(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 – March 31, 2023

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GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ
Consolidated statement of financial position as of March 31, 2023
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

			Audited
	Notes	**31 March 2023**	**31 December 2022**
ASSETS			
Current assets:			
Cash and cash equivalents	4	2.718.440.056	1.083.379.197
Financial investments	17	1.261.719.439	447.610.807
Trade receivables			
- Trade receivables from related parties	16	3.174.970.807	1.293.504.504
- Trade receivables from third parties	6	386.490.262	260.985.287
Other receivables			
- Other receivables from third parties	7	600.503.517	468.030.922
Inventories	8	5.560.144.612	7.798.691.052
Prepaid expenses	19	891.101.424	546.357.195
Assets related to the current period taxes		2.330.823	74.773.277
Other current assets		243.439.586	131.073.520
Total current assets		**14.839.140.526**	**12.104.405.761**
Non-current assets			
Financial investments	17	64.711.377	79.159.050
Trade receivables			
- Trade receivables from third parties		967.185	1.133.425
Other receivables			
- Other receivables from third parties	7	19.147.451	34.371.497
Investments valued by equity method		226.423.683	200.338.233
Investments properties		267.963.745	267.963.745
Property, plant and equipment	9	7.449.714.358	7.522.556.514
Intangible assets	10		
- Goodwill		156.072.906	181.827.657
- Other intangible assets		365.051.992	278.568.344
Prepaid expenses	19	180.838.617	187.093.500
Deferred tax assets		--	--
Total non-current assets		**8.730.891.314**	**8.753.011.965**
Total assets		**23.570.031.840**	**20.857.417.726**

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 March 31, 2023
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	**31 March 2023**	**Audited** **31 December 2022**
LIABILITIES			
Current liabilities			
Short-term borrowings	5	7.589.707.933	5.515.983.218
Trade payables			
- Due to related parties	16	26.221.125	7.152.251
- Due to third parties	6	4.453.034.307	5.072.185.724
Payables due to employee benefits	18	67.027.346	61.797.355
Other payables			
- Other payables to third parties		690.563.839	419.417.369
Deferred income		2.084.175.075	76.336.433
Liabilities related to current period tax		495.064.559	696.321.334
Short-term provisions			
- Short-term provisions for employee benefits		52.615.578	93.107.205
- Other short-term provisions		410.164.721	307.078.555
Derivative Financial Instruments		--	8.421.300
Total short-term liabilities		**15.868.574.483**	**12.257.800.744**
Long-term liabilities			
Long-term borrowings	5	41.624.512	44.811.294
Long-term provisions			
- Long-term provisions for employee benefits	18	499.886.812	526.372.881
Deferred tax liability		127.158.267	150.718.544
Total long-term liabilities		**668.669.591**	**721.902.719**
Total liabilities		**16.537.244.074**	**12.979.703.463**
Shareholder's equity			
Share capital	20	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	20.163.680
- Impairment on property, plant and equipment		2.135.281.930	2.134.574.576
- Defined benefit plans re-measurement losses		(63.275.207)	(50.733.395)
Accumulated other comprehensive income / expense to be reclassified to profit or loss			
- Foreign currency translation differences		(105.561.275)	456.162.026
Restricted reserves from profit			
- Legal reserves	20	68.182.652	68.182.652
Prior year profit		3.205.430.159	2.071.161.251
Current period profit / (loss)		(210.069.129)	757.352.143
Shareholders' equity		**5.384.152.810**	**5.790.862.933**
Non-controlling interests		1.648.634.956	**2.086.851.330**
Total shareholders' equity		**7.032.787.766**	**7.877.714.263**
Total liabilities and equities		**23.570.031.840**	**20.857.417.726**

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GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ
Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the period ended March 31, 2023
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	January 1- March 31, 2023	Audited January 1– December 31, March 2022
Sales	13	7.141.220.142	7.923.039.262
Cost of sales	13	(6.490.029.084)	(6.411.119.173)
Gross profit		**651.191.058**	**1.511.920.089**
General and administrative expense		(185.309.187)	(69.299.831)
Marketing, selling and distribution expense		(296.390.383)	(202.382.150)
Other operating income	14	204.794.409	353.842.390
Other operating expenses	14	(328.021.746)	(823.302.216)
Operating profit		**46.264.151**	**770.778.282**
Income from investment activities		1.139.061	158.514
Expenses from investment activities		(93.617)	(240)
Profit / (loss) from investments accounted by equity method		26.085.450	21.833.771
Operating profit before financial income		**73.395.045**	**792.770.327**
Financial income		260.440.388	164.951.174
Financial expense		(393.034.087)	(250.131.700)
Gain / (loss) from net monetary position		31.640.479	75.253.238
Profit before tax from continuing operations		**(27.558.175)**	**782.843.039**
- Current period tax (expense)		(3.798.805)	(79.392.604)
- Deferred tax (expense) / income		23.709.375	(13.107.872)
Total tax expense		**19.910.570**	**(92.500.476)**
Current period profit		**(7.647.605)**	**690.342.563**
Distribution of income for the period			
Non-controlling interests		202.421.494	114.595.761
Attributable to equity holders of the parent		(210.069.099)	575.746.802
Gain per share (kr)	15	**(0,629)**	**1,724**
Other comprehensive income			
Items not to be reclassified to profit or loss			
Defined benefit plans re-measurement gains		(15.677.265)	(4.102.483)
Tax effect of other comprehensive income		3.135.453	820.497
Items to be reclassified to profit or loss			
Foreign currency translation differences		(1.160.835.592)	417.966.538
Other comprehensive income		**(1.173.377.404)**	**414.684.552**
Total comprehensive income		**(1.181.025.009)**	**1.105.027.115**
Distribution of total comprehensive income			
Non-controlling interests		(396.690.795)	325.779.711
Attributable to equity holders of the parent		(784.334.214)	779.247.404

