

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

**AYGAZ ANONİM ŐİRKETİ  
AND ITS SUBSIDIARIES**

**JANUARY 1 – MARCH 31, 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 March 31, 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</b>	<b>Prior period</b>
		<b>(Unaudited)</b>	<b>(Audited)</b>
		<b>March 31, 2020</b>	<b>December 31, 2019</b>
<b>Current assets</b>		<b>1.368.199</b>	<b>1.589.116</b>
Cash and cash equivalents	4	<b>669.644</b>	665.391
Trade receivables		<b>397.957</b>	566.282
-Trade receivables from related parties	18	<b>92.813</b>	131.194
-Trade receivables from third parties	8	<b>305.144</b>	435.088
Other receivables		<b>3.304</b>	3.242
-Other receivables from third parties		<b>3.304</b>	3.242
Derivative financial instruments	7	<b>40.557</b>	28.269
Inventories	9	<b>165.926</b>	263.309
Prepaid expenses		<b>72.151</b>	43.761
Assets related to current year tax		<b>310</b>	2.029
Other current assets		<b>18.350</b>	16.833
<b>Non-current assets</b>		<b>3.186.544</b>	<b>3.365.743</b>
Financial investments	5	<b>446.542</b>	395.444
Trade receivables		<b>6.627</b>	8.092
-Trade receivables from third parties	8	<b>6.627</b>	8.092
Other receivables		<b>152</b>	154
-Other receivables from third parties		<b>152</b>	154
Derivative financial instruments	7	<b>16.699</b>	14.097
Investments accounted under equity method	10	<b>1.844.665</b>	2.059.470
Tangible assests	11	<b>709.943</b>	712.554
Right-of-use assets		<b>102.682</b>	110.066
Intangible assets		<b>21.875</b>	23.817
-Other intangible assets	12	<b>21.875</b>	23.817
Prepaid expenses		<b>37.164</b>	41.656
Deferred tax asset	17	<b>195</b>	393
<b>Total assets</b>		<b>4.554.743</b>	<b>4.954.859</b>

The accompanying accounting policies and notes between the pages 9 and 43 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 March 31, 2020**

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

Liabilities	Notes	Current period (Unaudited) March 31, 2020	Prior period (Audited) December 31, 2019
<b>Short-term liabilities</b>		<b>1.123.714</b>	<b>1.495.037</b>
Short-term financial borrowings	6	77.879	64.883
Current portion of long-term financial borrowings	6	260.471	418.454
Trade payables		360.374	578.783
- Trade payables to related parties	18	174.076	156.902
- Trade payables to third parties	8	186.298	421.881
Liabilities for employee benefits		15.509	54.042
Other payables		53.142	1.555
- Other payables to related parties	18	52.369	1.211
- Other payables to third parties		773	344
Derivative financial instruments	7	72	12.709
Deferred income		3.947	7.235
Provision for taxation on income		4.775	12.274
Short-term provisions		286.089	246.935
-Provisions from employee benefits		12.967	-
-Other provisions	14	273.122	246.935
Other current liabilities	14	61.456	98.167
<b>Long-term liabilities</b>		<b>1.335.844</b>	<b>981.739</b>
Long-term borrowings	6	1.138.345	764.426
Other payables		106.402	107.213
- Other payables to third parties		106.402	107.213
Derivative financial instruments	7	13.165	14.100
Long-term provisions		55.499	53.702
-Provisions for employee benefits		55.499	53.702
Deferred tax liabilities	17	22.433	42.298
<b>Total liabilities</b>		<b>2.459.558</b>	<b>2.476.776</b>
<b>Equity</b>		<b>2.095.185</b>	<b>2.478.083</b>
Share capital	15	300.000	300.000
Adjustment to share capital	15	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		224.425	224.425
Gains (losses) on the revaluation and/or reclassification		225.521	225.521
-Gains (losses) remeasurement from defined benefit plans		336	336
-Gains (losses) on financial assets measured at fair value through other comprehensive income		225.185	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		(231.017)	(224.279)
Gains (losses) on hedge		(2.052)	(8.835)
-Gains (losses) on cash flow hedges		(2.052)	(8.835)
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		(228.965)	(215.444)
Restricted reserves		352.192	338.692
Retained earnings		1.611.683	1.501.706
Net profit for the period		(226.160)	273.477
<b>Equity attributable to equity holders of the parent</b>		<b>2.095.185</b>	<b>2.478.083</b>
<b>Total equity and liabilities</b>		<b>4.554.743</b>	<b>4.954.859</b>

The accompanying accounting policies and notes between the pages 9 and 43 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 profit or loss and other comprehensive income statement  
for the three-month interim period ended March 31, 2020**

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

		Unaudited January 1- March 31, 2020	Unaudited January 1- March 31, 2019
	Notes		
Revenue		2.206.112	2.351.390
Cost of sales (-)		(2.112.908)	(2.141.580)
<b>Gross profit (loss)</b>		<b>93.204</b>	<b>209.810</b>
General administrative expenses (-)		(71.212)	(69.209)
Marketing expenses (-)		(84.129)	(72.602)
Research and development expenses (-)		(705)	(617)
Other operating income		55.485	63.191
Other operating expenses (-)		(49.939)	(62.673)
<b>Operating profit (loss)</b>		<b>(57.296)</b>	<b>67.900</b>
Income from investment activities		74.674	834
Loss from investment activities (-)		(168)	(318)
Gain /loss from investments accounted under equity method	10	(201.284)	(8.760)
<b>Operating profit before financial income (expense)</b>		<b>(184.074)</b>	<b>59.656</b>
Financial income		20.860	42.117
Financial expense (-)		(67.331)	(86.675)
<b>Profit from continuing operations before tax</b>		<b>(230.545)</b>	<b>15.098</b>
<b>Tax income (expense), continuing operations</b>			
Current tax expense for the period (-)	17	(17.195)	(3.249)
Deferred tax income (expense)	17	21.580	(1.777)
<b>Profit (loss) for the period</b>		<b>(226.160)</b>	<b>10.072</b>
<b>Distribution of profit (loss) for the period</b>			
Equity holders of the parent		(226.160)	10.072
<b>Earnings (loss) per share (TL)</b>	16	<b>(0,753867)</b>	0,033573
<b>Diluted earnings (loss) per share (TL)</b>	16	<b>(0,753867)</b>	0,033573

The accompanying accounting policies and notes between the pages 9 and 43 form an integral part of these interim condensed consolidated financial statements.

