

Gübre Fabrikaları Türk Anonim Şirketi

Interim consolidated statement of financial position as of 30 September 2018
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Unaudited	Audited
	Notes	30 September 2018	31 December 2017
ASSETS			
Current assets:			
Cash and cash equivalents	4	531.105.722	227.960.860
Financial investments		40.304.781	79.972.354
Trade receivables			
- Trade receivables from related parties	16	302.143.018	66.765.089
- Trade receivables from third parties	6	568.160.066	347.394.493
Other receivables			
- Other receivables from related parties	16	-	132.977
- Other receivables from third parties	7	210.692.233	198.708.598
Inventories	8	1.022.535.007	972.164.142
Prepaid expenses		30.290.221	68.232.462
Derivative Instruments		27.100.829	85.916
Assets related to the current period taxes		1.345.249	482.023
Other current assets		18.984.894	27.602.260
Total current assets		2.752.662.020	1.989.501.174
Non-current assets:			
Financial investments		69.025.381	42.585.948
Other receivables			
- Other receivables from related parties	16	-	60.276.145
- Other receivables from third parties	7	71.028.714	14.119.733
Investments valued by equity method		16.776.884	12.879.760
Investment properties		69.638.999	69.638.999
Property, plant and equipment	9	1.584.913.307	1.222.887.066
Intangible assets	10		
- Goodwill		183.718.102	181.331.891
- Other intangible assets		22.303.202	28.950.307
Prepaid expenses		15.914.629	19.837.304
Deferred tax assets		187.888.736	55.978.837
Total non-current assets		2.221.207.954	1.708.485.990
Total assets		4.973.869.974	3.697.987.164

Gübre Fabrikaları Türk Anonim Şirketi**Interim consolidated statement of financial position as of 30 September 2018**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Unaudited	Audited
	Notes	30 September 2018	31 December 2017
LIABILITIES			
Current liabilities:			
Short term borrowings	5	1.190.221.243	912.317.544
Current portion of long-term borrowings	5	58.523.965	54.914.049
Trade payables			
- Trade payables to related parties	16	1.157.224	17.417.334
- Trade payables to third parties	6	1.226.888.697	814.981.212
Employee benefit obligations		30.250.510	33.663.131
Other payables			
- Other payables to third parties	7	98.842.170	221.497.832
Deferred income	16.(ii)	391.898.005	16.541.386
Derivative Instruments		42.627.176	-
Current income tax liability		11.053.419	17.143.787
Short-term provisions			
- Short-term provisions for employee benefits		23.583.261	42.251.136
- Other short term provisions	12	101.453.202	49.140.281
Total current liabilities		3.176.498.872	2.179.867.692
Non-current liabilities:			
Long-term borrowings	5	67.943.621	72.295.391
Other payables			
Long-term Other payables to third parties	7	407.932.620	-
Long-term provisions			
- Long-term provisions for employee benefits		155.887.787	196.320.157
Deferred tax liability		30.009.768	41.992.837
Total non-current liabilities		661.773.796	310.608.385
Total liabilities		3.838.272.668	2.490.476.077
Shareholders' equity:			
Share capital		334.000.000	334.000.000
Accumulated other comprehensive income / expense not to be reclassified to profit or loss			
- Revaluation gains/losses on property, plant and equipment		261.940.485	261.940.485
- Actuarial gain/(loss) arising from defined benefit plans		(1.910.381)	(1.458.551)
Accumulated other comprehensive income / expense to be reclassified to profit or loss			
- Foreign currency translation reserve		(134.828.154)	(68.388.089)
- Shares to be classified as profit / loss from other comprehensive income of investments accounted for by the equity method		-	(28.376.207)
Restricted reserves			
- Legal reserves		52.295.108	52.295.108
Retained earnings		420.473.851	387.155.939
Net income or expense		(142.264.937)	33.317.912
Equity attributable to equity holders of the parent		789.705.972	970.486.597
Non-controlling interests		345.891.334	237.024.490
Total shareholders' equity		1.135.597.306	1.207.511.087
Total liabilities and equity		4.973.869.974	3.697.987.164

Gübre Fabrikaları Türk Anonim Şirketi**Interim consolidated statement of profit or loss and other comprehensive income as of 30 September 2018**

