

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

**AYGAZ ANONİM ŐİRKETİ
AND ITS SUBSIDIARIES**

**1 JANUARY - 31 MARCH 2022 INTERIM
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

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

	Notes	Unaudited 31 March 2022	Audited 31 December 2021
ASSETS			
Current assets			
Cash and cash equivalents	4	1.944.437	1.693.433
Financial investments		36.610	-
Trade receivables		1.716.560	1.065.040
- Trade receivables from related parties	20	50.735	71.565
- Trade receivables from third parties	8	1.665.825	993.475
Other receivables		230.143	105.610
- Other receivables from related parties	20	16.113	-
- Other receivables from third parties	16	214.030	105.610
Derivative financial instruments	7	-	185
Inventories	9	1.641.751	1.433.089
Prepaid expenses		71.894	91.326
Assets related to current year tax		1.175	-
Other current assets		293.693	248.908
Total current assets		5.936.263	4.637.591
Non-current assets			
Financial investments	5	544.781	462.013
Trade receivables		6.185	6.545
- Trade receivables from third parties	8	6.185	6.545
Other receivables		280	156
- Other receivables from third parties		280	156
Investments accounted under equity method	10	2.181.848	2.160.939
Property, plant and equipment	11	792.926	771.735
Right-of-use assets	13	196.112	188.420
Intangible assets		30.473	32.620
- Other intangible assets	12	30.473	32.620
Prepaid expenses		27.279	28.908
Deferred tax asset	19	23.670	44.204
Total non-current assets		3.803.554	3.695.540
Total assets		9.739.817	8.333.131

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

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

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

	Notes	Unaudited 31 March 2022	Audited 31 December 2021
LIABILITIES AND EQUITY			
Short-term liabilities			
Short-term financial borrowings	6	630.341	111.624
Current portion of long-term financial borrowings	6	1.120.225	954.983
Trade payables		2.747.934	2.122.269
- Trade payables to related parties	20	450.388	308.739
- Trade payables to third parties	8	2.297.546	1.813.530
Liabilities for employee benefits		34.540	61.415
Other payables		154.648	3.388
- Other payables to related parties	20	151.335	1.335
- Other payables to third parties		3.313	2.053
Derivative financial instruments	7	30.653	44.598
Deferred income		13.316	9.207
Current income tax liabilities		416	27.421
Short-term provisions		585.766	496.748
- Short-term provisions for employee benefits		29.441	-
- Other provisions	15	556.325	496.748
Other current liabilities		80.405	37.006
Total short-term liabilities		5.398.244	3.868.659
Long-term liabilities			
Long-term financial borrowings	6	1.444.965	1.485.852
Other payables		147.451	141.749
- Trade payables to third parties		147.451	141.749
Long-term provisions		122.592	115.715
- Long-term provisions for employee benefits		98.796	91.919
- Other long-term provisions		23.796	23.796
Deferred tax liabilities	19	2.191	1.957
Total long-term liabilities		1.717.199	1.745.273
Total liabilities		7.115.443	5.613.932
Equity			
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			
Gains (losses) on the revaluation and/or reclassification		364.475	285.626
- Gains (losses) remeasurement from defined benefit plans		366.225	287.376
- Gains (losses) on financial assets measured at fair value through other comprehensive income		(413)	(413)
Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss		366.638	287.789
Other comprehensive income or expenses to be reclassified to profit or loss		(1.750)	(1.750)
Currency translation differences		(677.534)	(411.216)
Gains (losses) on hedge		17.532	3.311
- Gains (losses) on cash flow hedges		(40.988)	(14.550)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		(40.988)	(14.550)
Restricted reserves		(654.078)	(399.977)
Retained earnings		379.192	365.692
Net profit (loss) for the period		1.930.059	1.423.454
		200.894	670.105
Equity attributable to equity holders of the parent		2.561.148	2.697.723
Non-controlling interest		63.226	21.476
Total equity		2.624.374	2.719.199
Total equity and liabilities		9.739.817	8.333.131

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

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

	Notes	Unaudited 1 January - 31 March 2022	Unaudited 1 January - 31 March 2021
Revenue		6.412.632	2.881.392
Cost of sales (-)		(5.947.170)	(2.610.548)
Gross profit		465.462	270.844
General administrative expenses (-)		(150.036)	(84.864)
Marketing expenses (-)		(184.869)	(93.070)
Research and development expenses (-)		(1.185)	(520)
Other operating income		184.408	309.211
Other operating expenses (-)		(294.529)	(317.974)
Operating profit		19.251	83.627
Income from investment activities		22.809	9.415
Loss from investment activities (-)		(1.459)	(373)
Profit (losses) from investments accounted under equity method	10	195.775	(61.996)
Operating profit before financial income (expense)		236.376	30.673
Financial income		143.200	52.575
Financial expense (-)		(164.556)	(76.754)
Profit from continuing operations before tax		215.020	6.494
Tax income (expense), continuing operations			
Current tax expense for the period (-)	19	(10.862)	(24.816)
Deferred tax income (expense)	19	(24.514)	6.963
Profit (loss) for the period		179.644	(11.359)
Distribution of profit (loss) for the period			
Non-controlling interest		(21.250)	-
Equity holders of the parent		200.894	(11.359)
Earnings (losses) per share (TL)	18	0,6696	(0,0379)
Diluted earnings (losses) per share (TL)	18	0,6696	(0,0379)

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AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPERHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

	Notes	Unaudited 1 January - 31 March 2022	Unaudited 1 January - 31 March 2021
Profit (loss) for the period		179.644	(11.359)
Other comprehensive income			
Not to be reclassified to profit or loss		78.849	(121.506)
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		82.999	(127.901)
Taxes relating to other comprehensive income not to be reclassified to profit (loss)			
- Gains (losses) on financial assets measured at fair value through other comprehensive income, tax effect	19	(4.150)	6.395
To be reclassified to profit or loss		(266.318)	(157)
Currency translation differences		14.221	6.655
Gains (losses) on cash flow hedges			
- Gains (losses) on cash flow hedges		(34.334)	8.519
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss			
- Gains (losses) from cash flow hedges of investments using equity method		(285.480)	(16.174)
- Gains (losses) from currency translation differences of investments using equity method		31.379	2.547
Taxes relating to other comprehensive income to be reclassified to profit (loss)			
- Gains (losses) on cash flow hedges, tax effect	19	7.896	(1.704)
Other comprehensive income (expense) (after taxation)		(187.469)	(121.663)
Total other comprehensive income (expense)		(7.825)	(133.022)
Distribution of total comprehensive income (expense)			
- Non-controlling interest		(21.250)	-
- Equity holders of the parent		13.425	(133.022)

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AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