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**Aygaz Anonim Şirketi and its Subsidiaries**

**Consolidated profit or loss and other comprehensive income statement  
for the three-month interim period ended March 31, 2020**

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

	Notes	Unaudited January 1- March 31, 2020	Unaudited January 1- March 31, 2019
<b>Profit for the period</b>		<b>(226.160)</b>	10.072
<b>Other comprehensive income</b>			
<b>To be reclassified as profit or loss</b>		<b>(6.738)</b>	(8.278)
<i>Other comprehensive income (expenses) on cash flow hedges</i>		<b>8.696</b>	2.473
<i>-Gains (losses) on cash flow hedges</i>		<b>8.696</b>	2.473
Share of other comprehensive income of investments accounted for using equity method that will be reclassified to profit or loss		<b>(13.521)</b>	(10.207)
<i>-Gains (losses) from cash flow hedging of investments using equity method</i>		<b>(15.956)</b>	(12.837)
<i>-Gains (losses) from translation of foreign currency of investments using equity method</i>		<b>2.435</b>	2.630
Taxes relating to other comprehensive income to be reclassified to profit (loss)		<b>(1.913)</b>	(544)
<i>-Other comprehensive income (expenses) on cash flow hedges, tax effect</i>	17	<b>(1.913)</b>	(544)
<b>Other comprehensive income / (expense) (after taxation)</b>		<b>(6.738)</b>	(8.278)
<b>Total other comprehensive income (expense)</b>		<b>(232.898)</b>	1.794
<b>Distribution of total comprehensive income (expense)</b>			
Equity holders of the parent		<b>(232.898)</b>	1.794

The accompanying accounting policies and notes between the pages 9 and 43 form an integral part of these interim condensed consolidated financial statements.

(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 March 31, 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		Net profit for the period	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	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			
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)	-	-	-	-	-	-	1.929	(10.207)	-	-	10.072	1.794	1.794
<i>Net income</i>	-	-	-	-	-	-	-	-	-	-	10.072	10.072	10.072
<i>Other comprehensive income (expense)</i>	-	-	-	-	-	-	1.929	(10.207)	-	-	-	(8.278)	(8.278)
Dividend paid	-	-	-	-	-	-	-	-	-	(386.000)	-	(386.000)	(386.000)
Balance as of March 31, 2019	300.000	71.504	(7.442)	2.789	122.253	226	9.560	(231.156)	331.310	1.509.088	10.072	2.118.204	2.118.204
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)	-	-	-	-	-	-	6.783	(13.521)	-	-	(226.160)	(232.898)	(232.898)
<i>Net income</i>	-	-	-	-	-	-	-	-	-	-	(226.160)	(226.160)	(226.160)
<i>Other comprehensive income (expense)</i>	-	-	-	-	-	-	6.783	(13.521)	-	-	-	(6.738)	(6.738)
Dividend paid (Note 15)	-	-	-	-	-	-	-	-	-	(150.000)	-	(150.000)	(150.000)
Balance as of March 31, 2020	300.000	71.504	(7.442)	336	225.185	(1.096)	(2.052)	(228.965)	352.192	1.611.683	(226.160)	2.095.185	2.095.185

The accompanying accounting policies and notes between the pages 9 and 43 form an integral part of these interim condensed consolidated financial statements.

**Aygaz Anonim Şirketi and its Subsidiaries**

**Consolidated cash flow statement**

**for the period ended March 31, 2020**

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

		Unaudited	Unaudited
		January 1-	January 1-
	Notes	March 31, 2020	March 31, 2018
<b>Cash flows from operating activities</b>		<b>(83.092)</b>	120.126
<b>Net income from continuing operations</b>		<b>(226.160)</b>	10.072
<b>Adjustments related with the reconciliation of net profit (loss) for the period</b>		<b>224.504</b>	127.906
-Adjustments for depreciation and amortization expenses	3,11,12	31.398	30.606
-Adjustments for impairment loss (reversal)		84	298
-Adjustments for provisions		21.321	43.993
-Adjustments for dividend (income) expense		(22)	-
-Adjustments for interest (income) expense		34.777	42.545
-Adjustments for interest income		(9.175)	(20.953)
-Adjustments for interest expense		43.952	63.498
-Adjustments for unrealized foreign exchange differences		30.292	(2.520)
-Adjustments for fair value losses (gains) on derivative financial instruments		(21.679)	(799)
-Adjustments for undistributed profits of investments accounted under equity method	10	201.284	8.760
-Adjustments for tax (income) expenses	17	(4.385)	5.026
-Adjustments for losses (gains) on disposal of non-current assets		(52.085)	(516)
-Adjustments for other items causing cash flows from investment or financial activities		(22.421)	-
-Termination compensation income	5	(22.421)	-
-Other adjustments for reconciliation of profit (loss)		5.940	513
<b>Changes in working capital</b>		<b>(55.029)</b>	(4.503)
-Adjustments for decrease (increase) in trade receivables		169.706	(221.642)
-Adjustments for decrease (increase) in other operating receivables		(1.577)	(9.190)
-Adjustments for decrease (increase) in inventories		97.383	49.937
-Decrease (increase) in prepaid expenses		(23.842)	54.710
-Adjustments for increase (decrease) in trade payables		(218.409)	135.414
-Increase (decrease) in liabilities for employee benefits		(38.533)	(30.326)
-Adjustments for increase (decrease) in other operating payables		(37.093)	18.142
-Increase (decrease) in deferred income		(3.288)	(1.548)
-Change in blocked deposits		624	-
<b>Cash flows from operating activities</b>		<b>(56.685)</b>	133.475
-Payments related to provisions for employee benefits		(3.432)	(3.844)
-Tax returns (payments)		(22.975)	(9.505)
<b>Cash flows from investing activities</b>		<b>55.437</b>	328.739
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		53.143	1.557
Cash outflows from the purchase of property, plant and equipment and intangible assets	11,12	(20.149)	(19.381)
Dividends received		22	185.053
Other cash inflows/(outflows)		22.421	(38.490)
-Cash inflows due to termination payment	5	22.421	-
-Cash outflows due to business combinations		-	(38.490)
<b>Cash flows from financing activities</b>		<b>28.845</b>	(304.293)
Proceeds from borrowings		658.811	85.020
Repayments of borrowings		(427.156)	(124.425)
Payments of lease liabilities		(10.756)	(9.070)
Dividend payment		(149.938)	(211.698)
Interest paid		(51.235)	(64.684)
Interest received		9.119	20.564
<b>Net increase (decrease) in cash and cash equivalents before currency translation differences</b>		<b>1.190</b>	144.572
Effect of currency translation differences		3.687	16.420
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>4.877</b>	160.992
<b>Cash and cash equivalents at the beginning of the period</b>	4	<b>661.320</b>	648.010
<b>Cash and cash equivalents at the end of the period</b>	4	<b>666.197</b>	809.002

The accompanying accounting policies and notes between the pages 9 and 43 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 March 31, 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 March 31, 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	
	March 31, 2020	December 31, 2019	January 1- March 31 2020	January 1- March 31 2019
Monthly paid	679	685	679	679
Hourly paid	614	624	616	618
<b>Total number of personnel</b>	<b>1.293</b>	<b>1.309</b>	<b>1.295</b>	<b>1.297</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
		March 31, 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	
ADG Enerji	Turkey	%100	%100	%100	Natural gas	
Bal Kaynak <sup>(1)</sup>	Turkey	%100	-	%100	Bottled water	

<sup>(1)</sup> Acquired in 2019 (Note 21).

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.

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.

## Aygaz Anonim Şirketi and its Subsidiaries

### Notes to the interim condensed consolidated financial statements as of March 31, 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)

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, with net book value of TL 589 thousand was sold for USD 3.500 thousand in cash 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 21).

