USDLIBOR + 2,4%. As of September 30, 2020, principal payment of USD 22.500 thousand was made in total, the remaining amount is USD 9.000 thousand.

(3) The Group has entered interest rate swap transactions for the bond on June 21, 2019 amounting to TL 90.000 thousand in total, fixing interest rate of TL 50.000 thousand of total bond with 21,95% and the TL 40.000 thousand of total bond with 20,75% and for the bond on August 7, 2019 amounting to TL 80.000 thousand in total, fixing interest rate of TL 50.000 thousand of total bond with 16,85% and the TL 30.000 thousand of total bond with 16,47%.

(4) As of September 30, 2020, the Group's future transactions consist of propane, butane, naphtha products and freight swaps.

(5) As of September 30, 2020, the Group's commodity hedge transactions consist of propane and butane products swaps (As of December 31, 2020, the Group's commodity hedge transactions consist of propane products swap).

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**8. Trade receivables and payables from third parties**

The Group's trade receivables from third parties as of September 30, 2020 and December 31, 2019 are as follows:

<b>Current trade receivables</b>	<b>September 30, 2020</b>	December 31, 2019
Trade receivables	<b>486.302</b>	424.912
Notes receivables	<b>39.467</b>	38.467
Allowance for doubtful receivables (-) (*)	<b>(28.598)</b>	(28.291)
<b>Total current trade receivables</b>	<b>497.171</b>	435.088

(\*) TL 635 thousand of provision for doubtful receivables consists of expected credit loss provisions (December 31, 2019: TL 635 thousand).

<b>Non-current trade receivables</b>	<b>September 30, 2020</b>	December 31, 2019
Notes receivable	<b>5.199</b>	8.092
<b>Total non-current trade receivables</b>	<b>5.199</b>	8.092

The Group's trade payables as of September 30, 2020 and December 31, 2019 are as follows:

<b>Short-term trade payables</b>	<b>September 30, 2020</b>	December 31, 2019
Trade payables	<b>766.031</b>	421.881
<b>Total short-term trade payables</b>	<b>766.031</b>	421.881

**9. Inventories**

	<b>September 30, 2020</b>	December 31, 2019
Raw materials	<b>190.106</b>	133.577
Goods in transit	<b>302.020</b>	109.939
Trade goods	<b>9.419</b>	6.572
Finished goods	<b>8.596</b>	10.627
Work in process	<b>2.838</b>	2.823
Allowance for impairment on inventory	<b>(229)</b>	(229)
<b>Total inventories</b>	<b>512.750</b>	263.309

As of September 30, 2020, the inventories comprise of 149.553 tons of LPG (December 31, 2019: 74.593 tons).

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#### 10. Equity investments

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

	September 30, 2020		December 31, 2019	
	Participation amount	Participation Rate	Participation amount	Participation Rate
EYAŞ	1.039.279	%20,00	1.379.117	%20,00
Entek	622.751	%49,62	541.649	%49,62
OAGM	139.375	%50,00	138.704	%50,00
	<b>1.801.405</b>		<b>2.059.470</b>	

The movement of equity investments is as follows:

	2020	2019
<b>Opening balance on January 1</b>	<b>2.059.470</b>	2.304.799
Shares of profit/(loss)	<b>(204.765)</b>	114.814
Shares of other comprehensive income/(loss)	<b>(53.300)</b>	3.992
Dividend income (*)	-	(186.712)
Participation in share capital decrease (increase) of equity investment (**)	-	(200.000)
<b>Closing balance on September 30</b>	<b>1.801.405</b>	<b>2.036.893</b>

(\*) EYAŞ dividend income.

(\*\*) Capital decrease of EYAŞ. At the Extraordinary General Meeting of EYAŞ held on December 20, 2018, it was resolved to decrease EYAŞ's share capital from TL 3.347.000 thousand to TL 2.347.000 thousand. The portion of the Company which is TL 200.000 thousand has been paid in cash on March 28, 2019.

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**10. Equity investments (continued)**

Shares of profit (loss) of equity investments:

	<b>January 1 - September 30, 2020</b>	<b>July 1 - September 30, 2020</b>	January 1 - September 30, 2019	July 1 - September 30, 2019
EYAŞ	<b>(296.000)</b>	<b>(41.705)</b>	30.222	(17.364)
Entek	<b>90.564</b>	<b>29.310</b>	82.932	29.128
OAGM	<b>671</b>	<b>706</b>	1.660	(104)
	<b>(204.765)</b>	<b>(11.689)</b>	114.814	11.660

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

	<b>January 1 - September 30, 2020</b>	<b>July 1 - September 30, 2020</b>	January 1 - September 30, 2019	July 1 - September 30, 2019
EYAŞ (*)	<b>(43.838)</b>	<b>(5.032)</b>	2.210	11.143
Entek	<b>(9.462)</b>	<b>(841)</b>	1.782	1.784
	<b>(53.300)</b>	<b>(5.873)</b>	3.992	12.927

(\*) TÜPRAŞ, a subsidiary of EYAŞ, designated its investment loans amounting to USD 647.196 thousand (TL 5.053.307 thousand) (December 31, 2019: USD 812.776 thousand, TL 4.828.054 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. Foreign exchange gains (losses) on investment loans amounting to TL 3.186.540 thousand (December 31, 2019: TL 2.567.257 thousand) are accounted under "Gains (losses) on hedging" under shareholders' equity until the cash flows of the related hedged item are realized.

