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

Gübre Fabrikaları Türk Anonim Şirketi

Condensed consolidated financial statements for the period January 1 – December 31, 2022

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GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ
Consolidated statement of financial position as of December 31, 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	Audited 31 December 2022	Audited 31 December 2021
ASSETS			
Current assets:			
Cash and cash equivalents	5	1.083.379.197	1.179.720.584
Financial investments	31	447.610.807	191.032.590
Trade receivables			
- Trade receivables from related parties	30	1.293.504.504	1.248.779.873
- Trade receivables from third parties	7	260.985.287	659.621.649
Other receivables			
- Other receivables from third parties	8	468.030.922	230.134.594
Inventories	9	7.798.691.052	5.018.321.850
Prepaid expenses	10	546.357.195	590.944.195
Derivative financial instruments	20	--	39.424.793
Assets related to the current period taxes	28	74.773.277	52.859
Other current assets	18	131.073.520	101.697.254
Total current assets		**12.104.405.761**	**9.259.730.241**
Non-current assets			
Financial investments	31	79.159.050	22.967.162
Trade receivables			
- Trade receivables from third parties	7	1.133.425	--
Other receivables			
- Other receivables from third parties	8	34.371.497	18.937.471
Investments valued by equity method	3	200.338.233	40.676.021
Investments properties	11	267.963.745	191.478.293
Property, plant and equipment	12	7.522.556.514	3.081.727.065
Intangible assets	13		
- Goodwill		181.827.657	119.358.609
- Other intangible assets		278.568.344	82.712.134
Prepaid expenses	10	187.093.500	232.022.895
Deferred tax assets	28	--	--
Total non-current assets		**8.753.011.965**	**3.789.879.650**
Total assets		**20.857.417.726**	**13.049.609.891**

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

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GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ
Consolidated statement of financial position as of December 31, 2022
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Audited 31 December 2022	Audited 31 December 2021
LIABILITIES			
Current liabilities			
Short-term borrowings	6	5.515.983.218	2.559.498.555
Trade payables			
- Due to related parties	30	7.152.251	7.177.456
- Due to third parties	7	5.072.185.724	4.696.694.049
Payables due to employee benefits	17	61.797.355	77.065.830
Other payables			
- Other payables to third parties	8	419.417.369	192.789.251
Deferred income	10	76.336.433	752.793.129
Liabilities related to current period tax	28	696.321.334	72.397.614
Short-term provisions			
- Short-term provisions for employee benefits	17	93.107.205	51.430.512
- Other short-term provisions	16	307.078.555	189.136.960
Derivative Financial Instruments	20	8.421.300	--
Total short-term liabilities		**12.257.800.744**	**8.598.983.356**
Long-term liabilities			
Long-term borrowings	6	44.811.294	8.354.465
Long-term provisions			
- Long-term provisions for employee benefits	17	526.372.881	338.204.352
Deferred tax liability	28	150.718.544	75.809.339
Total long-term liabilities		**721.902.719**	**422.368.156**
Total liabilities		**12.979.703.463**	**9.021.351.512**
Shareholder’s equity			
Share capital	19	334.000.000	334.000.000
Accumulated other comprehensive income / expense not to be reclassified to profit or loss			
- Shares of other comprehensive income of investments accounted for using the equity method that will not be classified in profit or loss		20.163.680	6.243.916
- Impairment on property, plant and equipment		2.134.574.576	549.972.967
- Defined benefit plans re-measurement losses		(50.733.395)	(2.811.836)
Accumulated other comprehensive income / expense to be reclassified to profit or loss			
- Foreign currency translation differences		456.162.026	332.976.445
Restricted reserves from profit			
- Legal reserves	19	68.182.652	53.838.737
Prior year profit		2.071.161.251	921.268.125
Current period profit / (loss)		757.352.143	523.125.635
Shareholders’ equity		**5.790.862.933**	**2.718.613.989**
Non-controlling interests		**2.086.851.330**	**1.309.644.390**
Total shareholders’ equity		**7.877.714.263**	**4.028.258.379**
Total liabilities and equities		**20.857.417.726**	**13.049.609.891**

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

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

GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ
Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the period ended December 31, 2022
(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)