Enram Su ve Çevre Yatırımları A.Ş. has decided to change its trade name as ADG Enerji Yatırımları A.Ş. ("ADG Enerji") in its Extraordinary General Meeting held on March 20, 2014. Main activity of ADG Enerji is to produce natural gas in domestic and/or overseas markets, purchase natural gas from domestic and/or overseas suppliers, selling natural gas in domestic and/or overseas customers and make related investments to storing, transportation and distribution of natural gas and building necessary facilities.

#### 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
		March 31, 2020	December 31, 2019		
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. 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.

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.

#### Joint ventures

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

Joint venture	Place of incorporation and operation	Ownership interest (%)		Voting power right	Principal activity
		March 31, 2020	December 31, 2019		
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.

**Aygaz Anonim Şirketi and its Subsidiaries**

**Notes to the interim condensed consolidated financial statements  
as of March 31, 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)**

Approval of interim condensed consolidated financial statements:

The interim condensed consolidated financial tables for the period ended on March 31, 2020 are approved on the Board of Directors meeting held on May 21, 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 March 31, 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.

**2.2 Summary of significant accounting policies**

The interim condensed consolidated financial statements of the Group for the three-month period ended March 31, 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 March 31, 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.

## Aygaz Anonim Şirketi and its Subsidiaries

### Notes to the interim condensed consolidated financial statements as of March 31, 2020

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

#### 2. Konsolide finansal tabloların sunumuna ilişkin esaslar (devamı)

##### 2.3 New and revised Turkey Financial Reporting Standards

###### a) *Standards, amendments and interpretations applicable as at March 31, 2020*

**Amendment to IFRS 9, ‘Financial instruments’;** effective from annual periods beginning on or after 1 January 2019. This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39. The amendments do not have an impact on the Group’s consolidated financial position and performance.

**Amendments to IAS 28, ‘Investments in associates and joint venture’;** effective from annual periods beginning on or after 1 January 2019. These amendments clarify that long-term investments in associate or joint venture which the equity method is not applied will be accounted by the companies in compliance with IFRS 9. The amendments do not have an impact on the Group’s consolidated financial position and performance.

**IFRS 16, ‘Leases’;** effective from annual periods beginning on or after 1 January 2019. This standard replaces the current guidance in IAS 17 and is a far-reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 now requires lessees to recognize a lease liability reflecting future lease payments and a ‘right of use asset’ for virtually all lease contracts.

**IFRIC 23, ‘Uncertainty over income tax treatments’;** effective from annual periods beginning on or after 1 January 2019. This IFRIC clarifies how the recognition and measurement requirements of IAS 12 ‘Income taxes’ are applied where there is uncertainty over income tax treatments. The IFRS IC had previously clarified only IAS 12. IFRIC 23 explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is an uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Group is in the process of assessing the impact of the interpretation on financial position or performance of the Group.

**Annual improvements 2015-2017;** effective from annual periods beginning on or after 1 January 2019. These amendments include minor changes to:

- IFRS 3, ‘Business combinations’, – a company remeasures its previously held interest in a joint operation when it obtains control of the business.
- IFRS 11, ‘Joint arrangements’, – a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12, ‘Income taxes’ – a company accounts for all income tax consequences of dividend payments in the same way.
- IAS 23, ‘Borrowing costs’ – a company treats any borrowing made to prepare the qualifying asset for its intended use or sale as part of general borrowings.

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 March 31, 2020

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

#### 2. Konsolide finansal tabloların sunumuna ilişkin esaslar (devamı)

**Amendments to IAS 19, ‘Employee benefits’ on plan amendment, curtailment or settlement’;** effective from annual periods beginning on or after 1 January 2019. These amendments require an entity to:

- use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The amendments do not have an impact on the Group’s consolidated financial position and performance.

**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:

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

The Group is in the process of assessing the impact of the interpretation on financial position or performance of the Group.

**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 below 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. The Group is in the process of assessing the impact of the interpretation on financial position or performance of the Group.

#### ***b) Standards, amendments and interpretations effective after 1 April, 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.

**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.

**Aygaz Anonim Şirketi and its Subsidiaries**

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**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 March 31, 2020 and December 31, 2019, assets and liabilities according to industrial segments are as follows:

	March 31, 2020				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
<b>Assets</b>					
Current assets	1.257.400	-	145.271	(34.472)	1.368.199
Non-current assets	2.458.184	566.379	338.840	(176.859)	3.186.544
<b>Total assets</b>	<b>3.715.584</b>	<b>566.379</b>	<b>484.111</b>	<b>(211.331)</b>	<b>4.554.743</b>
<b>Liabilities</b>					
Short-term liabilities	1.032.408	-	126.048	(34.742)	1.123.714
Long-term liabilities	1.294.346	-	48.421	(6.923)	1.335.844
Equity	1.388.830	566.379	309.642	(169.666)	2.095.185
<b>Total liabilities and equity</b>	<b>3.715.584</b>	<b>566.379</b>	<b>484.111</b>	<b>(211.331)</b>	<b>4.554.743</b>
<b>Investments accounted under equity method</b>	<b>1.140.459</b>	<b>566.379</b>	<b>137.827</b>	<b>-</b>	<b>1.844.665</b>
	December 31, 2019				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
<b>Assets</b>					
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>
<b>Liabilities</b>					
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>

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**3. Segment information (continued)**

For the period ended March 31, 2020 and 2019, profit or loss statements according to industrial segments are as follows:

	January 1 - March 31, 2020				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	2.091.848	-	187.135	(72.871)	2.206.112
Cost of sales (-)	(2.026.084)	-	(159.695)	72.871	(2.112.908)
<b>Gross profit</b>	<b>65.764</b>	<b>-</b>	<b>27.440</b>	<b>-</b>	<b>93.204</b>
General administrative expenses (-)	(65.157)	-	(7.081)	1.026	(71.212)
Marketing expenses (-)	(71.830)	-	(12.299)	-	(84.129)
Research and development expenses (-)	(700)	-	(5)	-	(705)
Other operating income	53.359	-	3.755	(1.629)	55.485
Other operating expenses (-)	(46.080)	-	(4.011)	152	(49.939)
<b>Operating profit</b>	<b>(64.644)</b>	<b>-</b>	<b>7.799</b>	<b>(451)</b>	<b>(57.296)</b>
Income from investment activities	141.309	-	184	(66.819)	74.674
Loss from investment activities (-)	(51)	-	(117)	-	(168)
Profit/losses from investments accounted under equity method	(232.552)	32.145	(877)	-	(201.284)
<b>Operating profit before financial income (expense)</b>	<b>(155.938)</b>	<b>32.145</b>	<b>6.989</b>	<b>(67.270)</b>	<b>(184.074)</b>
Financial income	19.051	-	1.809	-	20.860
Financial expense (-)	(63.353)	-	(3.978)	-	(67.331)
<b>Profit from continuing operations before tax</b>	<b>(200.240)</b>	<b>32.145</b>	<b>4.820</b>	<b>(67.270)</b>	<b>(230.545)</b>
<b>Tax income (expense) from continuing operations</b>					
Current tax expense for the period (-)	(15.264)	-	(1.931)	-	(17.195)
Deferred tax income/(expense)	21.015	-	565	-	21.580
<b>Profit for the period</b>	<b>(194.489)</b>	<b>32.145</b>	<b>3.454</b>	<b>(67.270)</b>	<b>(226.160)</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 three months period January 1, March 31, 2020, SCT on imported LPG included in revenues and the cost of goods sold is amounting to TL 362.116 thousand (January 1 - March 31, 2019: TL 415.172 thousand).