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**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
<b>Cost</b>									
Opening balance as of January 1, 2020	17.893	179.561	79.783	1.798.684	231.704	81.192	25.013	23.852	2.437.682
Additions	458	-	47	172	372	6.310	23	47.311	54.693
Transfers (*)	-	1.504	932	29.151	0	1.389	469	(36.133)	(2.688)
Disposals	-	(730)	(1.607)	(6.523)	(715)	(3.468)	-	-	(13.043)
<b>Ending balance as of September 30, 2020</b>	<b>18.351</b>	<b>180.335</b>	<b>79.155</b>	<b>1.821.484</b>	<b>231.361</b>	<b>85.423</b>	<b>25.505</b>	<b>35.030</b>	<b>2.476.644</b>
<b>Accumulated depreciation</b>									
Opening balance as of January 1, 2020	-	76.047	54.979	1.392.378	122.753	54.234	24.737	-	1.725.128
Charge of the period	-	4.675	1.269	44.353	10.244	5.508	667	-	66.716
Disposals	-	(638)	(1.295)	(5.165)	(833)	(1.510)	-	-	(9.441)
<b>Ending balance as of September 30, 2020</b>	<b>-</b>	<b>80.084</b>	<b>54.953</b>	<b>1.431.566</b>	<b>132.164</b>	<b>58.232</b>	<b>25.404</b>	<b>-</b>	<b>1.782.403</b>
<b>Net book value as of September 30, 2020</b>	<b>18.351</b>	<b>100.251</b>	<b>24.202</b>	<b>389.918</b>	<b>99.197</b>	<b>27.191</b>	<b>101</b>	<b>35.030</b>	<b>694.241</b>

(\*) TL 2.688 thousand under "Construction in progress" under the account property, plant and equipment has been classified to intangible fixed assets.

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**11. Property, plant and equipment (continued)**

	Land	Land improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Leasehold improvements	Construction in progress	Total
<b>Cost</b>									
Opening balance as of January 1, 2019	16.506	166.925	74.294	1.740.441	230.349	79.891	24.938	11.837	2.345.181
Additions	-	-	-	3.041	357	3.306	9	66.142	72.855
Acquisitions	1.128	4.836	4.374	24.941	-	959	-	-	36.238
Transfers(*)	(628)	(4.171)	(4.222)	18.471	88	1.452	-	(47.808)	(36.818)
Disposals	-	(34)	(14)	(9.671)	(488)	(8.234)	(193)	-	(18.634)
<b>Ending balance as of September 30, 2019</b>	<b>17.006</b>	<b>167.556</b>	<b>74.432</b>	<b>1.777.223</b>	<b>230.306</b>	<b>77.374</b>	<b>24.754</b>	<b>30.171</b>	<b>2.398.822</b>
<b>Accumulated depreciation</b>									
Opening balance as of January 1, 2019	-	69.976	50.050	1.350.572	110.390	53.713	23.950	-	1.658.651
Charge of the period	-	4.554	4.042	42.386	10.652	5.384	653	-	67.671
Disposals	-	(13)	(2)	(8.195)	(417)	(5.863)	(81)	-	(14.571)
<b>Ending balance as of September 30, 2019</b>	<b>-</b>	<b>74.517</b>	<b>54.090</b>	<b>1.384.763</b>	<b>120.625</b>	<b>53.234</b>	<b>24.522</b>	<b>-</b>	<b>1.711.751</b>
<b>Net book value as of September 30, 2019</b>	<b>17.006</b>	<b>93.039</b>	<b>20.342</b>	<b>392.460</b>	<b>109.681</b>	<b>24.140</b>	<b>232</b>	<b>30.171</b>	<b>687.071</b>

(\*) TL 580 thousand under "Construction in progress" under the account property, plant and equipment has been classified to intangible fixed assets. Additionally, TL 36.238 thousand of tangible assets have been sold and leased back from Yapı Kredi Finansal Kiralama A.O. on May 31, 2019. Within the scope of IFRS 16 "Leases", the balance has been transferred to Right-of-Use Assets.