	Notes	Audited January 1– December 31, 2022	Audited January 1– December 31, 2021
Sales	21	25.286.749.983	10.764.791.265
Cost of sales	21	(21.463.276.751)	(8.184.433.439)
Gross profit		**3.823.473.232**	**2.580.357.826**
General and administrative expense	22	(556.337.951)	(238.116.647)
Marketing, selling and distribution expense	22	(741.577.187)	(351.857.021)
Other operating income	24	1.122.450.499	782.854.384
Other operating expenses	24	(2.524.374.528)	(2.314.554.940)
Operating profit		**1.123.634.065**	**458.683.602**
Income from investment activities	25	145.581.207	64.303.056
Expenses from investment activities	25	(61.733)	(214.144)
Profit / (loss) from investments accounted by equity method	3	145.742.448	10.849.475
Operating profit before financial income		**1.414.895.987**	**533.621.989**
Financial income	26	730.443.107	529.986.248
Financial expense	26	(1.144.033.760)	(495.019.975)
Gain / (loss) from net monetary position	26	191.781.218	39.675.421
Profit before tax from continuing operations		**1.193.086.552**	**608.263.683**
- Current period tax (expense)	28	(671.585.701)	(80.271.820)
- Deferred tax (expense) / income	28	321.557.183	(58.202.465)
Total tax expense		**(350.028.518)**	**(138.474.285)**
Current period profit		**843.058.034**	**469.789.398**
Distribution of income for the period			
Non-controlling interests		85.705.891	(53.336.237)
Attributable to equity holders of the parent		757.352.143	523.125.635
Gain per share (kr)	29	**2,268**	**1,566**
Other comprehensive income			
Items not to be reclassified to profit or loss			
Tangible asset revaluation increases of investments valued by equity method		13.919.764	6.243.916
Tangible asset revaluation increases	12	1.980.752.011	258.527.483
Tax effect of other comprehensive income	28	(396.150.402)	(25.852.748)
Defined benefit plans re-measurement gains	17	(59.901.949)	(2.142.989)
Tax effect of other comprehensive income	28	11.980.390	428.598
Items to be reclassified to profit or loss			
Foreign currency translation differences		708.663.468	1.602.223.637
Other comprehensive income		**2.259.263.282**	**1.839.427.897**
Total comprehensive income		**3.102.321.316**	**2.309.217.295**
Distribution of total comprehensive income			
Non-controlling interests		671.183.778	725.481.686
Attributable to equity holders of the parent		2.431.137.538	1.583.735.609

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

GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ
Consolidated Statements of Changes in Equity for the period ended December 31, 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

			Accumulated other comprehensive income / (expense) not to be reclassified to profit or loss		Accumulated other comprehensive income / expense to be reclassified to profit or loss			Accumulated profit				
	Notes	**Share capital**	**Impairment on property, plant and equipment**	**Actuarial gain/(loss) arising from defined benefit plans**	**Shares to be classified in profit / (loss) from other comprehensive income of investments accounted for using equity method**	**Foreign currency translation reserve**	**Restricted reserves**	**Retained earnings**	**Net profit / (los) for the period)**	**Equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equities**
Balances at January 1, 2021		**334.000.000**	**317.298.232**	**(1.097.445)**	**--**	**(490.429.269)**	**53.838.737**	**604.588.289**	**262.056.082**	**1.080.254.626**	**682.000.259**	**1.762.254.885**
Adjustments for mandatory changes in accounting policies		--	--	--	--	--	--	54.623.754	--	54.623.754	57.122.217	111.745.971
Balances after adjustments		**334.000.000**	**317.298.232**	**(1.097.445)**	**--**	**(490.429.269)**	**53.838.737**	**659.212.043**	**262.056.082**	**1.134.878.380**	**739.122.476**	**1.874.000.856**
Transfers		--	--	--	--	--	--	262.056.082	(262.056.082)	--	--	--
Profit share		--	--	--	--	--	--	--	--	--	(154.959.772)	(154.959.772)
Total comprehensive income/ (expense))	19	--	232.674.735	(1.714.391)	6.243.916	823.405.714	--	--	523.125.635	1.583.735.609	725.481.686	2.309.217.295
Balances at December 31, 2021	**19**	**334.000.000**	**549.972.967**	**(2.811.836)**	**6.243.916**	**332.976.445**	**53.838.737**	**921.268.125**	**523.125.635**	**2.718.613.989**	**1.309.644.390**	**4.028.258.379**
Balances at January 1, 2022		**334.000.000**	**549.972.967**	**(2.811.836)**	**6.243.916**	**332.976.445**	**53.838.737**	**921.268.125**	**523.125.635**	**2.718.613.989**	**1.309.644.390**	**4.028.258.379**
Adjustments for mandatory changes in accounting policies		--	--	--	--	--	--	641.778.204	--	641.778.204	671.132.863	1.312.911.067
Balances after adjustments		**334.000.000**	**549.972.967**	**(2.811.836)**	**6.243.916**	**332.976.445**	**53.838.737**	**1.563.046.329**	**523.125.635**	**3.360.392.193**	**1.980.777.253**	**5.341.169.446**
Transfers		--	--	--	--	--	14.343.915	508.781.720	(523.125.635)	--	--	--
Profit share		--	--	--	--	--	--	--	--	--	(566.320.283)	(566.320.283)
Subsidiary acquisition		--	--	--	--	--	--	(666.798)	--	(666.798)	1.210.582	543.784
Total comprehensive income/ (expense)	19	--	1.584.601.609	(47.921.559)	13.919.764	123.185.581	--	--	757.352.143	2.431.137.538	671.183.778	3.102.321.316
Balances at December 31, 2022	**19**	**334.000.000**	**2.134.574.576**	**(50.733.395)**	**20.163.680**	**456.162.026**	**68.182.652**	**2.071.161.251**	**757.352.143**	**5.790.862.933**	**2.086.851.330**	**7.877.714.263**