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**3. Segment information (continued)**

	January 1 - March 31, 2019				
	Gas and petroleum products	Electricity	Other	Consolidation adjustments	Total
Revenue	2.229.165	-	198.257	(76.032)	2.351.390
Cost of sales (-)	(2.047.161)	-	(170.451)	76.032	(2.141.580)
<b>Gross profit</b>	<b>182.004</b>	<b>-</b>	<b>27.806</b>	<b>-</b>	<b>209.810</b>
General administrative expenses (-)	(64.306)	-	(6.100)	1.197	(69.209)
Marketing expenses (-)	(66.087)	-	(6.515)	-	(72.602)
Research and development expenses (-)	(617)	-	-	-	(617)
Other operating income	59.466	-	5.297	(1.572)	63.191
Other operating expenses (-)	(59.032)	-	(4.016)	375	(62.673)
<b>Operating profit</b>	<b>51.428</b>	<b>-</b>	<b>16.472</b>	<b>-</b>	<b>67.900</b>
Income from investment activities	451.766	-	80	(451.012)	834
Loss from investment activities (-)	(179)	-	(139)	-	(318)
Profit/losses from investments accounted under equity method	(39.701)	29.857	1.084	-	(8.760)
<b>Operating profit before financial income (expense)</b>	<b>463.314</b>	<b>29.857</b>	<b>17.497</b>	<b>(451.012)</b>	<b>59.656</b>
Financial income	37.763	-	4.354	-	42.117
Financial expense (-)	(85.639)	-	(1.036)	-	(86.675)
<b>Profit from continuing operations before tax</b>	<b>415.438</b>	<b>29.857</b>	<b>20.815</b>	<b>(451.012)</b>	<b>15.098</b>
Tax income (expense), continuing operations					
Current tax expense for the period (-)	(1.447)	-	(1.802)	-	(3.249)
Deferred tax income/(expense)	(1.750)	-	(27)	-	(1.777)
<b>Profit for the period</b>	<b>412.241</b>	<b>29.857</b>	<b>18.986</b>	<b>(451.012)</b>	<b>10.072</b>

The amortization and depreciation expense for the industrial segmental assets for the period ended on March 31, 2020 and 2019 are as follows:

	January 1 - March 31, 2020	January 1 - March 31, 2019
Gas and petroleum products	<b>26.979</b>	27.449
Other	<b>4.419</b>	3.157
	<b>31.398</b>	30.606

TL 7.754 thousand of total amount consist of amortization and depreciation expenses allocated under TFRS 16 ‘Leases’ (2019: TL 6.556 thousand).



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**3. Segment information (continued)**

The investment expenditures for the industrial segmental assets for the periods ended on March 31, 2020 and 2019 are as follows:

	<b>January 1 - March 31, 2020</b>	January 1 - March 31, 2019
Gas and petroleum products	<b>17.964</b>	19.135
Other	<b>2.185</b>	246
	<b>20.149</b>	19.381

**4. Cash and cash equivalents**

	<b>March 31, 2020</b>	December 31, 2019
Cash on hand	<b>199</b>	374
Cash at banks	<b>623.605</b>	617.106
- Demand deposits	<b>37.687</b>	30.038
- Time deposits	<b>585.918</b>	587.068
Receivables from credit card transactions	<b>45.840</b>	47.911
<b>Total cash and cash equivalents</b>	<b>669.644</b>	665.391

As of March 31, 2020 the Group's TL time deposits amounting to TL 401.970 thousand with maturities of 1 day and interest rates of 9,75%-10,15%; USD time deposits amounting to USD 28.230 thousand (TL 183.948 thousand) with maturities of 1 days and interest rate of 3% (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 March 31, 2020 and December 31, 2019 are as follows:

	<b>March 31, 2020</b>	December 31, 2019
Cash and cash equivalents	<b>669.644</b>	665.391
Less: Blocked deposits (*)	<b>(3.447)</b>	(4.071)
	<b>666.197</b>	661.320

(\*) 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).

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**5. Financial assets**

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

	March 31, 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.(*)	445.093	3,93	393.997	1,97
Financial assets measured at fair value through profit or loss:				
- Ram Dış Ticaret A.Ş.	654	2,50	654	2,50
-Tanı Pazarlama ve İletişim Hizmetleri A.Ş.(**)	270	10,00	270	10,00
-Tat Gıda Sanayi A.Ş.	89	0,08	87	0,08
-Other	436		436	-
	<b>446.542</b>		<b>395.444</b>	

(\*) Within the scope of the termination of the business partnership between Koç Group and UniCredit S.P.A (“UniCredit”) on February 5, 2020, the Company's share in Koç Finansal Hizmetler A.Ş. (“KFS”) increased from 1.97% to 3.93%. The Company's debt of TL 252.534 thousand to UniCredit arising from this share purchase has been transferred to KFS to offset the debt arising from UniCredit's share purchase of Yapı ve Kredi Bankası A.Ş. (“YKB”) from KFS. After the aforementioned debt is offset by the funds obtained from the capital reduction and dividend distribution decisions taken at the ordinary general meeting of KFS in 2019, the remaining debt amount is TL 51.096 thousand as of March 31, 2020 (Note 18). 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.

(\*\*) 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.

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**6. Financial borrowings**

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

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
TL-denominated short-term bank borrowings (*)	<b>45.875</b>	34.162
Short-term lease liabilities	<b>32.004</b>	30.721
<b>Total short-term financial borrowings</b>	<b>77.879</b>	64.883
Short-term portion and interest accruals of TL-denominated long-term bank borrowings	<b>183.597</b>	185.917
Short-term portion and interest accruals of USD-denominated long-term bank borrowings	<b>59.679</b>	132.156
Short-term portion of long-term bond issued (**)	<b>17.195</b>	100.381
<b>Total short-term portion of long-term financial borrowings</b>	<b>260.471</b>	418.454

(\*) As of March 31, 2020, the Group has interest free loan which was used for custom expenses payment amounting to TL 1.811 thousand (December 31, 2019: TL 2.854 thousand). Group has short term bank loans amounting to TL 44.064 thousand with a variable maturity between April and July 2020 with average fixed interest rate of 10,90%.