	Notes	Other comprehensive income or expenses not to be reclassified to profit or loss					Other comprehensive income or expenses to be reclassified to profit or loss				Accumulated profit					
		Share capital	Adjustment to share capital	Adjustment to share capital due to cross-ownership(-)	Gains (losses) on re-measurement of defined benefit plans	Gains (losses) on financial assets measured at fair value through other comprehensive income	Share of other comprehensive income of investments accounted for using equity method that will not be reclassified to profit or loss	Currency translation differences	Gains (losses) on cash flow hedges	Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to holders of the parent	Non-controlling interest	Total equity
Unaudited																
As of 1 January 2021		300.000	71.504	(7.442)	237	249.012	(1.233)	(4.822)	5.405	(234.244)	352.192	1.611.683	(24.889)	2.317.403	-	2.317.403
Transfers		-	-	-	-	-	-	-	-	-	13.500	(38.389)	24.889	-	-	-
Total comprehensive income (expense)		-	-	-	-	(121.506)	-	6.655	6.815	(13.627)	-	-	(11.359)	(133.022)	-	(133.022)
Net income		-	-	-	-	-	-	-	-	-	-	-	(11.359)	-	-	(11.359)
Other comprehensive income (expense)		-	-	-	-	(121.506)	-	6.655	6.815	(13.627)	-	-	-	(121.663)	-	(121.663)
Dividend paid		-	-	-	-	-	-	-	-	-	-	(150.000)	-	(150.000)	-	(150.000)
As of 31 March 2021		300.000	71.504	(7.442)	237	127.506	(1.233)	1.833	12.220	(247.871)	365.692	1.423.294	(11.359)	2.034.381	-	2.034.381
Unaudited																
As of 1 January 2022		300.000	71.504	(7.442)	(413)	287.789	(1.750)	3.311	(14.550)	(399.977)	365.692	1.423.454	670.105	2.697.723	21.476	2.719.199
Transfers		-	-	-	-	-	-	-	-	-	13.500	656.605	(670.105)	-	-	-
Increase in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	63.000	63.000
Total comprehensive income (expense)		-	-	-	-	78.849	-	14.221	(26.438)	(254.101)	-	-	200.894	13.425	(21.250)	(7.825)
Net income		-	-	-	-	-	-	-	-	-	-	-	200.894	200.894	(21.250)	179.644
Other comprehensive income (expense)		-	-	-	-	78.849	-	14.221	(26.438)	(254.101)	-	-	-	(187.469)	-	(187.469)
Dividend paid	17	-	-	-	-	-	-	-	-	-	-	(150.000)	-	(150.000)	-	(150.000)
As of 31 March 2022		300.000	71.504	(7.442)	(413)	366.638	(1.750)	17.532	(40.988)	(654.078)	379.192	1.930.059	200.894	2.561.148	63.226	2.624.374

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

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

	Notes	Unaudited 1 January - 31 March 2022	Unaudited 1 January - 31 March 2021
Cash flows from operating activities		(254.504)	(267.345)
Net income (loss)		179.644	(11.359)
Adjustments related with the reconciliation of net profit (loss) for the period		(15.958)	208.080
Adjustments for depreciation and amortization expenses	3, 11, 12, 13	53.337	41.900
Adjustments for impairment reversal (loss)		80	708
Adjustments for provisions		44.640	34.786
Adjustments for dividend income (expense)		(661)	(7.525)
Adjustments for interest income		(27.982)	(27.522)
Adjustments for interest expense		91.687	46.299
Adjustments for unrealized foreign translation differences		35.779	37.285
Adjustments for fair value gains (losses) on derivative financial instruments		(40.198)	2.080
Adjustments for undistributed profits of investments accounted under equity method	10	(195.775)	61.996
Adjustments for tax income (expenses)	19	35.376	17.853
Adjustments for gains (losses) on disposal of non-current assets		(4.576)	(1.517)
Other adjustments for reconciliation of profit (loss)		(7.665)	1.737
Changes in working capital		(373.766)	(430.854)
Change in blocked deposits		17.667	(2.088)
Decrease (increase) in financial investments		(36.610)	-
Adjustments for decrease (increase) in trade receivables		(651.240)	(449.261)
Adjustments for decrease (increase) in other operating receivables		(169.442)	(29.922)
Adjustments for decrease (increase) in inventories		(208.662)	35.533
Decrease (increase) in prepaid expenses		21.261	(36.897)
Adjustments for increase (decrease) in trade payables		625.665	114.709
Increase (decrease) in liabilities for employee benefits		(26.875)	(48.942)
Adjustments for increase (decrease) in other operating payables		50.361	(18.165)
Increase (decrease) in deferred income		4.109	4.179
Cash flows from operating activities		(210.080)	(234.133)
Payments related to provisions for employee benefits		(5.382)	(2.746)
Tax returns (payments)		(39.042)	(30.466)
Cash flows from investing activities		(57.742)	(29.916)
Cash outflows from the purchase of interests or capital increase of investments in associates or joint ventures	10	(79.235)	(4.507)
Cash inflows from the sale of property, plant and equipment and intangible assets		8.682	3.958
Cash outflows from the purchase of property, plant and equipment and intangible assets	11, 12	(50.850)	(30.008)
Dividends received		661	641
Other cash inflows (outflows)			
- Contributions of non-controlling interests to capital increases		63.000	-
Cash flows from financing activities		495.259	139.009
Proceeds from borrowings		783.261	165.350
Repayments of borrowings		(236.040)	(8.050)
Payments of lease liabilities		(33.670)	(23.313)
Dividends paid		-	-
Interest paid		(46.074)	(22.559)
Interest received		27.782	27.581
Net increase (decrease) in cash and cash equivalents before currency translation differences		183.013	(158.252)
Effect of currency translation differences		85.658	7.961
Net increase (decrease) in cash and cash equivalents		268.671	(150.291)
Cash and cash equivalents at the beginning of the period	4	1.671.074	958.212
Cash and cash equivalents at the end of the period	4	1.939.745	807.921

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

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 31 MARCH 2022

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

NOTE 1 - ORGANIZATION AND OPERATIONS OF THE COMPANY

The main activity of Aygaz Anonim Şirketi (the “Company” or “Aygaz”) is the purchase of liquid petroleum gas (LPG) in bulk from domestic refineries and the overseas market and delivery to retailers for distribution to customers. The Company manufactures LPG cylinders, LPG tanks, regulators and other supplementary materials which support the Company’s main business and which are necessary equipment for the end-user. In 2019 the Company opened a branch office in London with the aim of increasing trade volume with third parties in international markets and creating additional value for its domestic operations by monitoring the opportunities in global markets. The Company is controlled by Koç Holding A.Ş. the parent company, Koç Family and the companies owned by Koç Family.

The Company is registered at the Capital Markets Board of Turkey (“CMB”) and as of 31 March 2022, 24,27% of its shares have been quoted at Borsa Istanbul.

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

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

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

	<u>End of period</u>		<u>Average</u>	
	<u>31 March 2022</u>	<u>31 December 2021</u>	<u>1 January - 31 March 2022</u>	<u>1 January - 31 March 2021</u>
Monthly paid	877	840	863	698
Hourly paid	683	632	677	669
Total number of personnel	1.560	1.472	1.540	1.367

Subsidiaries

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

Subsidiaries	Place of incorporation and operation	<u>Ownership interest (%)</u>		Voting power right	Principal activity
		<u>31 March 2022</u>	<u>31 Decamber 2021</u>		
Anadoluhisari	Turkey	100	100	100	Shipping
Kandilli	Turkey	100	100	100	Shipping
Kuzguncuk	Turkey	100	100	100	Shipping
Kuleli	Turkey	100	100	100	Shipping
Akpa	Turkey	100	100	100	Marketing
Aygaz Doğal Gaz Toptan Satış	Turkey	100	100	100	Natural gas
Aygaz Doğal Gaz İletim	Turkey	100	100	100	Natural gas
Bal Kaynak	Turkey	100	100	100	Bottled water
Sendeo	Turkey	55	55	100	Cargo transportation/ distribution

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

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

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

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

Within July 2010, the Company has restructured its shipping operations under new legal entities, and established Anadoluhisarı Tankercilik A.Ş. (“Anadolu Hisarı”), Kandilli Tankercilik A.Ş. (“Kandilli”), Kuleli Tankercilik A.Ş. (“Kuleli”) and Kuzguncuk Tankercilik A.Ş. (“Kuzguncuk”) with an effective ownership interest of 100%. The main activities of these companies are to purchase, build or rent vessels and to operate them in domestic and/or overseas transportation of crude oil, petroleum products, liquid petroleum gas, natural gas and solid, liquid and liquefied products. On 13 October 2017, the vessel named “Kuleli” which is used for the transportation of LPG was sold by Kuleli Tankercilik A.Ş. - the Company’s subsidiary. On 14 March 2019 Kuleli has acquired the 100% of shares of Bal Kaynak Su İthalat İhracat Sanayi ve Ticaret A.Ş. (“Bal Kaynak”). With the Ordinary General Assembly Meeting of Bal Kaynak, held on 3 March 2022, it was decided to increase its capital to TL 133.000 thousand. Bal Kaynak continues its water trade activities with the aim of providing sustainable production.