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**12. Intangible assets**

	<b>Rights</b>	<b>Total</b>
<b>Acquisition costs</b>		
Opening balance as of January 1, 2020	<b>77.805</b>	<b>77.805</b>
Additions	<b>46</b>	<b>46</b>
Transfers (*)	<b>2.688</b>	<b>2.688</b>
<b>Ending balance as of September 30, 2020</b>	<b>80.539</b>	<b>80.539</b>
<b>Accumulated amortization</b>		
Opening balance as of January 1, 2020	<b>53.988</b>	<b>53.988</b>
Charge for the period	<b>5.999</b>	<b>5.999</b>
<b>Ending balance as of September 30, 2020</b>	<b>59.987</b>	<b>59.987</b>
<b>Carrying value as of September 30, 2020</b>	<b>20.552</b>	<b>20.552</b>

(\*) TL 2.688 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

	<b>Rights</b>	<b>Total</b>
<b>Acquisition costs</b>		
Opening balance as of January 1, 2019	68.424	68.424
Additions	101	101
Acquisitions	15.018	15.018
Transfers (*)	(9.420)	(9.420)
<b>Ending balance as of September 30, 2019</b>	<b>74.123</b>	<b>74.123</b>
<b>Accumulated amortization</b>		
Opening balance as of January 1, 2019	47.070	47.070
Charge of the period	4.893	4.893
<b>Ending balance as of September 30, 2019</b>	<b>51.963</b>	<b>51.963</b>
<b>Carrying value as of September 30, 2019</b>	<b>22.160</b>	<b>22.160</b>

(\*) TL 580 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets. Additionally, TL 10.000 thousand of intangible assets have been sold and leased back from Yapı Kredi Finansal Kiralama A.O. on May 31, 2019. Within the scope of IFRS 16 “Leases”, the balance has been transferred to Right-of-use Assets.

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**13. Right-of-use assets**

	Land	Land	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Total
	improvements						
<b>Opening balance as of January 1, 2020</b>	<b>3.989</b>	<b>3.794</b>	<b>14.352</b>	<b>32.356</b>	<b>55.527</b>	<b>48</b>	<b>110.066</b>
Additions	293	972	444	-	104.580	-	106.289
Disposals	-	(1.704)	(1.440)	-	-	-	(3.144)
Charge for the period	(551)	(94)	(1.655)	(1.726)	(37.446)	(7)	(41.479)
Disposals from accumulated amortization	-	73	403	-	-	-	476
<b>Ending balance as of September 30, 2020</b>	<b>3.731</b>	<b>3.041</b>	<b>12.104</b>	<b>30.630</b>	<b>122.661</b>	<b>41</b>	<b>172.208</b>

	Land	Land	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Total
	improvements						
Opening balance as of January 1, 2019	2.836	1.382	7.488	-	75.293	-	86.999
Additions	195	307	916	1.655	5.024	64	8.161
Disposals	-	-	-	(302)	(90)	-	(392)
Transfers (*)	708	5.913	6.166	32.220	-	1.231	46.238
Charge for the period	(529)	(187)	(1.722)	(961)	(18.352)	(77)	(21.828)
Ending balance as of September 30, 2019	3.210	7.415	12.848	32.612	61.875	1.218	119.178

(\*) Additionally, TL 36.238 thousand of tangible assets and TL 10.000 thousand of intangible assets have been sold and leased back from Yapı Kredi Finansal Kiralama A.O. on May 31,2019. Within the scope of IFRS 16 "Leases", the balance has been transferred to Right-of-Use Assets.

**14. Contingent assets and liabilities**

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Guarantees given as of September 30, 2020 and December 31, 2019 are as follows:

<b>Guarantees given</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
Letter of guarantees given for gas purchase	<b>688.352</b>	879.723
Other letter of guarantees given	<b>35.480</b>	24.430
<b>Total guarantees given</b>	<b>723.832</b>	904.153

**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 December 28, 2018, it was decided to keep the national petroleum stocks as minimum 20 days as of 01.07.2019 by the petroleum products and LPG distributor license owners.

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**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:

	September 30, 2020				December 31, 2019			
	TL equivalent of Euro	TL equivalent of USD	TL	Total TL	TL equivalent of Euro	TL equivalent of USD	TL	Total TL
<b>A. CPMBs given on behalf of the Company’s legal personality</b>	<b>101.116</b>	<b>1.068</b>	<b>483.750</b>	<b>585.934</b>	73.672	-	476.437	550.109
<b>B. CPMBs given in favor of subsidiaries included in full consolidation (*)</b>	-	-	<b>137.898</b>	<b>137.898</b>	-	304.830	49.214	354.044
<b>C. CPMBs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business</b>	-	-	-	-	-	-	-	-
<b>D. Other GPM's</b>								
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	-	-	-	-	-	-	-	-
<b>Total amount of CPMBs</b>	<b>101.116</b>	<b>1.068</b>	<b>621.648</b>	<b>723.832</b>	73.672	304.830	525.651	904.153

(\*) As of September 30, 2020, 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 600 thousand (December 31, 2019: TL 2.425 thousand).