(\*\*) 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 March 31, 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>1.811</b>	<b>1.811</b>
TL	<b>10,90</b>	<b>44.064</b>	<b>44.064</b>
			<b>45.875</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
			34.162

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**6. Financial borrowings (continued)**

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

	<b>March 31, 2020</b>	December 31, 2019
TL-denominated long-term bank borrowings	<b>888.252</b>	512.368
USD-denominated long-term bank borrowings	<b>29.322</b>	26.731
<b>Total long-term financial borrowings</b>	<b>917.574</b>	539.099
Long-term bonds issued	<b>154.379</b>	151.590
<b>Total long-term bonds</b>	<b>154.379</b>	151.590
Long-term lease liabilities	<b>66.392</b>	73.737
<b>Total long-term lease liabilities</b>	<b>66.392</b>	73.737
<b>Total long-term financial borrowings</b>	<b>1.138.345</b>	764.426

As of March 31, 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>12,62</b>	<b>1.071.849</b>	<b>1.071.849</b>
USD	<b>4,32</b>	<b>13.659</b>	<b>89.001</b>
Short-term portion of long-term bank borrowings and interest accruals			<b>(243.276)</b>
			<b>917.574</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 March 31, 2020 and December 31, 2019 the Group's derivative financial instruments are as follows:

	March 31, 2020		December 31, 2019	
	Contract amount	Fair value assets (liabilities)	Contract amount	Fair value assets (liabilities)
Foreign currency swap contracts (**)	26.100	33.398	26.100	28.194
Forward transactions (*)	-	-	(29.850)	75
Futures contracts (****)	391.608	7.159	-	-
<b>Total short-term derivative financial assets</b>	<b>417.708</b>	<b>40.557</b>	<b>(3.750)</b>	<b>28.269</b>
Forward transactions (*)	13.516	(72)	-	-
Commodity hedge (***)	-	-	42.772	(12.709)
<b>Total short-term derivative financial liabilities</b>	<b>13.516</b>	<b>(72)</b>	<b>42.772</b>	<b>(12.709)</b>

	March 31, 2020		December 31, 2019	
	Contract amount	Fair value assets (liabilities)	Contract amount	Fair value assets (liabilities)
Foreign currency swap contracts (**)	13.050	16.699	13.050	14.097
<b>Total long-term derivative financial assets</b>	<b>13.050</b>	<b>16.699</b>	<b>13.050</b>	<b>14.097</b>
Interest rate swap (***)	170.000	(13.165)	170.000	(14.100)
<b>Total long-term derivative financial liabilities</b>	<b>170.000</b>	<b>(13.165)</b>	<b>170.000</b>	<b>(14.100)</b>

(\*) As of March 31, 2020 the Group has entered into forward transaction with a maturity of 17 days and nominal value amounting to USD 2.000 thousand (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).

(\*\*) 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 March 31, 2020, principal payment of USD 18.000 thousand was made in total, the remaining amount is USD 13.500 thousand.

(\*\*\*) 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%.

(\*\*\*\*) As of March 31, 2020, the Group's future transactions consist of propane, butane, naphtha products and freight swaps.

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

The Group’s trade receivables from third parties as of March 31, 2020 and December 31, 2019 are as follows:

<b>Current trade receivables</b>	<b>March 31, 2020</b>	December 31, 2019
Trade receivables	<b>293.755</b>	424.912
Notes receivables	<b>39.764</b>	38.467
Allowance for doubtful receivables (-) (*)	<b>(28.375)</b>	(28.291)
<b>Total current trade receivables</b>	<b>305.144</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>March 31, 2020</b>	December 31, 2019
Notes receivable	<b>6.627</b>	8.092
<b>Total non-current trade receivables</b>	<b>6.627</b>	8.092

The Group’s trade payables as of March 31, 2020 and December 31, 2019 are as follows:

<b>Short-term trade payables</b>	<b>March 31, 2020</b>	December 31, 2019
Trade payables	<b>186.298</b>	421.881
<b>Total short-term trade payables</b>	<b>186.298</b>	421.881

**9. Inventories**

	<b>March 31, 2020</b>	December 31, 2019
Raw materials	<b>85.616</b>	133.577
Goods in transit	<b>52.200</b>	109.939
Trade goods	<b>6.530</b>	6.572
Finished goods	<b>17.160</b>	10.627
Work in process	<b>4.649</b>	2.823
Allowance for impairment on inventory	<b>(229)</b>	(229)
<b>Total inventories</b>	<b>165.926</b>	263.309

As of March 31, 2020, the inventories comprise of 101.691 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:

	March 31, 2020		December 31, 2019	
	Participation amount	Participation Rate	Participation amount	Participation Rate
EYAŞ	1.140.459	%20,00	1.379.117	%20,00
Entek	566.379	%49,62	541.649	%49,62
OAGM	137.827	%50,00	138.704	%50,00
	<b>1.844.665</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>(201.284)</b>	(8.760)
Shares of other comprehensive income/(loss)	<b>(13.521)</b>	(10.207)
Dividend income (*)	-	(186.712)
Participation in share capital decrease (increase) of equity investment (**)	-	(200.000)
<b>Closing balance on March 31</b>	<b>1.844.665</b>	1.899.120

(\*) EYAŞ dividend income.

(\*\*) Capital decrease of EYAŞ. Related amount has been paid in cash to the Company on March 28, 2019 (Note 1).

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**10. Equity investments (continued)**

Shares of profit (loss) of equity investments:

	<b>January 1 - March 31, 2020</b>	January 1 - March 31, 2019
EYAŞ	<b>(232.552)</b>	(39.701)
Entek	<b>32.145</b>	29.857
OAGM	<b>(877)</b>	1.084
	<b>(201.284)</b>	(8.760)

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

	<b>January 1 - March 31, 2020</b>	January 1 - March 31, 2019
EYAŞ (*)	<b>(6.106)</b>	(10.309)
Entek	<b>(7.415)</b>	102
	<b>(13.521)</b>	(10.207)

(\*) TÜPRAŞ, a subsidiary of EYAŞ, designated its investment loans amounting to USD 752.768 thousand (TL 4.905.039 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 2.817.302 thousand (December 31, 2019: TL 2.490.168 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	-	340	1.592	285	842	-	16.629	20.146
Transfers (*)	-	-	-	10.495	-	166	-	(10.690)	(29)
Disposals	-	(730)	(1.607)	(3.016)	(660)	(1.080)	-	-	(7.093)
<b>Ending balance as of March 31, 2020</b>	<b>18.351</b>	<b>178.831</b>	<b>78.516</b>	<b>1.807.755</b>	<b>231.329</b>	<b>81.120</b>	<b>25.013</b>	<b>29.791</b>	<b>2.450.706</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	-	1.553	427	14.154	3.474	1.847	215	-	21.670
Disposals	-	(638)	(1.340)	(2.691)	(659)	(707)	-	-	(6.035)
<b>Ending balance as of March 31, 2020</b>	<b>-</b>	<b>76.962</b>	<b>54.066</b>	<b>1.403.841</b>	<b>125.568</b>	<b>55.374</b>	<b>24.952</b>	<b>-</b>	<b>1.740.763</b>
<b>Net book value as of March 31, 2020</b>	<b>18.351</b>	<b>101.869</b>	<b>24.450</b>	<b>403.914</b>	<b>105.761</b>	<b>25.746</b>	<b>61</b>	<b>29.791</b>	<b>709.943</b>