Sendeo Dağıtım Hizmetleri A.Ş. (“Sendeo”) (Former trade name: Aygaz Aykargo Dağıtım Hizmetleri A.Ş.(“Aykargo”) which started as an in-house entrepreneurship Project, has started its cargo delivery and distribution activities in 2020. With the Ordinary General Assembly Meetings of Sendeo, held on 19 February 2021 and 2 September 2021, it was decided to increase the Sendeo’s capital from TL 500 thousand to TL 35.500 thousand, and from TL 35.500 thousand to TL 143.500 thousand, respectively. As a result of the negotiations regarding building a strategic collaboration with McKinsey Danışmanlık Hizmetleri Ltd. Şti. (“McKinsey”), in place of the Partnership Framework Agreement dated 15 January 2021, it was decided to continue cooperation by signing a long-term Consulting Agreement with the resolution of the Board of Directors dated 30 July 2021. With the contract, the Company has declared its intentions that the Company and/or other Koç Group companies owning Sendeo’s shares make a cash capital injection of up to USD 60 million in Sendeo during the service period taking into account the company's activities and operational needs. On 3 August 2021 45% of the shares of Sendeo each with a nominal value of TL 15.975 thousand were transferred to Koç Holding A.Ş. with a cash price of TL 15.975 thousand and the full payment was collected by the Company in cash. With the decision of the Extraordinary General Assembly registered on 14 February 2022, it was decided to increase its capital from TL 143.500 thousand to TL 423.500 thousand. The Company’s share is TL 154.000 thousand and it will be paid until 31 December 2022 and amount of TL 77.000 thousand has been paid on 9 February 2022.

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

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

Investments in associates

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

Investments in associates	Place of incorporation and operation	Ownership interest (%)		Voting power right	Principal activity
		31 March 2022	31 December 2021		
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 Üretim A.Ş. (“Entek”) operates as the electricity generation company of Koç Group. On 4 August 2021, Entek acquired all of the shares of companies Süloğlu Elektrik Üretimi A.Ş. (Former trade name: STEAG Rüzgar Sülüoğlu Enerji Üretim ve Ticaret A.Ş.) and Enspire Enerji Yatırımları ve Hizmetleri A.Ş. (Former trade name: STEAG Turkey Enerji Yatırımları ve Hizmetleri A.Ş.) from STEAG GmbH for 58.9 million USD in cash. With this purchase, as of 31 March 2022, it has a total installed capacity of 436 MW, 324 MW of which is in renewable energy, with eight hydroelectric power plants in Kahramanmaraş, Karaman, Samsun and Mersin with capacity of 264 MW, one natural gas cycling plant with capacity of 112 MW in Kocaeli, and one wind power plant with capacity of 60 MW in Edirne.

Joint ventures

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

Joint Ventures	Place of incorporation and operation	Ownership interest (%)		Voting power right	Principal activity
		31 March 2022	31 December 2021		
Opet Aygaz Gayrimenkul A.Ş. (“OAGM”)	Turkey	50,00	50,00	50,00	Real Estate
United LPG Ltd. (*)	Bangladesh	50,00	50,00	50,00	LPG supply, filling and distribution

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

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

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

NOTE 2 – BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

In line with Group’s growth strategy abroad, in order to operate in LPG supply, filling and distribution in the Bangladesh market, on 5 March 2019 the Share Purchase Agreement (‘Contract’) and Partnership Agreement was signed between the Company and United Enterprises & Co. Ltd. With Contract it was decided that 50% of the shares of United LPG Ltd, the subsidiary of United Enterprises & Co. Ltd, which has a pre-license for LPG filling facility but no current operations yet, will be acquired. With the fulfillment of all the conditions precedents set forth in the Contract, the transfer of shares are completed, following the payment of 50.000 thousand Bangladesh Taka (“BDT”) (TL 4.507 thousand) to the Seller in cash by the Company on 20 January 2021. With the Board of Directors Decision of the Company dated on 1 July 2021, it was decided to increase capital of United LPG Ltd., the joint venture of the Company, from BDT 100.000 thousand to BDT 1.120.000 thousand, and the BDT 510.000 thousand (approximately TL 52.150 thousand), corresponding to the 50% share of the Company has been paid on 8 July 2021. With the Board of Directors Decision of the Company dated on 10 February 2022, it was decided to increase capital of United LPG Ltd., from BDT 1.120.000 thousand to BDT 2.140.000 thousand, and the BDT 510.000 thousand (approximately TL 79.235 thousand), corresponding to the 50% share of the Company has been paid on 14 February 2022.

Approval of interim condensed consolidated financial statements:

The interim condensed consolidated financial tables for the period ended on 31 March 2022 are approved on the Board of Directors meeting held on 9 May 2022 to be published.

2.1 Basis of presentation of financial statements

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

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

The Group has prepared its condensed consolidated financial statements for the period ended on 31 March 2022 in accordance with TAS 34 “Interim Financial Reporting Standards”.

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

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

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

2.1 Basis of presentation of financial statements (Continued)

The consolidated financial statements are prepared based on the historical cost conversion, except for the financial assets and liabilities which are expressed with their fair values. The financial statements of each business of the Group are presented in the currency of the main economic environment in which they operate (the functional currency). The financial status and operating results of each business are expressed in TL, which is the functional currency of the Company and the reporting currency for the consolidated financial statements. The functional currency of Aygaz UK, the company's branch in London, is US Dollars “USD”.

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.

2.2 Summary of significant accounting policies

The interim condensed consolidated financial statements of the Group for the nine-month period ended 31 March 2022 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. Additionally, the accounting policies used in the preparation of the interim condensed consolidated financial statements for the period ended 31 March 2022 are consistent with those used in the preparation of annual consolidated financial statements for the year ended 31 December 2021. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2021.