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GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ
Consolidated Statements of Changes in Equity for the period ended March 31, 2023
(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				
	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, 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	--	--	--	--	--	--	49.665.670	--	49.665.670	51.937.352	101.603.022
Balances after adjustments	**334.000.000**	**317.298.232**	**(1.097.445)**	**--**	**(490.429.269)**	**53.838.737**	**970.933.795**	**523.125.635**	**2.768.279.659**	**1.361.581.742**	**4.129.861.401**
Transfers	--	--	--	--	--	--	523.125.635	(523.125.635)	--	--	--
Total comprehensive income/ (expense))	--	--	(3.281.986)	--	206.782.588	--	--	575.746.802	779.247.404	325.779.711	1.105.027.115
Balances at March 31, 2022	**334.000.000**	**549.972.967**	**(6.093.822)**	**6.243.916**	**539.759.033**	**53.838.737**	**1.494.059.430**	**575.746.802**	**3.547.527.063**	**1.687.361.453**	**5.234.888.516**
Balances at January 1, 2023	**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**
Adjustments for mandatory changes in accounting policies	--	707.354	--	--	--	--	376.916.765	--	377.624.119	394.036.767	771.660.886
Balances after adjustments	**334.000.000**	**2.135.281.930**	**(50.733.395)**	**20.163.680**	**456.162.026**	**68.182.652**	**2.448.078.016**	**757.352.143**	**6.168.487.052**	**2.480.888.097**	**8.649.375.149**
Transfers	--	--	--	--	--	--	757.352.143	(757.352.143)	--	--	--
Dividends	--	--	--	--	--	--	--	--	--	(435.562.346)	(435.562.346)
Total comprehensive income/ (expense)	--	--	(12.541.812)	--	(561.723.301)	--	--	(210.069.129)	(784.334.242)	(396.690.795)	(1.181.025.037
Balances at March 31, 2023	**334.000.000**	**2.135.281.930**	**(63.275.207)**	**20.163.680**	**(105.561.275)**	**68.182.652**	**3.205.430.159**	**(210.069.129)**	**5.384.152.810**	**1.648.634.956**	**7.032.787.766**

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GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ
Consolidated statement of cash flows for the period ended March 31, 2023
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	January 1, – March 31, 2023	January 1, – March 31, 2022
Cash flows from operating activities			
Period income		**(7.647.605)**	**690.342.563**
Adjustments to reconcile net profit for the period			
Adjustments related to depreciation and amortization expense	9-10	174.946.489	96.148.236
Adjustments related to gain from investments accounted by equity method		(26.085.450)	(21.833.771)
Adjustments related to provisions for employee benefits	18	142.372.525	41.646.269
Adjustments related to intetest expense		251.615.632	230.750.721
Adjustments related to impairment of inventories	8	65.511.893	4.093.821
Adjustments related to impairment of receivables	6	5.727.551	(345.958)
Deferred financial (income) / expense		4.141.228	(7.659.339)
Adjustments related to lawsuit provisions	12	33.865.002	4.450.883
Adjustments related to current year tax expense		(19.910.570)	92.500.476
Adjustments related to losses on sale of property, plant and equipments	9-10	(1.072.015)	(158.514)
Adjustments related to fair value gains on derivative financial instruments		(8.421.300)	39.424.793
Adjustments related to fair value losses (gains) on investment properties		--	86.746
Cash flows from the operating activities before changes in the assets and liabilities		**615.043.380**	**1.169.446.926**
Change in working capital (net):			
Adjustments related to increase in trade receivables		(2.013.370.115)	(37.815.270)
Adjustments related to increase in other receivables		(117.248.549)	(91.503.114)
Adjustments related to decrease in inventories		1.973.094.458	24.979.963
Adjustments related to increase in trade payables		(603.386.253)	1.614.929.883
Increase / (decrease) in employee benefit obligations		5.229.991	3.629.802
Increase / (decrease) in deferred income		2.007.838.642	(540.837.037)
Increase / (decrease) in prepaid expenses		(338.489.346)	(1.052.438.495)
Increase / (decrease) in other payables		(164.415.909)	2.882.525
Adjuestments related to other decrease in working capital		(156.236.215)	158.812.523
Cash flows from the operations after the changes in working capital		**1.208.060.084**	**1.252.087.706**
Interest paid		(314.675.348)	(125.649.906)
Taxes refunds/ (payments)		(87.465.748)	55.913.677
Payments related to provision for employee benefits	18	(98.968.340)	(51.604.938)
Cash flow regarding investment activities		**706.950.648**	**1.130.746.539**
Cash flows from investment activities			
Cash outflows from the purchases of property, plant and equipment and intangible assets	9-10	(377.692.505)	(160.944.703)
Cash inflows from the purchases of property, plant and equipment and intangible assets	9-10	5.373.203	8.892.366
Other cash inflows / (outflows)		(799.660.959)	(46.849.666)
Cash flows from investment activities		**(1.171.980.261)**	**(198.902.003)**
Cash flows from financing activities			
Cash inflows from financial borrowings		10.943.829.112	3.341.200.000
Cash outflows from financial borrowings payments		(8.810.231.464)	(3.027.163.396)
Other cash inflows / (outflows)		114.759	--
Cash flows from financing activities		**2.133.712.407**	**314.036.604**
Net change in cash and cash equivalents before effect of foreign currency translation difference		**1.668.682.794**	**1.245.881.140**
Cash and cash equivalents as of January 1		**1.083.379.197**	**1.171.491.537**
Foreign currency translation difference		(33.621.935)	78.884.313
Cash and cash equivalents as of March 31		**2.718.440.056**	**2.496.256.990**

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