(\*) TL 29 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	-	-	-	1.753	180	114	-	17.289	19.336
Acquisitions	1.128	4.836	4.374	24.941	-	959	-	-	36.238
Transfers(*)	500	(500)	-	13.395	82	532	-	(14.011)	(2)
Disposals	-	(34)	-	(2.535)	(89)	(629)	-	-	(3.287)
<b>Ending balance as of March 31, 2019</b>	<b>18.134</b>	<b>171.227</b>	<b>78.668</b>	<b>1.777.995</b>	<b>230.522</b>	<b>80.867</b>	<b>24.938</b>	<b>15.115</b>	<b>2.397.466</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	-	1.532	1.356	14.100	3.559	1.712	221	-	22.480
Disposals	-	(13)	-	(1.887)	(55)	(295)	-	-	(2.250)
<b>Ending balance as of March 31, 2019</b>	<b>-</b>	<b>71.495</b>	<b>51.406</b>	<b>1.362.785</b>	<b>113.894</b>	<b>55.130</b>	<b>24.171</b>	<b>-</b>	<b>1.678.881</b>
<b>Net book value as of March 31, 2019</b>	<b>18.134</b>	<b>99.732</b>	<b>27.262</b>	<b>415.210</b>	<b>116.628</b>	<b>25.737</b>	<b>767</b>	<b>15.115</b>	<b>718.585</b>

(\*) TL 2 thousand under "Construction in progress" under the account property, plant and equipment has been classified to intangible fixed 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>3</b>	<b>3</b>
Transfers (*)	<b>29</b>	<b>29</b>
<b>Ending balance as of March 31, 2020</b>	<b>77.837</b>	<b>77.837</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>1.974</b>	<b>1.974</b>
<b>Ending balance as of March 31, 2020</b>	<b>55.962</b>	<b>55.962</b>
<b>Carrying value as of March 31, 2020</b>	<b>21.875</b>	<b>21.875</b>

(\*) TL 29 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	45	45
Acquisitions	15.018	15.018
Disposals	(14)	(14)
Transfers (*)	2	2
<b>Ending balance as of March 31, 2019</b>	<b>83.475</b>	<b>83.475</b>
<b>Accumulated amortization</b>		
Opening balance as of January 1, 2019	47.070	47.070
Charge for the period	1.570	1.570
Disposals	(10)	(10)
<b>Ending balance as of March 31, 2019</b>	<b>48.630</b>	<b>48.630</b>
<b>Carrying value as of March 31, 2019</b>	<b>34.845</b>	<b>34.845</b>

(\*) TL 2 thousand under "Construction in progress" under the account property, plant and equipment has been classified to intangible fixed assets.

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**13. Contingent assets and liabilities**

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

<b>Guarantees given</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Letter of guarantees given for gas purchase	<b>678.014</b>	879.723
Other letter of guarantees given	<b>31.911</b>	24.430
<b>Total guarantees given</b>	<b>709.925</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 15 days between 01.02.2019 - 30.04.2019, minimum 17 days between 01.05.2019 - 30.06.2019, minimum 20 days as of 01.07.2019 by the petroleum products and LPG distributor license owners.

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**13. 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:

	March 31, 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>77.061</b>	<b>2.980</b>	<b>483.193</b>	<b>563.234</b>	73.672	-	476.437	550.109
<b>B. CPMBs given in favor of subsidiaries included in full consolidation (*)</b>	-	-	<b>146.691</b>	<b>146.691</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>77.061</b>	<b>2.980</b>	<b>629.884</b>	<b>709.925</b>	73.672	304.830	525.651	904.153

(\*) As of March 31, 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 150 thousand (December 31, 2019: TL 2.425 thousand).

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

<b>Other short-term provisions</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Provision for price revision (*)	<b>221.214</b>	201.666
Provision for lawsuit	<b>11.735</b>	11.390
Provision for EMRA contribution	<b>10.597</b>	10.327
Provision for selling and marketing expenses	<b>10.817</b>	5.825
Provision for warranty expenses	<b>7.314</b>	5.873
Provision for other operating expenses	<b>11.445</b>	11.854
<b>Total other short-term provisions</b>	<b>273.122</b>	<b>246.935</b>

(\*) As communicated to Aygaz Doğal Gaz Toptan Satış A.Ş., a Subsidiary of the Company, by Akfel Gaz Sanayi ve Ticaret A.Ş. (“Akfel”), 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 March 31, 2020, total provision of USD 33.949 thousand (TL 221.214 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>March 31, 2020</b>	<b>December 31, 2019</b>
Taxes and funds payable	<b>61.087</b>	97.384
Other liabilities	<b>369</b>	783
<b>Total other current liabilities</b>	<b>61.456</b>	<b>98.167</b>

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**15. Share capital**

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

<b>Shareholders</b>	<b>Participation rate</b>	<b>March 31, 2019</b>	<b>Participation rate</b>	<b>December 31, 2019</b>
Temel Ticaret ve Yatırım A.Ş.	<b>5,77%</b>	<b>17.324</b>	5,77%	17.324
Koç Family Members	<b>4,76%</b>	<b>14.265</b>	4,76%	14.265
<b>Total Koç Family Members and companies owned by Koç Family Members</b>	<b>10,53%</b>	<b>31.589</b>	10,53%	31.589
Koç Holding A.Ş.	<b>40,68%</b>	<b>122.054</b>	40,68%	122.054
Liquid Petroleum Gas Development Company (“LPGDC”) (*)	<b>24,52%</b>	<b>73.546</b>	24,52%	73.546
Publicly held (*)	<b>24,27%</b>	<b>72.811</b>	24,27%	72.811
<b>Nominal capital</b>	<b>100,00%</b>	<b>300.000</b>	100,00%	300.000
Inflation adjustment (**)		<b>71.504</b>		71.504
<b>Adjusted capital</b>		<b>371.504</b>		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 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.

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**16. Earnings per share**

	<b>January 1 - March 31, 2020</b>	January 1 - March 31, 2019
Average number of ordinary shares outstanding during the period (one thousand)	<b>300.000</b>	300.000
Net profit for the year attributable to equity holders of the parent company	<b>(226.160)</b>	10.072
Earnings per thousand shares (TL)	<b>(0,753867)</b>	0,033573

**17. Tax assets and liabilities**

	<b>March 31, 2020</b>	December 31, 2019
<b>Current tax liability</b>		
Current corporate tax provision	<b>17.195</b>	37.437
Less: Prepaid taxes and funds	<b>(12.730)</b>	(27.192)
<b>Current tax liability</b>	<b>4.465</b>	10.245

	<b>January 1 - March 31, 2020</b>	January 1 - March 31, 2019
<b>Tax expenses</b>		
- Current corporate tax provision	<b>(17.195)</b>	(3.249)
- Deferred tax	<b>21.580</b>	(1.777)
<b>Total</b>	<b>4.385</b>	(5.026)

**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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**17. 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 March 31, 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>March 31, 2020</b>	<b>December 31, 2019</b>
Depreciation/amortization differences of property, plant and equipment and other intangible assets	<b>51.620</b>	48.955
Revaluation of financial assets measured at fair value through other comprehensive income	<b>11.852</b>	11.852
Provision for employment termination benefits	<b>(8.764)</b>	(8.421)
Valuation of inventories	<b>(26.267)</b>	(1.324)
Derivative financial instruments	<b>10.630</b>	4.321
Other	<b>(16.833)</b>	(13.478)
	<b>22.238</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>March 31, 2020</b>			<b>December 31, 2019</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Deferred tax Net</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Deferred tax Net</b>
Aygaz A.Ş.	<b>(53.002)</b>	<b>74.399</b>	<b>21.397</b>	(23.158)	63.459	40.301
Akpa A.Ş.	<b>(1.070)</b>	<b>875</b>	<b>(195)</b>	(1.147)	754	(393)
Aygaz Doğal Gaz	<b>(706)</b>	<b>1.505</b>	<b>799</b>	(530)	1.618	1.088
Kuleli	<b>(566)</b>	<b>803</b>	<b>237</b>	(500)	1.409	909
	<b>(55.344)</b>	<b>77.582</b>	<b>22.238</b>	(25.335)	67.240	41.905