2.3 New and revised Turkey Financial Reporting Standards

a. Standards, amendments and interpretations applicable as at 31 March 2022

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

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

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

2.3 New and revised Turkey Financial Reporting Standards

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

b. Standards, amendments and interpretations that are issued but not effective as at 31 March 2022

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

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

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

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

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

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

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

2.3 New and revised Turkey Financial Reporting Standards (Continued)

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

IFRS 17, ‘Insurance Contracts’, as amended in December 2021; effective from annual periods beginning on or after 1 January 2023. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

NOTE 3 – SEGMENT INFORMATION

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

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

- Gas and petroleum products
- Electricity
- Other

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

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

NOTE 3 – SEGMENT INFORMATION (Continued)

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

	31 March 2022				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	5.487.365	-	548.896	(99.998)	5.936.263
Non-current assets	2.906.595	698.577	441.549	(243.167)	3.803.554
Total assets	8.393.960	698.577	990.445	(343.165)	9.739.817
Liabilities					
Short term liabilities	5.122.775	-	371.892	(96.423)	5.398.244
Long term liabilities	1.639.031	-	100.254	(22.086)	1.717.199
Equity	1.632.154	698.577	518.299	(224.656)	2.624.374
<i>Equity attributable to equity holders of the parent</i>	<i>1.632.154</i>	<i>698.577</i>	<i>455.073</i>	<i>(224.656)</i>	<i>2.561.148</i>
<i>Non-controlling interest</i>	<i>-</i>	<i>-</i>	<i>63.226</i>	<i>-</i>	<i>63.226</i>
Total liabilities and equity	8.393.960	698.577	990.445	(343.165)	9.739.817
Investments accounted under equity method	1.333.618	698.577	149.653	-	2.181.848
	31 December 2021				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Assets					
Current assets	4.320.918	-	368.106	(51.433)	4.637.591
Non-current assets	2.989.010	595.318	424.604	(313.392)	3.695.540
Total assets	7.309.928	595.318	792.710	(364.825)	8.333.131
Liabilities					
Short term liabilities	3.693.929	-	225.605	(50.875)	3.868.659
Long term liabilities	1.666.201	-	101.189	(22.117)	1.745.273
Equity	1.949.798	595.318	465.916	(291.833)	2.719.199
<i>Equity attributable to equity holders of the parent</i>	<i>1.949.798</i>	<i>595.318</i>	<i>444.440</i>	<i>(291.833)</i>	<i>2.697.723</i>
<i>Non-controlling interest</i>	<i>-</i>	<i>-</i>	<i>21.476</i>	<i>-</i>	<i>21.476</i>
Total liabilities and equity	7.309.928	595.318	792.710	(364.825)	8.333.131
Investments accounted under equity method	1.421.029	595.318	144.592	-	2.160.939

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NOTE 3 – SEGMENT INFORMATION (Continued)

For the period ended 31 March 2022 and 2021, profit or loss statements according to industrial segments are as follows:

	1 January - 31 March 2022				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	6.068.113	-	509.267	(164.748)	6.412.632
Cost of sales (-)	(5.648.289)	-	(463.629)	164.748	(5.947.170)
Gross profit	419.824	-	45.638	-	465.462
General administrative expenses (-)	(112.259)	-	(39.070)	1.293	(150.036)
Marketing expenses (-)	(155.023)	-	(29.846)	-	(184.869)
Research and development expenses (-)	(1.185)	-	-	-	(1.185)
Other operating income	172.951	-	12.901	(1.444)	184.408
Other operating expenses (-)	(284.353)	-	(10.099)	(77)	(294.529)
Operating profit (loss)	39.955	-	(20.476)	(228)	19.251
Income from investment activities	101.161	-	827	(79.179)	22.809
Loss from investment activities (-)	(792)	-	(667)	-	(1.459)
Profit (losses) from investments accounted under equity method	87.254	103.460	5.061	-	195.775
Operating profit before financial income (expense)	227.578	103.460	(15.255)	(79.407)	236.376
Financial income	130.558	-	12.642	-	143.200
Financial expense (-)	(157.502)	-	(7.054)	-	(164.556)
Profit (loss) from continuing operations before tax	200.634	103.460	(9.667)	(79.407)	215.020
Current tax expense for the period (-)	(8.327)	-	(2.535)	-	(10.862)
Deferred tax income (expense)	(23.758)	-	(756)	-	(24.514)
Profit (loss) for the period	168.549	103.460	(12.958)	(79.407)	179.644
Distribution of profit (loss) for the period					
Non-controlling interest	-	-	(21.250)	-	(21.250)
Equity holders of the parent	168.549	103.460	8.292	(79.407)	200.894

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

NOTE 3 – SEGMENT INFORMATION (Continued)

	1 January - 31 March 2021				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	2.766.253	-	187.080	(71.941)	2.881.392
Cost of sales (-)	(2.531.883)	-	(150.606)	71.941	(2.610.548)
Gross profit	234.370	-	36.474	-	270.844
General administrative expenses (-)	(77.132)	-	(9.235)	1.503	(84.864)
Marketing expenses (-)	(78.596)	-	(14.474)	-	(93.070)
Research and development expenses (-)	(520)	-	-	-	(520)
Other operating income	304.349	-	7.523	(2.661)	309.211
Other operating expenses (-)	(311.390)	-	(6.809)	225	(317.974)
Operating profit (loss)	71.081	-	13.479	(933)	83.627
Income from investment activities	89.818	-	597	(81.000)	9.415
Loss from investment activities (-)	(66)	-	(307)	-	(373)
Profit (losses) from investments accounted under equity method	(81.903)	19.410	497	-	(61.996)
Operating profit (loss) before financial income (expense)	78.930	19.410	14.266	(81.933)	30.673
Financial income	48.675	-	3.900	-	52.575
Financial expense (-)	(73.961)	-	(2.793)	-	(76.754)
Profit (loss) from continuing operations before tax	53.644	19.410	15.373	(81.933)	6.494
Current tax expense for the period (-)	(22.866)	-	(1.950)	-	(24.816)
Deferred tax income (expense)	6.453	-	510	-	6.963
Profit (loss) for the period	37.231	19.410	13.933	(81.933)	(11.359)
Distribution of profit (loss) for the period					
Equity holders of the parent	37.231	19.410	13.933	(81.933)	(11.359)

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 three months period 1 January – 31 March 2022, SCT on imported LPG included in revenues and the cost of goods sold is amounting to TL 373.298 thousand (1 January- 31 March 2021: TL 92.512 thousand).

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NOTE 3 – SEGMENT INFORMATION (Continued)

The amortization and depreciation expense for the industrial segmental assets for the period ended on 31 March 2022 and 2021 are as follows:

	1 January - 31 March 2022	1 January - 31 March 2021
Gas and petroleum products	42.622	37.011
Other	10.715	4.889
	53.337	41.900

TL 25.637 thousand of total amount consist of amortization and depreciation expenses allocated under TFRS 16, ‘Leases’ (2021: TL 17.018 thousand).

The investment expenditures for the industrial segmental assets for the periods ended on 31 March 2022 and 2021 are as follows:

	1 January - 31 March 2022	1 January - 31 March 2021
Gas and petroleum products	28.841	27.512
Other	22.009	2.496
	50.850	30.008

NOTE 4 – CASH AND CASH EQUIVALENTS

	31 March 2022	31 December 2021
Cash on hand	495	520
Cash at banks	1.927.408	1.679.773
- Time deposits	1.784.825	1.632.379
- Demand deposits	142.583	47.394
Receivables from credit card transactions	16.534	13.140
Total	1.944.437	1.693.433

As of 31 March 2022 the Group’s TL time deposits amounting to TL 690.468 thousand with maturities of 1-136 days and interest rates of 12,97%-17%; USD time deposits amounting to USD 74.722 thousand (TL 1.094.357 thousand) with maturities of 1 day and interest rate of 0,55% (31 December 2021: The Group’s TL time deposits amounting to TL 671.928 thousand with maturities of 1-3 days and interest rates of 16%-26%. USD time deposits amounting to USD 74.009 thousand (TL 960.451 thousand) with maturities of 3 days and interest rate of 0,5%).