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**15. Other short-term provisions and liabilities**

<b>Other short-term provisions</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
Provision for price revision (*)	<b>265.077</b>	201.666
Provision for lawsuit	<b>12.995</b>	11.390
Provision for EMRA contribution	<b>11.125</b>	10.327
Provision for selling and marketing expenses	<b>9.571</b>	5.825
Provision for warranty expenses	<b>3.936</b>	5.873
Provision for other operating expenses	<b>24.742</b>	11.854
<b>Total other short-term provisions</b>	<b>327.446</b>	246.935

(\*) As communicated to Aygaz Doğal Gaz Toptan Satış A.Ş., a Subsidiary of the Company, by Akfel Gaz Sanayi ve Ticaret A.Ş. ("Akwel"), from which natural gas is supplied; the price revision arbitration process initiated by Gazprom Export LLC ("Gazprom"), which Akfel has imported natural gas, was concluded against Akfel and effective from January 1, 2017, the import price would be adjusted in favor of Gazprom and in this context, it was decided to abolish the discount applied to Akfel and to reflect the change in import price to natural gas price applied to Aygaz Doğal Gaz Toptan Satış A.Ş. in accordance with the contract signed between Akfel and Aygaz Doğal Gaz Toptan Satış A.Ş. It was also notified that, the price determination mechanism in the contract will be revised according to the arbitration decision and the related amount of the debt and related invoices will be sent separately to Aygaz Doğal Gaz Toptan Satış A.Ş. as the contract price is updated retrospectively as of January 1, 2017. The amount of total debt was conveyed to Aygaz Doğal Gaz Toptan Satış A.Ş. by Akfel, however related invoices were not delivered yet as of the date of this report. As of September 30, 2020, total provision of USD 33.949 thousand (TL 265.077 thousand), USD 15.368 thousand for 2017 and USD 18.582 thousand for 2018, has been recognized in the consolidated financial statements (December 31, 2019: USD 33.949 thousand in total (TL equivalent 201.666 thousand)).

<b>Other current liabilities</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
Taxes and funds payable	<b>120.603</b>	97.384
Other liabilities	<b>79</b>	783
<b>Total other current liabilities</b>	<b>120.682</b>	98.167

**16. Other receivables from third parties**

	<b>September 30, 2020</b>	<b>December 31, 2019</b>
Deposits and letter of guarantees given (*)	<b>56.944</b>	-
Other receivables	<b>2.149</b>	3.242
<b>Total other receivables from third parties</b>	<b>59.093</b>	3.242

(\*) 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 7.293 thousand (TL 56.944 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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**17. Share capital**

As of September 30, 2020 and December 31, 2019 the share capital held is as follows:

Shareholders	Participation rate	September 30, 2020	Participation rate	December 31, 2019
Temel Ticaret ve Yatırım A.Ş.	5,77%	17.324	5,77%	17.324
Koç Family Members	4,76%	14.265	4,76%	14.265
Koç Holding A.Ş.	40,68%	122.054	40,68%	122.054
Liquid Petroleum Gas Development Company (“LPGDC”) (*)	24,52%	73.546	24,52%	73.546
Publicly held (*)	24,27%	72.811	24,27%	72.811
<b>Nominal capital</b>	<b>100,00%</b>	<b>300.000</b>	<b>100,00%</b>	<b>300.000</b>
Inflation adjustment (**)		71.504		71.504
<b>Adjusted capital</b>		<b>371.504</b>		<b>371.504</b>

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

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

*Dividends paid*

In the Ordinary General Meeting held on March 10, 2020, 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 2019. According to this decision, the Company has begun dividend payments on March 17, 2020.

**18. Earnings per share**

	January 1- September 30, 2020	July 1- September 30, 2020	January 1- September 30, 2019	July 1- September 30, 2019
Average number of ordinary shares outstanding during the period (one thousand)	300.000	300.000	300.000	300.000
Net profit for the year attributable to equity holders of the parent company	(103.050)	82.545	198.683	67.888
Earnings per thousand shares (TL)	(0,343500)	0,275150	0,662277	0,226293

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

## Aygaz Anonim Şirketi and its Subsidiaries

### Notes to the interim condensed consolidated financial statements as of September 30, 2020

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#### 19. Tax assets and liabilities

	September 30, 2020	December 31, 2019
<b>Current tax liability</b>		
Current corporate tax provision	49.983	37.437
Less: Prepaid taxes and funds	(25.764)	(27.192)
<b>Current tax liability</b>	<b>24.219</b>	<b>10.245</b>

  

	January 1- September 30, 2020	January 1- September 30, 2019
<b>Tax expenses</b>		
- Current corporate tax provision	(49.983)	(25.925)
- Deferred tax	11.155	8.461
<b>Total</b>	<b>(38.828)</b>	<b>(17.464)</b>

#### 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.

The effective rate of tax in 2020 is 22% (2019: 22%).