Movement of deferred tax assets and liabilities are as follows:

<b>Movement of deferred tax (assets) / liabilities :</b>	<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>(21.580)</b>	1.777
Change to the equity:	<b>1.913</b>	544
-Effect of gains (losses) on cash flow hedges	<b>1.913</b>	544
<b>Closing balance on March 31</b>	<b>22.238</b>	49.393

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

**18. 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 March 31, 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	March 31, 2020			
	Receivables		Payables	
	Trade	Non-trade	Trade	Non-trade
<b>Group companies (*)</b>				
Türkiye Petrol Rafinerileri A.Ş.	85.343	-	117.673	-
Demir Export A.Ş. - Fernas İnşaat A.Ş. Adi Ortaklığı	935	-	-	-
Demir Export A.Ş.	388	-	-	-
Arçelik A.Ş.	404	-	-	-
Opet Petrolcülük A.Ş.	401	-	38.100	-
Tofaş Türk Otomobil Fabrikası A.Ş.	321	-	-	-
Ford Otomotiv Sanayi A.Ş.	105	-	86	-
Koç Finansal Hizmetler A.Ş. (**)	-	-	-	51.096
Ram Dış Ticaret A.Ş.	-	-	3.639	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	4.154	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	3.433	-
Otokoç Otomotiv Tic. ve San. A.Ş.	8	-	2.258	-
Other	2.592	-	3.260	-
<b>Shareholders</b>				
Koç Holding A.Ş.	-	-	810	-
<b>Investments accounted under the equity method</b>				
Entek Elektrik Üretimi A.Ş.	2.316	-	663	-
	<b>92.813</b>	<b>-</b>	<b>174.076</b>	<b>51.096</b>

Balances with related parties	December 31, 2019			
	Receivables		Payables	
	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	-	-	-
Arçelik A.Ş.	438	-	2	-
Ford Otomotiv Sanayi A.Ş.	370	-	-	-
Opet Petrolcülük A.Ş.	333	-	43.331	-
Tofaş Türk Otomobil Fabrikası A.Ş.	290	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	21	-	2.304	-
Ram Dış Ticaret A.Ş.	-	-	266	-
Zer Merkezi Hizmetler ve Ticaret A.Ş. (**)	-	-	8.199	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	4.926	-
Other	1.670	-	3.884	-
<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.

(\*\*\*) Within the scope of the termination of the business partnership between Koç Group and UniCredit S.P.A ("UniCredit") on February 5, 2020, the Company's share in Koç Finansal Hizmetler A.Ş. ("KFS") increased from 1.97% to 3.93%. The Company's debt of TL 252.534 thousand to UniCredit arising from this share purchase has been transferred to KFS to offset the debt arising from UniCredit's share purchase of Yapı ve Kredi Bankası A.Ş. ("YKB") from KFS. After the aforementioned debt is offset by the funds obtained from the capital reduction and dividend distribution decisions taken at the ordinary general meeting of KFS in 2019, the remaining debt amount is TL 51.096 thousand as of March 31, 2020 (Note 5).

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

Transactions with related parties	January 1 - March 31, 2020			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
<b>Group companies (*)</b>				
Türkiye Petrol Rafinerileri A.Ş.	255.514	248.888	2.350	-
Opet Petrolcülük A.Ş. (**) (***)	69.706	1.587	27.701	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	4.225	6	3.126	-
Ram Dış Ticaret A.Ş.	3.581	-	18	-
Opet-Fuchs Madeni Yağlar Sanayi Ticaret A.Ş.	1.137	16	-	-
Demir Export A.Ş.	-	5.087	-	-
Demir Export A.Ş.- Fernas İnşaat A.Ş. Adi Ortaklığı	-	2.389	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	1.128	-	-
Ford Otomotiv Sanayi A.Ş.	-	1.087	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	26	41	3.385	-
Other	28	4.667	2.849	-
<b>Shareholders</b>				
Koç Holding A.Ş. (****)	-	23	4.408	-
<b>Investments accounted under the equity method</b>				
Entek Elektrik Üretimi A.Ş.	-	5.712	1.677	-
	<b>334.217</b>	<b>270.631</b>	<b>45.514</b>	<b>-</b>
Transactions with related parties	January 1 - March 31, 2019			
	Purchases (Goods)	Sales (Goods)	Purchases (Service)	Sales (Service)
<b>Group companies (*)</b>				
Türkiye Petrol Rafinerileri A.Ş.	300.720	315.296	1.471	-
Opet Petrolcülük A.Ş.(**) (***)	100.625	1.330	26.517	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	2.366	3	3.386	-
Opet-Fuchs Madeni Yağlar Sanayi Ticaret A.Ş.	2.853	8	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	7	32	4.524	-
Demir Export A.Ş.	-	21.585	-	-
Ford Otomotiv Sanayi A.Ş.	-	6.866	-	-
Demir Export A.Ş. - Fernas İnşaat A.Ş. Adi Ortaklığı	-	2.313	-	-
Arçelik A.Ş.	-	1.112	18	-
Körfez Hava Ulaştırma A.Ş.	-	1.213	-	-
Türk Traktör ve Ziraat Makinaları A.Ş.	-	848	-	-
Other	57	5.491	3.130	-
<b>Shareholders</b>				
Koç Holding A.Ş. (****)	-	19	3.674	-
<b>Investments accounted under the equity method</b>				
Entek Elektrik Üretimi A.Ş.	-	9.133	-	-
	<b>406.628</b>	<b>365.249</b>	<b>42.720</b>	<b>-</b>

(\*) Group companies include Koç Group companies.

(\*\*) Commission expenses regarding LPG sold at Opet stations for three-month period ended March 2020 is TL 26.971 thousand (January 1-March 31, 2019: TL 25.840 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 165 thousand has been made to Opet for three-month period ended March 2020 in consideration of 5 years sale agreement on average to be paid to Aygaz Dealers making auto-gas sales at Opet stations (January 1-March 31, 2019: None).

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

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

January 1 - March 31, 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.	199	-	-	-
Otokoç Otomotiv Tic. ve San. A.Ş.	-	-	129	63
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	795	-
Other	-	-	140	-
<b>Shareholders</b>				
Koç Holding A.Ş.	-	227	-	-
	<b>199</b>	<b>227</b>	<b>1.064</b>	<b>63</b>

January 1 - March 31, 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.	182	-	-	-
Koç Sistem Bilgi ve İletişim Hizmetleri A.Ş.	-	-	595	-
Other	-	-	22	3
	<b>182</b>	<b>-</b>	<b>617</b>	<b>3</b>

(\*) Group companies include Koç Group companies.