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

NOTE 4 – CASH AND CASH EQUIVALENTS (Continued)

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

	31 March 2022	31 December 2021
Cash and cash equivalents	1.944.437	1.693.433
Less: Blocked deposits (*)	(4.692)	(22.359)
	1.939.745	1.671.074

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

NOTE 5 – FINANCIAL ASSETS

The long-term financial assets of the Group are as follows as of 31 March 2022 and 31 December 2021:

	31 March 2022		31 December 2021	
	Participation amount	Participation rate (%)	Participation amount	Participation rate (%)
Financial assets measured at fair value through other comprehensive income				
- Koç Finansal Hizmetler A.Ş.	542.896	3,93	459.896	3,93
Financial assets measured at fair value through profit or loss				
- Ram Dış Ticaret A.Ş.	1.287	2,50	1.516	2,50
- Tat Gıda Sanayi A.Ş.	165	0,08	165	0,08
- Other	433	-	436	-
	544.781		462.013	

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NOTE 6 – FINANCIAL BORROWINGS

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

	31 March 2022	31 December 2021
TL-denominated short-term bank borrowings	536.008	30.375
Short-term lease liabilities	94.333	81.249
Total short-term financial borrowings	630.341	111.624
Short-term portion and interest accruals of		
TL-denominated long-term bank borrowings	959.090	952.819
Short-term portion and interest accruals of		
USD-denominated long-term bank borrowings	3.805	694
Short-term portion of long-term bond issued (*)	157.330	1.470
Total short-term portion of long-term financial borrowings	1.120.225	954.983

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

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

Currency	Average effective interest rate per annum (%)	Original amount	TL amount
TL	21,67	536.008	536.008
			536.008

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

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

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

NOTE 6 – FINANCIAL BORROWINGS (Continued)

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

	31 March 2022	31 December 2021
TL-denominated long-term bank borrowings	630.915	714.803
USD-denominated long-term bank borrowings	439.374	389.294
Long-term bond issued (*)	280.000	280.000
Long-term lease liabilities	94.676	101.755
Total long-term financial borrowings	1.444.965	1.485.852

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

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

Currency	Average effective interest rate per annum (%)	Original amount	TL amount
TL	14,47	1.590.005	1.590.005
USD	2,5 + USD Libor	30.260	443.179
Short-term portion of long-term loans and interest accruals			(962.895)
			1.070.289

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

Currency	Average effective interest rate per annum (%)	Original amount	TL amount
TL	14,21	1.667.622	1.667.622
US Dollars	2,5 + USD Libor	30.051	389.988
Short-term portion of long-term loans and interest accruals			(953.513)
			1.104.097

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NOTE 7 – DERIVATIVE FINANCIAL INSTRUMENTS

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

	31 March 2022		31 December 2021	
	Contract amount	Fair value assets/ (liabilities)	Contract amount	Fair value assets/ (liabilities)
Short-term derivative instruments				
Forward transactions (1)	-	-	12.971	185
Total short-term derivative financial assets	-	-	12.971	185
Futures transactions (2)	3.174.307	(30.653)	1.792.944	(44.598)
Total short-term derivative financial liabilities	3.174.307	(30.653)	1.792.944	(44.598)

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

(2) As of 31 March 2022, the Group's future transactions consist of propane, butane, naphtha products and freight swaps.

NOTE 8 - TRADE RECEIVABLES AND PAYABLES FROM THIRD PARTIES

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

	31 March 2022	31 December 2021
Trade receivables	1.618.813	974.902
Notes receivables	74.328	45.809
Allowance for doubtful receivables (-) (*)	(27.316)	(27.236)
Total current trade receivables	1.665.825	993.475

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

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

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

	31 March 2022	31 December 2021
Notes receivable	6.185	6.545
Total non-current trade receivables	6.185	6.545

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

	31 March 2022	31 December 2021
Trade payables	2.297.546	1.813.530
Total short-term trade payables	2.297.546	1.813.530

NOTE 9 – INVENTORIES

	31 March 2022	31 December 2021
Raw materials	863.150	771.204
Work in process	7.787	5.054
Finished goods	49.687	30.600
Trade goods	39.145	25.727
Goods in transit	682.211	600.733
Allowance for impairment on inventory (-)	(229)	(229)
	1.641.751	1.433.089

As of 31 March 2022, the inventories comprise of 102.948 tons of LPG (31 December 2021: 117.568 tons).

NOTE 10 – EQUITY INVESTMENTS

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

	31 March 2022		31 December 2021	
	Participation amount	Participation rate (%)	Participation amount	Participation rate (%)
EYAŞ	1.157.967	20,00	1.339.203	20,00
Entek	698.577	49,62	595.318	49,62
OAGM	149.653	50,00	144.592	50,00
United LPG Ltd (*)	175.651	50,00	81.826	50,00
	2.181.848		2.160.939	

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

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CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

NOTE 10 – EQUITY INVESTMENTS (Continued)

The movement of equity investments is as follows:

	2022	2021
As of January 1	2.160.939	1.847.444
Shares of profit/(loss)	195.775	(61.996)
Shares of other comprehensive income/(loss)	(254.101)	(13.627)
Purchase of interest in joint venture and increase in capital (*)	79.235	4.507
As of 31 March	2.181.848	1.776.328

(*) With the Board of Directors Decision of the Company dated on 10 February 2022, it was decided to increase capital of United LPG Ltd., from BDT 1.120.000 thousand to BDT 2.140.000 thousand, and the BDT 510.000 thousand (approximately TL 79.235 thousand), corresponding to 50% share of the Company has been paid on 14 February 2022 (Note 1).

Shares of profit (loss) of equity investments:

	1 January - 31 March 2022	1 January - 31 March 2021
EYAŞ	89.708	(81.903)
Entek	103.460	19.410
OAGM	5.061	497
United LPG Ltd	(2.454)	-
	195.775	(61.996)

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

	1 January - 31 March 2022	1 January - 31 March 2021
EYAŞ (*)	(270.944)	(17.673)
Entek	(201)	4.046
United LPG Ltd	17.044	-
	(254.101)	(13.627)

(*) TÜPRAŞ, a subsidiary of EYAŞ, designated its investment loans amounting to USD 335.645 thousand (TL 4.915.792 thousand) (31 December 2021: USD 387.878 thousand, TL 5.170.028 thousand) as hedging instrument against USD/TL spot exchange rate risk which is exposed due to highly probable estimated export revenue in USD and, in this context, applies accounting for cash flow hedge. As of 31 March 2022, foreign exchange gains (losses) on investment loans amounting to TL 3.992.600 thousand (31 December 2021: TL 4.108.543 thousand) are accounted under “Gains (losses) on hedging” under shareholders’ equity until the cash flows of the related hedged item are realized and it does not any effect on current income statement.

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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

NOTE 11 – PROPERTY, PLANT AND EQUIPMENT

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

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

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AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022**

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

NOTE 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
Acquisition cost									
As of 1 January 2021	18.351	183.870	79.514	1.833.938	233.070	88.207	25.682	27.683	2.490.315
Additions	-	-	-	1	274	1.574	6	28.153	30.008
Transfers (*)	-	726	915	16.233	1.173	(152)	-	(18.901)	(6)
Disposals	(14)	-	-	(2.296)	(583)	(1.527)	(140)	-	(4.560)
As of 31 March 2021	18.337	184.596	80.429	1.847.876	233.934	88.102	25.548	36.935	2.515.757
Accumulated depreciation									
As of 1 January 2021	-	81.615	55.374	1.437.973	133.150	60.150	25.635	-	1.793.897
Charge of the period	-	1.540	452	14.964	3.200	2.058	227	-	22.441
Disposals	-	-	-	(1.771)	-	(300)	(49)	-	(2.120)
As of 31 March 2021	-	83.155	55.826	1.451.166	136.350	61.908	25.813	-	1.814.218
Net book value	18.337	101.441	24.603	396.710	97.584	26.194	(265)	36.935	701.539

(*) TL 6 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

NOTE 12 – INTANGIBLE ASSETS

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

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

	Rights	Total
Acquisition costs		
As of 1 January 2021	87.612	87.612
Transfers (*)	6	6
Disposals	(2)	(2)
As of 31 March 2021	87.616	87.616
Accumulated amortisation		
As of 1 January 2021	62.297	62.297
Charge for the period	2.441	2.441
Disposals	(1)	(1)
As of 31 March 2021	64.737	64.737
Net book value	22.879	22.879

(*) TL 6 thousand under “Construction in progress” under the account property, plant and equipment has been classified to intangible fixed assets.