In Turkey, advance tax returns are filed on a quarterly basis. The advance corporate income tax rate in 2020 is 22% (2019: 22%). 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 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.

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**19. Tax assets and liabilities (continued)**

**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.

In accordance with the regulation numbered 7061, published in Official Gazette on December 5, 2017, "Law Amending Certain Tax Laws and Certain Other Laws", corporate tax rate for the years 2018, 2019 and 2020 has increased from 20% to 22%. Therefore, deferred tax assets and liabilities as of September 30, 2020 are calculated with 22% tax rate for the temporary differences which will be realized in 2020, and with 20% tax for those which will be realized after 2021 and onwards (31 December 2019: 22%)

<b>Deferred tax (assets) / liabilities:</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
Depreciation/amortization differences of property, plant and equipment and other intangible assets	<b>52.434</b>	48.955
Revaluation of financial assets measured at fair value through other comprehensive income	<b>6.643</b>	11.852
Provision for employment termination benefits	<b>(9.561)</b>	(8.421)
Valuation of inventories	<b>(2.436)</b>	(1.324)
Derivative financial instruments	<b>6.103</b>	4.321
Other	<b>(27.778)</b>	(13.478)
	<b>25.405</b>	41.905

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.

	<b>September 30, 2020</b>			<b>December 31, 2019</b>		
	<b>Deferred tax</b>			<b>Deferred tax</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
Aygaz A.Ş.	<b>(39.412)</b>	<b>63.846</b>	<b>24.434</b>	(23.158)	63.459	40.301
Akpa A.Ş.	<b>(1.230)</b>	<b>633</b>	<b>(597)</b>	(1.147)	754	(393)
Aygaz Doğal Gaz	<b>(928)</b>	<b>1.412</b>	<b>484</b>	(530)	1.618	1.088
Kuleli	<b>(351)</b>	<b>1.435</b>	<b>1.084</b>	(500)	1.409	909
	<b>(41.921)</b>	<b>67.326</b>	<b>25.405</b>	(25.335)	67.240	41.905

Movement of deferred tax assets and liabilities are as follows:

	<b>2020</b>	<b>2019</b>
<b>Opening balance on January 1</b>	<b>41.905</b>	47.072
Change to the profit or loss	<b>(11.155)</b>	(8.461)
Change to the equity:	<b>(5.345)</b>	(470)
-Effect of gains (losses) on cash flow hedges	<b>(136)</b>	(3.425)
-Effect of Gains (losses) on financial assets measured at fair value through other comprehensive income	<b>(5.209)</b>	2.955
<b>Closing balance on September 30</b>	<b>25.405</b>	38.141

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**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 September 30, 2020; TL 1.273 thousand (December 31, 2019 - TL 1.211 thousand) of total amount of other payables to related parties consists of dividend payables to the shareholders except for Koç Group.

Balances with related parties	September 30, 2020		September 30, 2019	
	Trade	Non-trade	Trade	Non-trade
<b>Group companies (*)</b>				
Türkiye Petrol Rafinerileri A.Ş.	94.823	-	86.888	-
Demir Export A.Ş.	1.180	-	-	-
Ford Otomotiv Sanayi A.Ş.	1.088	-	44	-
Opet Petrolcülük A.Ş.	442	-	37.969	-
Ram Dış Ticaret A.Ş.	-	-	9.810	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	6.818	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	2.524	-
Ram Sigorta Aracılık Hizmetleri A.Ş.	-	-	1.242	-
Other	4.070	-	4.901	-
<b>Shareholders</b>				
Koç Holding A.Ş.	-	-	27	-
<b>Investments accounted under the equity method</b>				
Entek Elektrik Üretimi A.Ş.	2.322	-	581	-
	<b>103.925</b>	<b>-</b>	<b>150.804</b>	<b>-</b>

Balances with related parties	December 31, 2019		December 31, 2019	
	Trade	Non-trade	Trade	Non-trade
<b>Group companies (*)</b>				
Türkiye Petrol Rafinerileri A.Ş.	118.267	-	84.940	-
Demir Export A.Ş.	5.385	-	-	-
Demir Export A.Ş. - Fernas İnşaat A.Ş. Adi Ortaklığı	1.005	-	-	-
Opet Petrolcülük A.Ş.	333	-	43.331	-
Otokoç Otomotiv Tic. ve San. A.Ş.	21	-	2.304	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	8.199	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	4.926	-
Ram Sigorta Aracılık Hizmetleri A.Ş.	-	-	420	-
Other	2.768	-	3.732	-
<b>Shareholders</b>				
Koç Holding A.Ş.	-	-	9.050	-
<b>Investments accounted under the equity method</b>				
Entek Elektrik Üretimi A.Ş.	3.415	-	-	-
	<b>131.194</b>	<b>-</b>	<b>156.902</b>	<b>-</b>