January 1 - March 31, 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.	31.590	3.618	-	-
Koç Üniversitesi	-	-	-	164
Other	-	-	35	1
	<b>31.590</b>	<b>3.618</b>	<b>35</b>	<b>165</b>

January 1 - March 31, 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.	35.046	5.645	-	-
Zer Merkezi Hizmetler ve Ticaret A.Ş.	-	-	-	25
Other	-	-	-	2
	<b>35.046</b>	<b>5.645</b>		<b>27</b>

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

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

<b>Cash at banks</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
<b>Group companies (*)</b> Yapı Kredi Bankası A.Ş.	<b>520.561</b>	489.741

  

<b>Credit card receivables</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
<b>Group companies (*)</b> Yapı Kredi Bankası A.Ş.	<b>44.087</b>	46.284

  

<b>Bank loans</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
<b>Grup şirketleri (*)</b> Yapı Kredi Bankası A.Ş.	<b>38.202</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 March 31, 2020, total benefit provided to the senior management of the Company is TL 2.625 thousand (March 31, 2019: TL 2.207 thousand) Total amount is consist of the short-term benefits.

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**19. 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:

March 31, 2020		Total TL equivalent	TL equivalent of USD	TL equivalent of Euro	TL equivalent of Other
1.	Trade receivables	129.062	123.634	5.428	-
2.a	Monetary financial assets	190.508	189.505	501	502
2.b	Non-monetary financial assets	-	-	-	-
3.	Other	7.926	6.566	126	1.234
<b>4.</b>	<b>Current assets</b>	<b>327.496</b>	<b>319.705</b>	<b>6.055</b>	<b>1.736</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>327.496</b>	<b>319.705</b>	<b>6.055</b>	<b>1.736</b>
10.	Trade payables	(104.416)	(103.320)	(1.096)	-
11.	Financial liabilities	(67.041)	(59.679)	(7.362)	-
12.a	Other monetary financial liabilities	(221.220)	(221.220)	-	-
12.b	Other non-monetary financial liabilities	(2.954)	(2.954)	-	-
<b>13.</b>	<b>Current liabilities</b>	<b>(395.631)</b>	<b>(387.173)</b>	<b>(8.458)</b>	<b>-</b>
14.	Trade payables	-	-	-	-
15.	Financial liabilities	(34.177)	(29.322)	(4.855)	-
16.a	Other monetary financial liabilities	-	-	-	-
16.b	Other non-monetary financial liabilities	-	-	-	-
<b>17.</b>	<b>Non-current liabilities</b>	<b>(34.177)</b>	<b>(29.322)</b>	<b>(4.855)</b>	<b>-</b>
<b>18.</b>	<b>Total liabilities</b>	<b>(429.808)</b>	<b>(416.495)</b>	<b>(13.313)</b>	<b>-</b>
19.	Net asset/liability position of off balance sheet asset and liabilities (19a-19b)	74.934	74.934	-	-
19.a	Total hedged assets	87.966	87.966	-	-
19.b	Total hedged liabilities	13.032	13.032	-	-
<b>20.</b>	<b>Net foreign currency asset/liability position (9+18+19)</b>	<b>(27.378)</b>	<b>(21.856)</b>	<b>(7.258)</b>	<b>1.736</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>(107.284)</b>	<b>(100.402)</b>	<b>(7.384)</b>	<b>502</b>
22.	Fair value of foreign currency hedged financial assets	-	-	-	-
23.	Hedged foreign currency assets	-	-	-	-
24.	Hedged foreign currency liabilities	-	-	-	-
25.	Export(*)	302.733	295.300	7.433	-
26.	Import(*)	995.848	990.650	5.007	191

(\*) Transit sales and purchases are included.

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**19. 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>0</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>March 31, 2020</b>	December 31, 2019
Assets	<b>327.496</b>	491.600
Liabilities	<b>(429.808)</b>	(693.633)
<b>Net asset/liability position</b>	<b>(102.312)</b>	(202.033)
Derivative instruments net position	<b>74.934</b>	50.492
<b>Net foreign currency asset/liability position</b>	<b>(27.378)</b>	(151.541)
Inventories under the natural hedge <sup>(*)</sup>	<b>99.324</b>	196.810
<b>Net foreign currency position after the natural hedge</b>	<b>71.946</b>	45.269

(\*)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 March 31, 2020, the Group has LPG amounting to TL 99.324 thousand (December 31, 2019: TL 196.810 thousand).

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**19. 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.

	Income (Expense)		March 31, 2020	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Equity Foreign exchange depreciation
10% fluctuation of USD rate				
USD net asset/liability	(10.040)	10.040	(10.040)	10.040
Secured portion from USD risk	7.493	(7.493)	7.493	(7.493)
<b>USD net effect</b>	<b>(2.547)</b>	<b>2.547</b>	<b>(2.547)</b>	<b>2.547</b>
10% fluctuation of Euro rate				
Euro net asset/liability	(738)	738	(738)	738
Secured portion from Euro risk	-	-	-	-
<b>Euro net effect</b>	<b>(738)</b>	<b>738</b>	<b>(738)</b>	<b>738</b>
<b>Total</b>	<b>(3.285)</b>	<b>3.285</b>	<b>(3.285)</b>	<b>3.285</b>

	Income (Expense)		December 31, 2019	
	Foreign exchange appreciation	Foreign exchange depreciation	Foreign exchange appreciation	Equity 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 Euro rate				
Euro net asset/liability	(1.261)	1.261	(1.261)	1.261
Secured portion from Euro risk	-	-	-	-
<b>Euro 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**

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as of March 31, 2020**

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

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

Currency forward agreements

Currency forward agreements which are valid as of March 31, 2020 and December 31, 2019 are summarized at the table below.

Maturity	Parity	Type of contract	Transactions	Total amount	March 31, 2020	
					Currency	
17 days	6,76	Forward	Sells USD, buys TL	2.000	USD	

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 March 31, 2020 the Group has swap agreement amounting to TL 39.150 thousand with fixed interest rate of 13,415% in return for USD 13.500 thousand with a floating interest rate of six-month USDLIBOR+2,4% (31 December 2019: USD 13.500 thousand). No principal payment has been made in 2020 (2019: USD 9.000 thousand). The maturity date of last principal repayments 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			
	March 31, 2020	1st Level	2nd Level	3rd Level
Financial assets measured at fair value	446.542	89	445.747	706
Derivative financial instruments	4.019	-	36.860	-

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.)

**19. 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.

**20. Subsequent events**

The impact of COVID-19 (Coronavirus), which affects the whole world, on the Company's operations and financial results is studiously monitored and actions are immediately taken for the Company to have the minimum effect on this period. Due to the coronavirus, there may be disruptions in the Company's procurement, production and sales processes in parallel with the developments/slowdown in the sector in which the Company operates and in the general economic conditions. In this context, the production activities of the Company were temporarily interrupted between 30 March - 13 April 2020 and 14 May - 1 June 2020 in Gebze plant, where LPG cylinders, valves, regulators and LPG Tanks are produced. The Company will be able to make clearer and sound assessments once these uncertainties about the possible impacts, duration and severity of coronavirus globally and for Turkey becomes clearer. In this context, since the economic effects of the pandemic are uncertain as of the reporting date, the effects of the pandemic on its financial statements cannot be measured reliably.

**Aygaz Anonim Şirketi and its Subsidiaries**

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**21. 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.

**21. Other significant issues affecting the financial statements or the other issues required  
for clarification of financial statements (continued)**

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.