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

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

NOTE 13 – RIGHT OF USE ASSETS

	Land	Land improvements	Buildings	Plant, machinery, equipment and LPG cylinders	Vehicles and vessels	Furniture and fixtures	Total
As of 1 January 2022	3.072	3.880	40.381	27.750	113.307	30	188.420
Additions	-	-	2.495	-	32.474	-	34.969
Disposals	-	-	-	-	(12.213)	-	(12.213)
Charge for the period	(207)	(42)	(2.483)	(575)	(22.328)	(2)	(25.637)
Disposals from accumulated depreciation	-	-	-	-	10.573	-	10.573
As of 31 March 2022	2.865	3.838	40.393	27.175	121.813	28	196.112
As of 1 January 2021	3.528	3.056	12.373	30.053	122.437	39	171.486
Additions	366	-	57	-	23.833	-	24.256
Disposals	-	-	-	-	(1.959)	-	(1.959)
Charge for the period	(205)	(33)	(617)	(571)	(15.590)	(2)	(17.018)
Disposals from accumulated depreciation	-	-	-	-	1.200	-	1.200
As of 31 March 2021	3.689	3.023	11.813	29.482	129.921	37	177.965

NOTE 14 – CONTINGENT ASSETS AND LIABILITIES

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

	31 March 2022	31 December 2021
Letter of guarantees given for gas purchase	609.478	518.737
Other letter of guarantees given	356.675	306.025
	966.153	824.762

The liability for environmental pollution:

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

National inventory reserve liability:

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

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2022

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

NOTE 14 – CONTINGENT ASSETS AND LIABILITIES (Continued)

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

	31 March 2022					31 December 2021				
	TL Equivalent of Euro	TL Equivalent of USD	TL Equivalent of other	TL	Total TL	TL Equivalent of Euro	TL Equivalent of USD	TL Equivalent of other	TL	Total TL
A. CPMBs given on behalf of the Company’s legal personality	180.658	2.929	719	490.264	674.570	162.643	2.595	640	471.546	637.424
B. CPMBs given in favor of subsidiaries included in full consolidation (*)	-	214.392	-	72.633	287.025	-	129.914	-	51.989	181.903
C. CPMBs given by the Company for the liabilities of 3rd parties in order to run ordinary course of business (*)	-	-	-	4.558	4.558	-	-	-	5.435	5.435
D. Other CPMBs	-	-	-	-	-	-	-	-	-	-
i. CPMBs given in favor of parent company	-	-	-	-	-	-	-	-	-	-
ii. CPMBs given in favor of companies not in the scope of B and C above	-	-	-	-	-	-	-	-	-	-
iii. CPMBs given in favor of third party companies not in the scope of C above	-	-	-	-	-	-	-	-	-	-
Total amount of CPMBs	180.658	217.321	719	567.455	966.153	162.643	132.509	640	528.970	824.762

(*) As of 31 March 2022, total amount of commission accrued for guarantees given or contingent liabilities except ‘A. CPMBs given on behalf of the Company’s legal personality’ is TL 150 thousand (31 December 2021: TL 1.350 thousand).

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2022

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

NOTE 15 – OTHER SHORT-TERM PROVISIONS AND LIABILITIES

	31 March 2022	31 December 2021
Provision for price revision (*)	497.211	440.575
Provision for selling and marketing expenses	18.903	12.281
Provision for EMRA contribution	14.119	10.590
Provision for lawsuit	12.387	12.461
Provision for warranty expenses	2.489	2.489
Provision for other operating expenses	11.216	18.352
Other short-term provisions	556.325	496.748

(*) 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 1 January 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 1 January 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 31 March 2022, total provision of USD 33.949 thousand (TL 497.211 thousand), USD 15.368 thousand for 2017 and USD 18.582 thousand for 2018, has been recognized in the consolidated financial statements (31 December 2021: USD 33.949 thousand in total (TL equivalent 440.575 thousand)).

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

(*) The entire amount includes the long-term success fee provision that the Company's subsidiary, Sendeo, is obliged as of 31 December 2021 within the scope of the long-term Consulting Agreement with McKinsey (Note 1).

NOTE 16 – OTHER SHORT-TERM PROVISIONS AND LIABILITIES

	31 March 2022	31 December 2021
Guarantees and deposits given (*)	200.092	103.655
Other receivables	13.938	1.955
Total other current receivables	214.030	105.610

(*) The Group's branch, Aygaz UK which operates in London, performs derivative transactions with third parties and receives clearing services via ADM Investor Services, Inc. ('ADM'). Within this framework, collateral of USD 13.535 thousand (TL 198.227 thousand) (31 December 2021: USD 7.844 thousand equivalent to TL 101.796 thousand) kept under the provision of "fair value" and "margin call" in ADM, classified as deposits and guarantees given under other receivables from third parties.

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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2022

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

NOTE 17 – SHARE CAPITAL

Shareholders	Participation rate (%)	31 March 2022	Participation rate (%)	31 December 2021
Temel Ticaret ve Yatırım A.Ş.	5,77	17.324	5,77	17.324
Koç Ailesi üyeleri	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
Nominal capital	100,00	300.000	100,00	300.000
Inflation adjustment (**)		71.504		71.504
Adjusted capital		371.504		371.504

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

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

Dividends paid

In the Ordinary General Meeting held on 30 March 2022, the Company decided to reserve TL 13.500 thousand as legal reserves and distribute TL 150.000 thousand gross dividends from the net distributable income of 2021 and dividends have been started to be paid as of 6 April 2022.

NOTE 18 – EARNINGS PER SHARE

	1 January - 31 March 2022	1 January - 31 March 2021
Average number of ordinary shares outstanding during the period (one thousand)	30.000.000	30.000.000
Net profit for the year attributable equity holders of the parent company	200.894	(11.359)
Earnings (losses) per hundred shares (TL)	0,6696	(0,0379)

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2022

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

NOTE 19 – TAX ASSETS AND LIABILITIES

	31 March 2022	31 December 2021
Current corporate tax provision	10.862	153.190
Less: Prepaid taxes and funds	(11.621)	(125.769)
Current tax liability	(759)	27.421

	1 January - 31 March 2022	1 January - 31 March 2021
Current corporate tax provision	(10.862)	(24.816)
Deferred tax	(24.514)	6.963
Total tax expense	(35.376)	(17.853)

Corporate tax

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

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

As of 31 March 2022 the rate of tax is 23% (2021: 25%).