(\*) 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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**20. Balances and transactions with related parties (continued)**

January 1 - September 30, 2020				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Tangible and intangible asset purchases	Sale of fixed assets
<b>Group companies (*)</b>				
Opet Petrolcülük A.Ş.	598	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	3.358	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	-	129	63
Other	-	-	365	-
<b>Shareholders</b>				
Koç Holding A.Ş.	-	727	-	-
	<b>598</b>	<b>727</b>	<b>3.852</b>	<b>63</b>

January 1 - September 30, 2019				
Tangible asset and rent transactions with related parties	Rent income	Rent expense	Tangible and intangible asset purchases	Sale of fixed assets
<b>Group companies (*)</b>				
Opet Petrolcülük A.Ş.	545	-	10	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	-	99	57
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	2.912	-
Other	-	-	129	14
<b>Shareholders</b>				
Koç Holding A.Ş.	-	342	-	-
	<b>545</b>	<b>342</b>	<b>3.150</b>	<b>71</b>

(\*) Group companies include Koç Group companies.

January 1 - September 30, 2020				
Financial and other transactions with related parties	Financial income	Financial expense	Other income	Other expense
<b>Group companies (*)</b>				
Yapı Kredi Bankası A.Ş.	99.465	11.536	-	-
Koç Üniversitesi	-	-	-	164
Other	-	-	38	1
	<b>99.465</b>	<b>11.536</b>	<b>38</b>	<b>165</b>

January 1 - September 30, 2019				
Financial and other transactions with related parties	Financial income	Financial expense	Other income	Other expense
<b>Group companies (*)</b>				
Yapı Kredi Bankası A.Ş.	96.096	47.323	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	1	25
Other	-	-	16	26
	<b>96.096</b>	<b>47.323</b>	<b>17</b>	<b>51</b>

(\*) Group companies include Koç Group companies.

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**20. Balances and transactions with related parties (continued)**

<b>Cash at banks</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Group companies (*)</b>		
Yapı Kredi Bankası A.Ş.	<b>749.177</b>	489.741
<b>Credit card receivables</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Group companies (*)</b>		
Yapı Kredi Bankası A.Ş.	<b>61.076</b>	46.284
<b>Bank loans</b>	<b>September 30, 2020</b>	<b>December 31, 2019</b>
<b>Group companies (*)</b>		
Yapı Kredi Bankası A.Ş.	<b>9.319</b>	46.058

(\*) 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 September 30, 2020, total benefit provided to the senior management of the Company is TL 8.108 thousand (September 30, 2019: TL 7.146 thousand). Total amount is consist of the short-term benefits.

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**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:

<b>September 30, 2020</b>		<b>Total TL equivalent</b>	<b>TL equivalent of USD</b>	<b>TL equivalent of Euro</b>	<b>TL equivalent of Other</b>
1.	Trade receivables	144.731	135.828	8.903	-
2.a	Monetary financial assets	405.290	400.841	3.926	523
2.b	Non-monetary financial assets	-	-	-	-
3.	Other	58.893	58.738	155	-
<b>4.</b>	<b>Current assets</b>	<b>608.914</b>	<b>595.407</b>	<b>12.984</b>	<b>523</b>
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
<b>8.</b>	<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>9.</b>	<b>Total assets</b>	<b>608.914</b>	<b>595.407</b>	<b>12.984</b>	<b>523</b>
10.	Trade payables	(510.352)	(503.574)	(6.778)	-
11.	Financial liabilities	(79.215)	(70.807)	(8.408)	-
12.a	Other monetary financial liabilities	(281.743)	(281.743)	-	-
12.b	Other non-monetary financial liabilities	(2.865)	(1.266)	(1.599)	-
<b>13.</b>	<b>Current liabilities</b>	<b>(874.175)</b>	<b>(857.390)</b>	<b>(16.785)</b>	<b>-</b>
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(1.889)	-	(1.889)	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non-monetary financial liabilities	-	-	-	-
<b>17.</b>	<b>Non-current liabilities</b>	<b>(1.889)</b>	<b>-</b>	<b>(1.889)</b>	<b>-</b>
<b>18.</b>	<b>Total liabilities</b>	<b>(876.064)</b>	<b>(857.390)</b>	<b>(18.674)</b>	<b>-</b>
19.	Net asset/liability position of off balance sheet asset and liabilities (19a-19b)	70.272	70.272	-	-
19.a	Total hedged assets	70.272	70.272	-	-
19.b	Total hedged liabilities	-	-	-	-
	<b>Net foreign currency asset/liability position</b>				
<b>20.</b>	<b>(9+18+19)</b>	<b>(196.878)</b>	<b>(191.711)</b>	<b>(5.690)</b>	<b>523</b>
<b>21.</b>	<b>Net foreign currency asset/liability position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)</b>	<b>(323.178)</b>	<b>(319.455)</b>	<b>(4.246)</b>	<b>523</b>
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export(*)	1.285.132	1.252.210	32.887	35
26.	Import(*)	3.376.403	3.360.109	14.302	1.991