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

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GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ
Consolidated statement of cash flows for the period ended December 31, 2022
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	January 1, – December 31, 2022	January 1, – December 31, 2021
Cash flows from operating activities			
Period income		**843.058.034**	**469.789.398**
Adjustments to reconcile net profit for the period			
Adjustments related to depreciation and amortization expense	12-13	544.179.536	201.604.164
Adjustments related to gain from investments accounted by equity method	3	(145.742.448)	(10.849.475)
Adjustments related to provisions for employee benefits	17	383.032.327	288.473.114
Adjustments related to intetest expense		659.586.879	230.750.721
Adjustments related to impairment of inventories	9	48.286.214	1.857.449
Adjustments related to impairment of receivables	8	(2.091.346)	5.548.335
Deferred financial (income) / expense		(18.131.283)	2.885.920
Adjustments related to lawsuit provisions	16	13.644.421	13.052.548
Adjustments related to current year tax expense	28	350.028.518	138.474.285
Adjustments related to losses on sale of property, plant and equipments	25	(1.541.260)	(6.511.428)
Adjustments related to fair value gains on derivative financial instruments	20	47.846.093	(39.424.793)
Adjustments related to fair value losses (gains) on investment properties	25	(137.215.452)	(51.972.227)
Cash flows from the operating activities before changes in the assets and liabilities		**2.584.940.233**	**1.243.678.011**
Change in working capital (net):			
Adjustments related to increase in trade receivables		353.549.912	(1.094.552.350)
Adjustments related to increase in other receivables		(253.330.354)	(168.964.647)
Adjustments related to decrease in inventories		(2.828.655.416)	(3.792.741.434)
Adjustments related to increase in trade payables		394.917.501	3.272.115.891
Increase / (decrease) in employee benefit obligations		(15.268.475)	46.198.266
Increase / (decrease) in deferred income		(676.456.696)	722.213.848
Increase / (decrease) in prepaid expenses		89.516.395	(628.870.428)
Increase / (decrease) in other payables		(339.692.161)	(20.859.318)
Adjuestments related to other decrease in working capital		(84.028.180)	88.212.118
Cash flows from the operations after the changes in working capital		**(774.507.241)**	**(333.570.043)**
Interest paid		(583.087.095)	(125.649.906)
Taxes refunds/ (payments)	28	(97.029.675)	42.956.514
Payments related to provision for employee benefits	17	(347.703.212)	(97.972.780)
Cash flow regarding investment activities		**(1.802.327.223)**	**(514.236.215)**
Cash flows from investment activities			
Cash outflows from the purchases of property, plant and equipment and intangible assets	12-13	(1.682.873.616)	(298.503.156)
Cash inflows from the purchases of property, plant and equipment and intangible assets	12-13	53.754.427	38.127.244
Other cash inflows / (outflows)		(312.770.105)	(181.167.485)
Cash flows from investment activities		**(1.941.889.294)**	**(441.543.397)**
Cash flows from financing activities			
Cash inflows from financial borrowings		10.419.020.800	3.079.000.000
Cash outflows from financial borrowings payments		(7.502.579.092)	(2.255.043.536)
Other cash inflows / (outflows)		543.784	--
Cash flows from financing activities		**2.916.985.492**	**823.956.464**
Net change in cash and cash equivalents before effect of foreign currency translation difference		**(827.231.025)**	**(131.823.148)**
Cash and cash equivalents as of January 1	5	**1.171.491.537**	**657.508.102**
Foreign currency translation difference		739.118.685	645.806.583
Cash and cash equivalents as of December 31	5	**1.083.379.197**	**1.171.491.537**

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