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

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

Deferred tax

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

The Company revalued its tangible and intangible assets and their depreciation as of 30 September 2021, within the scope of the Tax Procedure Law General Communiqué (Sequence No: 530) published by the Ministry of Treasury and Finance. Due to IFRS, related assets are continued to be accounted under cost method. It has calculated the deferred tax asset/liability, which is currently calculated over the temporary difference between IFRS and TPL, over the current TPL values that will occur with the effect of revaluation, and the deferred tax income that will arise due to this application, to the extent that the recovery of the said tax advantage is deemed possible, is calculated as a single income tax accounted for in the table. The effect of deferred tax assets is TL 61.288 thousand.

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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

NOTE 19 – TAX ASSETS AND LIABILITIES (Continued)

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

	31 March 2022	31 December 2021
Depreciation/amortization differences of property, plant and equipment and other intangible assets	184	(2.550)
Revaluation of financial assets measured at fair value through other comprehensive income	19.297	15.147
Provision for employment termination benefits	(17.137)	(15.829)
Valuation of inventories	6.813	(10.664)
Derivative instruments	(12.747)	(4.804)
Other	(17.889)	(23.547)
Deferred tax assets/liabilities	(21.479)	(42.247)

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

	31 March 2022			31 December 2021		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Aygaz	(44.870)	26.151	(18.719)	(52.640)	15.147	(37.493)
Akpa	(1.884)	88	(1.796)	(1.814)	109	(1.705)
Aygaz Dođal Gaz	(4.746)	1.591	(3.155)	(5.572)	1.243	(4.329)
Kuleli	(501)	2.352	1.851	(442)	2.399	1.957
Sendeo	(2.438)	2.778	340	(2.248)	1.571	(677)
	(54.439)	32.960	(21.479)	(62.716)	20.469	(42.247)

Movement of deferred tax assets and liabilities are as follows:

	2022	2021
As of January 1	(42.247)	43.703
Change to the profit or loss	24.514	(6.963)
Change to the equity		
- Effect of gains/(losses) on financial assets measured at fair value through other comprehensive income	4.150	(6.395)
- Effect of gains/(losses) on cash flow hedges	(7.896)	1.704
As of 31 March	(21.479)	32.049

AYGAZ ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2022

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

NOTE 20 – BALANCES AND TRANSACTIONS WITH RELATED PARTIES

A company is defined as a related party of the Company, if one of the companies has a control power on the other company or has a significant impact on financial and administrative decisions of the other company. The Company is controlled by Koç Holding, Koç Family or entities owned by Koç Family. In financial statements, shareholder companies, shareholders and financial investments and other Group companies’ assets are shown as related parties. As of 31 March 2022 TL 151.335 thousand (31 December 2021: TL 1.335 thousand) of total amount of other payables to related parties consists of dividend payables to the shareholders except for Koç Group and TL 16.113 thousand (31 December 2021: None) of total amount of other receivables that consists of dividends from Koç Finansal Hizmetler A.Ş.

Balances with related parties	31 March 2022			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	17.234	-	300.075	-
Demir Export A.Ş.	13.039	-	-	-
Demir Export A.Ş. - Fernas İnşaat A.Ş. Adi Ortaklığı	3.318	-	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	3.273	-	-	-
Opet Petrolcülük A.Ş.	2.521	-	118.481	-
Ford Otomotiv Sanayi A.Ş.	2.233	-	-	-
Otokar Otomotiv ve Savunma Sanayi A.Ş.	1.564	-	-	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	1.562	-	100	-
Tofaş Türk Otomobil Fabrikası A.Ş.	1.095	-	10	-
Otokoç Otomotiv Tic. ve San. A.Ş.	439	-	3.815	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	78	-	4.265	-
Koç Finansal Hizmetler A.Ş.	-	16.113	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	14.134	-
Other	4.338	-	9.476	-
Shareholders				
Koç Holding A.Ş.	38	-	32	-
Investments accounted under the equity method				
Entek Elektrik Üretimi A.Ş.	3	-	-	-
	50.735	16.113	450.388	-
31 December 2021				
Balances with related parties	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
	Group companies (*)			
Türkiye Petrol Rafinerileri A.Ş.	16.946	-	186.781	-
Demir Export A.Ş.	5.301	-	-	-
Opet Petrolcülük A.Ş.	1.870	-	63.836	-
Koçtaş Yapı Marketleri Ticaret A.Ş.	1.334	-	135	-
Otokoç Otomotiv Tic. ve San. A.Ş.	191	-	8.589	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	49	-	16.358	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	25	-	12.872	-
Other	6.176	-	7.402	-
Shareholders				
Koç Holding A.Ş.	30	-	12.766	-
Investments accounted under the equity method				
United Lpg Ltd.	39.642	-	-	-
Entek Elektrik Üretimi A.Ş.	1	-	-	-
	71.565	-	308.739	-

(*) Group companies include Koç Group companies.

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

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

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

Transactions with related parties	1 January - 31 March 2022			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	981.128	92.248	685	-
Opet Petrolcülük A.Ş.(**) (***)	225.092	14.305	23.640	-
Otokoç Otomotiv Tic. ve San. A.Ş.	9.547	-	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	7.953	15	11.796	-
Opet Fuchs Madeni Yağ San. Tic A.Ş.	4.776	44	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	622	109	10.101	-
Tofaş Türk Otomobil Fabrikası A.Ş.	-	8.754	152	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	7.185	-	-
Demir Export A.Ş.	-	4.787	-	-
Ford Otomotiv Sanayi A.Ş.	-	4.244	-	-
Demir Export A.Ş. - Fernas İnşaat A.Ş. Adi Ortaklığı	-	3.122	-	-
Setur Servis Turistik A.Ş.	-	20	2.052	-
Other	427	12.967	3.925	-
Shareholders				
Koç Holding A.Ş. (****)	-	33	6.349	-
Investments accounted under the equity method				
Entek Elektrik Üretimi A.Ş.	-	20	3.475	-
	1.229.545	147.853	62.175	-
Transactions with related parties	1 January - 31 March 2021			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
Group companies (*)				
Türkiye Petrol Rafinerileri A.Ş.	222.991	220.435	2.176	-
Opet Petrolcülük A.Ş.(**) (***)	61.354	3.183	27.077	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	5.850	15	5.614	-
Otokoç Otomotiv Tic. ve San. A.Ş.	437	259	357	-
Ram Dış Ticaret A.Ş.	344	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	66	38	2.870	-
Demir Export A.Ş.	-	1.526	-	-
Ford Otomotiv Sanayi A.Ş.	-	1.304	-	-
Other	1.871	7.915	3.117	-
Shareholders				
Koç Holding A.Ş. (****)	-	17	4.273	-
Investments accounted under the equity method				
Entek Elektrik Üretimi A.Ş.	-	15	2.164	-
	292.913	234.707	47.648	-

(*) Group companies include Koç Group companies.

(**) Commission expenses regarding LPG sold at Opet stations for three-month period ended 31 March 2022 is TL 22.909 thousand (1 January – 31 March 2021: TL 26.290 thousand). The commission expense mentioned above is evaluated as part of sales and accounted under income statement as sales discounts.

(***) Though not presented at transactions with related parties, so as to fulfil fuel and auto gas sales exclusively and on the basis of station, prepayments and/or infrastructural investments are made directed for sales under “Agreement of Auto Gas Sales at Gas Stations” between Aygaz and Opet. Prepayments are presented under prepaid expenses in consolidated statement of financial position and are periodically amortized based on duration of dealer agreements. Prepayments and investment contribution margin amounting to TL 950 thousand has been made to Opet for three-month period ended 31 March 2022 in consideration of 5 years sale agreement on average to be paid to Aygaz Dealers making auto-gas sales at Opet stations (1 January – 31 March 2021: TL 147 thousand).