(\*) Transit sales and purchases are included.

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**21. Nature and level of risk derived from financial instruments (continued)**

December 31, 2019		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of Other
1.	Trade receivables	158.992	158.921	71	-
2.a	Monetary financial assets	321.786	320.995	448	343
2.b	Non-monetary financial assets	-	-	-	-
3.	Other	10.822	7.120	122	3.580
4.	Current assets	491.600	487.036	641	3.923
5.	Trade receivables	-	-	-	-
6.a	Monetary financial assets	-	-	-	-
6.b	Non-monetary financial assets	-	-	-	-
7.	Other	-	-	-	-
8.	Non-current assets	-	-	-	-
9.	<b>Total assets</b>	<b>491.600</b>	<b>487.036</b>	<b>641</b>	<b>3.923</b>
10.	Trade payables	(320.189)	(318.872)	(1.317)	-
11.	Financial liabilities	(138.378)	(132.155)	(6.223)	-
12.a	Other monetary financial liabilities	(201.672)	(201.672)	-	-
12.b	Other non-monetary financial liabilities	(1.075)	(1.074)	(1)	-
13.	Current liabilities	(661.314)	(653.773)	(7.541)	-
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(32.319)	(26.731)	(5.588)	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non-monetary financial liabilities	-	-	-	-
17.	Non-current liabilities	(32.319)	(26.731)	(5.588)	-
18.	<b>Total liabilities</b>	<b>(693.633)</b>	<b>(680.504)</b>	<b>(13.129)</b>	<b>-</b>
19.	Net asset/liability position of off balance sheet asset and liabilities (19a-19b)	50.492	50.492	-	-
19.a	Total hedged assets	80.193	80.193	-	-
19.b	Total hedged liabilities	(29.701)	(29.701)	-	-
20.	<b>Net foreign currency asset/liability position (9+18+19)</b>	<b>(151.541)</b>	<b>(142.976)</b>	<b>(12.488)</b>	<b>3.923</b>
21.	Net foreign currency asset/liability position of monetary items (1+2a+5+6a+10+11+12a+14+15+16a)	(211.780)	(199.514)	(12.609)	343
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export(*)	1.591.274	1.573.796	17.478	-
26.	Import(*)	4.079.191	4.071.910	6.064	1.217

(\*) Transit sales and purchases are included.

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

	<b>September 30, 2020</b>	December 31, 2019
Assets	608.914	491.600
Liabilities	(876.064)	(693.633)
<b>Net asset/liability position</b>	<b>(267.150)</b>	<b>(202.033)</b>
Derivative instruments net position	70.272	50.492
<b>Net foreign currency asset/liability position</b>	<b>(196.878)</b>	<b>(151.541)</b>
Inventories under the natural hedge <sup>(*)</sup>	277.144	196.810
<b>Net foreign currency position after the natural hedge</b>	<b>80.266</b>	<b>45.269</b>

(\*) 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 September 30, 2020, the Group has LPG amounting to TL 277.144 thousand (December 31, 2019: TL 196.810 thousand).

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**21. Nature and level of risk derived from financial instruments (continued)**

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.

	September 30, 2020			
	Income (Expense)		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/liability	(31.946)	31.946	(31.946)	31.946
Secured portion from USD risk	7.027	(7.027)	7.027	(7.027)
<b>USD net effect</b>	<b>(24.919)</b>	<b>24.919</b>	<b>(24.919)</b>	<b>24.919</b>
10% fluctuation of EUR rate				
EUR net asset/liability	(425)	425	(425)	425
Secured portion from EUR risk	-	-	-	-
<b>EUR net effect</b>	<b>(425)</b>	<b>425</b>	<b>(425)</b>	<b>425</b>
<b>Total</b>	<b>(25.344)</b>	<b>25.344</b>	<b>(25.344)</b>	<b>25.344</b>

	December 31, 2019			
	Income (Expense)		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/liability	(19.951)	19.951	(19.951)	19.951
Secured portion from USD risk	5.049	(5.049)	5.049	(5.049)
<b>USD net effect</b>	<b>(14.902)</b>	<b>14.902</b>	<b>(14.902)</b>	<b>14.902</b>
10% fluctuation of EUR rate				
EUR net asset/liability	(1.261)	1.261	(1.261)	1.261
Secured portion from EUR risk	-	-	-	-
<b>EUR net effect</b>	<b>(1.261)</b>	<b>1.261</b>	<b>(1.261)</b>	<b>1.261</b>
<b>Total</b>	<b>(16.163)</b>	<b>16.163</b>	<b>(16.163)</b>	<b>16.163</b>

**Aygaz Anonim Şirketi and its Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
as of September 30, 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

**21. Nature and level of risk derived from financial instruments (continued)**

Currency forward agreements

The Group has no currency forward agreement as of September 30, 2020. Currency forward agreements which are valid as of December 31, 2019 are summarized at the table below.

Maturity	Parity	Type of contract	Transactions	Total amount	December 31, 2019	
						Currency
17 days	5,97	Forward	Sells USD, buys TL	5.000		USD

Swap agreements

As of September 30, 2020 the Group has swap agreement amounting to TL 26.100 thousand with fixed interest rate of 13,415% in return for USD 9.000 thousand with a floating interest rate of six-month USDLIBOR+2,4% (31 December 2019: USD 13.500 thousand). Swap transaction has half-yearly interest payments and USD 4.500 thousand principal payment have been made in the first nine months of 2020 (31 December 2019: USD 18.000 thousand). The maturity date of last principal repayment is June 24, 2021.

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			
	September 30, 2020	1st Level	2nd Level	3rd Level
Financial assets measured at fair value	291.724	289.979	1.039	706
Derivative financial instruments	6.566	-	6.566	-

Financial assets /liabilities	Level of fair value as of reporting date			
	December 31, 2019	1st Level	2nd Level	3rd Level
Financial assets measured at fair value	395.444	87	394.651	706
Derivative financial instruments	15.557	-	15.557	-

**Aygaz Anonim Şirketi and its Subsidiaries**

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(Amounts expressed in thousands of Turkish Lira (“TL”) and in thousands for other currencies unless otherwise indicated.)

**21 Nature and level of risk derived from financial instruments (continued)**

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.

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.

**22. Subsequent events**

None.

**Aygaz Anonim Şirketi and its Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
as of September 30, 2020**

(Amounts expressed in thousands of Turkish Lira ("TL") and in thousands for other currencies unless otherwise indicated.)

**23. Business combinations**

On March 14, 2019, Kuleli, a subsidiary of the Group, has acquired total shares of Bal Kaynak Su İthalat İhracat Sanayi ve Ticaret A.Ş., which has all business permits and licenses of the operations, the water filling plant that this company currently maintains its natural spring water operation and properties which this facility located on, amounting to TL 47.806 thousand. With this acquisition the Group has aimed to expand its water operations and ensure sustainable production in water business. In line with this objective, the Group conducts the necessary works for the coordination of the water activities with Bal Kaynak. The provisional fair value of the identifiable assets and liabilities arising from the acquisition in accordance with IFRS 3 is as follows:

	<b>March 14, 2019</b>
Cash and cash equivalents	4
Trade receivables	135
Inventories	651
Other current assets	809
Tangible assets	47.873
Intangible assets (*)	1.939
<b>Total assets</b>	<b>51.411</b>
Trade payables	467
Other current liabilities	1.789
Deferred tax liabilities	722
<b>Total liabilities</b>	<b>2.978</b>
<b>Net assets acquired</b>	<b>48.433</b>
Consideration amount - cash	47.806
Cash and cash equivalents – acquired	(4)
<b>Net cash outflow due to acquisition</b>	<b>47.802</b>
<b>Negative goodwill</b>	<b>(627)</b>

(\*) Consists of the license value derived from the valuation model made within the scope of the distribution of the purchase price.

**24. Other significant issues affecting the financial statements or the other issues required for clarification of financial statements**

In line with Group's growth strategy abroad, the Board of Directors resolved on March 5, 2019 to sign a Share Purchase Agreement ('Contract'), between the Company and United Enterprises & Co. Ltd., where the Company shall buy 50% of the shares of United LPG Ltd with a pre-license for LPG filling facility but no current operations yet - of United Enterprises & Co. Ltd., in order to establish a partnership ('Joint Venture Company') and to make the necessary investments with United Group in Bangladesh based on the principles of equal management and to operate in LPG supply, filling and distribution in the Bangladesh market. Some of the conditions precedents determined in the Contract, including obtaining the necessary permits for the activities of the Joint Venture Company, which are envisaged to be realized by 31 March 2020 at the latest, have not been completed yet and an amendment to the Contract has been signed between the parties on 31 March 2020 that allows closing to take place on 31 December 2020 at the latest.