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

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

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

Tangible asset and rent transactions with related parties	1 January - 31 March 2021			
	Rent income	Rent expense	Tangible and intangible asset purchases	Tangible asset sales
Group companies (*)				
Opet Petrolcülük A.Ş.	239	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	1.624	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	-	347	583
Other	-	-	53	-
Shareholders				
Koç Holding A.Ş.	-	288	-	-
	239	288	2.024	583

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

Financial and other transactions with related parties	1 January - 31 March 2021			
	Financial income	Financial expense	Other income	Other expense
Group companies (*)				
Yapı Kredi Bankası A.Ş.	22.971	13.809	-	-
Other	-	-	33	184
	22.971	13.809	33	184

(*) Group companies include Koç Group companies.

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

Cash at banks	31 March 2022	31 December 2021
Group companies (*)		
Yapı Kredi Bankası A.Ş.	1.385.953	1.266.207
Credit card receivables	31 March 2022	31 December 2021
Group companies (*)		
Yapı Kredi Bankası A.Ş.	12.499	10.447
Bank loans	31 March 2022	31 December 2021
Group companies (*)		
Yapı Kredi Bankası A.Ş.	85.404	81.486

(*) Group companies include Koç Group companies.

Benefits to Top Management:

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

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

As of 31 March 2022, total benefit provided to the senior management of the Company is TL 4.369 thousand (31 March 2021: TL 2.929 thousand) Total amount is consist of the short-term benefits.

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

Foreign currency risk management

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

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

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

	31 March 2022			
	Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	Other
1. Trade receivables	436.644	421.613	15.031	-
2.a Monetary financial assets	1.185.262	1.173.094	11.619	549
2.b Non-monetary financial assets	-	-	-	-
3. Other	200.119	199.277	842	-
4. Current assets	1.822.025	1.793.984	27.492	549
5. Trade receivables	-	-	-	-
6.a Monetary financial assets	-	-	-	-
6.b Non-monetary financial assets	-	-	-	-
7. Other	-	-	-	-
8. Non-current assets	-	-	-	-
9. Total assets	1.822.025	1.793.984	27.492	549
10. Trade payables	(1.990.117)	(1.979.830)	(10.041)	(246)
11. Financial liabilities	(11.271)	(3.805)	(7.466)	-
12.a Other monetary financial liabilities	(527.874)	(527.874)	-	-
12.b Other non-monetary financial liabilities	(6.472)	(1.151)	(5.321)	-
13. Current liabilities	(2.535.734)	(2.512.660)	(22.828)	(246)
14. Trade payables	-	-	-	-
15. Financial liabilities	(439.374)	(439.374)	-	-
16.a Other monetary financial liabilities	-	-	-	-
16.b Other non-monetary financial liabilities	-	-	-	-
17. Non-current liabilities	(439.374)	(439.374)	-	-
18. Total liabilities	(2.975.108)	(2.952.034)	(22.828)	(246)
19. Net asset/liability position of off balance sheet asset and liabilities (19a-19b)	-	-	-	-
19.a Total derivative assets	-	-	-	-
19.b Total derivative liabilities	-	-	-	-
Net foreign currency asset/ (liability) position (9+18+19)	(1.153.083)	(1.158.050)	4.664	303
Net foreign currency asset/(liability) position of monetary items				
21. (1+2a+5+6a+10+11+12a+14+15+16a)	(1.346.730)	(1.356.176)	9.143	303
22. Fair value of derivative instruments held for hedging	-	-	-	-
23. Hedged foreign currency assets	-	-	-	-
24. Hedged foreign currency liabilities	-	-	-	-
25. Export (*)	1.418.125	1.344.508	62.618	10.999
26. Import (*)	3.766.433	3.761.340	5.093	-

(*) Transit sales and purchases are included.

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

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

(*) Transit sales and purchases are included.

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

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

	31 March 2022	31 December 2021
Assets	1.822.025	1.282.819
Liabilities	(2.975.108)	(2.451.831)
Net asset/liability position	(1.153.083)	(1.169.012)
Derivative instruments net position	-	12.971
Net foreign currency asset/liability position	(1.153.083)	(1.156.041)
Inventories under the natural hedge (*)	1.426.186	1.145.064
Net foreign currency position after the natural hedge	273.103	(10.977)

(*) The Group manages its foreign currency risk by regularly considering and reflecting the foreign exchange rate changes in the determination of product prices (natural hedge). As of 31 March 2022, the Group has LPG amounting to TL 1.426.186 thousand (31 December 2021: TL 1.145.064 thousand).

Foreign currency sensitivity:

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

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

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

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

	31 March 2022			
	Income/(Expense)		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/(liability)	(135.618)	135.618	(135.618)	135.618
Secured portion from USD risk	-	-	-	-
USD net effect	(135.618)	135.618	(135.618)	135.618
10% fluctuation of Euro rate				
Euro net asset/(liability)	914	(914)	914	(914)
Secured portion from Euro risk	-	-	-	-
Euro net effect	914	(914)	914	(914)
Total net effect	(134.703)	134.703	(134.703)	134.703
	31 December 2021			
	Income/(Expense)		Equity	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/(liability)	(127.953)	127.953	(127.953)	127.953
Secured portion from USD risk	1.297	(1.297)	1.297	(1.297)
USD net effect	(126.656)	126.656	(126.656)	126.656
10% fluctuation of Euro rate				
Euro net asset/(liability)	520	(520)	520	(520)
Secured portion from Euro risk	-	-	-	-
Euro net effect	520	(520)	520	(520)
Total net effect	(126.136)	126.136	(126.136)	126.136

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

Currency forward agreements

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

Maturity	Parity	Type of contract	Transactions	31 December 2021	
				Total amount	Currency
19 days	13,17	Forward	Buys USD, sells TL	985	USD

Fair value hierarchy table

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

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

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

Financial assets/(liabilities)	Level of fair value as of reporting date			
	31 March 2022	1st level	2nd level	3rd level
Financial assets measured at fair value	544.781	543.061	1.287	433
Derivative financial instruments	(30.653)	-	(30.653)	-

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

Information for reflecting financial assets and liabilities at fair value

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

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

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.

NOTE 22 – SUBSEQUENT EVENTS

Within the framework of the Company’s strategic plans, with the target to create value by using the Company’s existing equity and borrowing capacity by focusing particularly on international LPG investments and other business areas such as cargo distribution, it has been resolved to transfer Entek shares in the Company’s assets which corresponds 49,62% of the registered Entek’s capital, to Tüpraş through a partial demerger transaction through the model of share transfer to the Company’s shareholders. Simultaneously, the Entek shares registered in the assets of our controlling shareholder Koç Holding A.Ş will be transferred to Tüpraş through a partial demerger transaction through the associates model.

According to the Expert Report, while Tüpraş's issued capital will be increased by TL 24.837.314 due to the takeover through demerger, issued shares with a nominal value of TL 12.418.655 will be given to Koç Holding who will be executing partial demerger transaction through the associates model and the remaining nominal value of TL 12.418.659 will be given to the Company’s shareholders who will be executing partial demerger transaction through the model of share transfer to its shareholders. The Company’s issued capital will be TL 219.800.767 by decreasing TL 80.199.233. As a result of the transaction Koç Holding and the Company’s shareholders will receive Tüpraş shares with a nominal value TL 0.02635 in exchange for Entek shares with a nominal value TL 1.

As 29 April 2022, the application has been made to the Capital Markets Board for the approval.

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