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

		Current Period		Previous Period	
		Not Reviewed	Not Reviewed	Not Reviewed	Not Reviewed
		January 1 –	July 1 –	January 1 –	July 1 –
		September 30,	September 30,	September 30,	September 30,
	Notes	2018	2018	2017	2017
Sales	13	3.213.707.790	943.855.591	2.547.999.866	481.951.995
Cost of sales (-)	13	(2.408.684.331)	(612.065.497)	(2.204.391.362)	(389.419.493)
Gross profit		805.023.459	331.790.094	343.608.504	92.532.502
General and administrative expense (-)		(110.142.898)	(30.084.300)	(117.719.619)	(20.221.677)
Marketing, selling and distribution expense (-)		(251.297.396)	(81.934.271)	(211.909.784)	(74.103.825)
Other operating income	14	969.546.900	802.634.606	222.715.787	55.389.078
Other operating expenses (-)	14	(1.254.721.172)	(1.007.777.769)	(212.593.193)	(78.667.083)
Operating profit		158.408.893	14.628.360	24.101.695	(25.071.005)
Profit / (loss) from investments accounted by equity method		3.897.124	(534.392)	(16.092.637)	(1.754.708)
Profit / (loss) from investment activities		(7.710.775)	70.448	-	-
Operating profit before Financial income / (expense)		154.595.242	14.164.416	8.009.058	(26.825.713)
Financial income / (expense)		(276.690.922)	(150.264.566)	(4.841.966)	(3.337.190)
Profit before tax from continuing operations		(122.095.680)	(136.100.150)	3.167.092	(30.162.903)
Current period tax income/expense		(7.938.832)	(6.299.039)	(3.114.041)	808.677
Deferred tax income/(expense)		134.896.513	95.844.228	2.726.190	4.968.090
Total tax (expense)/income		126.957.681	89.545.189	(387.851)	5.776.767
Net profit for the period		4.862.001	(46.554.961)	2.779.241	(24.386.136)
Distribution of income for the period					
Non-controlling interests		147.126.938	71.803.488	(7.148.339)	(9.300.854)
Equity holders of the parent		(142.264.937)	(118.358.449)	9.927.580	(15.085.282)
Other comprehensive income					
Items not to be reclassified to profit or loss					
Actuarial gain/(loss) arising from defined benefit plans		(564.788)	(1.533.499)	(50.840)	(10.497)
Tax effect of other comprehensive income/expense not to be reclassified to profit or loss		112.958	306.700	10.168	2.099
Items to be reclassified to profit or loss					
Changes in currency translation differences		(140.557.811)	(163.855.989)	(17.867.465)	(17.055.768)
Changes in currency translation difference from investments accounted by equity method		-	-	891.635	(1.509.680)
Other comprehensive income / (expense)		(141.009.641)	(165.082.788)	(17.016.502)	(18.573.846)
Total comprehensive income		(136.147.640)	(211.637.749)	(14.237.261)	(42.959.982)
Distribution of total comprehensive income					
-Non-controlling interests		73.009.192	(4.744.303)	(16.595.956)	(15.574.898)
-Equity holders of the parent		(209.156.832)	(206.893.446)	2.358.695	(27.385.084)
Earnings per share	15	(0,004)	(0,0034)	0,0003	(0,0005)

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

Gübre Fabrikaları Türk Anonim Şirketi

Interim consolidated statement of changes in equity as of 30 September 2018

(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Share capital	Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss		Restricted reserves	Retained earnings		Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
		Revaluation reserves	Actuarial gain/(loss) arising from defined benefit plans	Changes in currency translation differences from investments accounted by equity method	Foreign currency translation reserve		Retained earnings	Net profit for the period			
January 1, 2017	334.000.000	262.570.832	(945.335)	(25.428.512)	(62.489.158)	41.378.380	466.809.637	(68.736.970)	947.158.874	254.459.191	1.201.618.065
Transfers	-	-	-	-	-	-	(68.736.970)	68.736.970	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	(1.081.548)	(1.081.548)
Total comprehensive income/ (expense)	-	-	(40.672)	891.635	(8.419.848)	-	-	9.927.580	2.358.695	(16.595.956)	(14.237.261)
September 30, 2017	334.000.000	262.570.832	(986.007)	(24.536.877)	(70.909.006)	41.378.380	398.072.667	9.927.580	949.517.569	236.781.687	1.186.299.256
January 1, 2018	334.000.000	261.940.485	(1.458.551)	(28.376.207)	(68.388.089)	52.295.108	387.155.939	33.317.912	970.486.597	237.024.490	1.207.511.087
Subsidiary acquirement (Note 2.5)	-	-	-	-	-	-	-	-	-	35.857.652	35.857.652
Exit due to participation sold	-	-	-	28.376.207	-	-	-	-	28.376.207	-	28.376.207
Transfers	-	-	-	-	-	-	33.317.912	(33.317.912)	-	-	-
Total comprehensive income / (expense)	-	-	(451.830)	-	(66.440.065)	-	-	(142.264.937)	(209.156.832)	73.009.192	(136.147.640)
September 30, 2018	334.000.000	261.940.485	(1.910.381)	-	(134.828.154)	52.295.108	420.473.851	(142.264.937)	789.705.972	345.891.334	1.135.597.306

Gübre Fabrikaları Türk Anonim Şirketi**Interim consolidated statement of cash flows****as of 30 September 2018****(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise indicated.)**

		Current Period	Previous Period
		Not Reviewed	Not Reviewed
		January 1 –	January 1 –
		September 30,	September 30,
	Notes	2018	2017
Cash flows from operating activities:			
Profit/(loss) for the period		4.862.001	2.779.241
<i>Adjustments to reconcile net profit/(loss) for the period</i>			
Depreciation and amortization expense	9, 10	53.929.750	56.959.489
Adjustments related to retained earnings from subsidiaries valued by equity method		(3.897.124)	16.092.637
Retirement pay provision, early retirement pay liability interest (income)/expense		60.971.166	75.905.697
Interest expense		302.119.535	43.943.444
Interest income		(18.604.324)	(2.013.259)
Provision for lawsuit /cancellation		7.481.530	1.810.374
Current tax income/expense		(126.957.681)	387.851
Deferred financial income/expense		(3.337.673)	790.181
Impairment on inventories		(527.278)	(167.155)
Adjustments related to cancellations of payables impairment		2.539.036	4.432.603
Adjustments related to losses (gains) on sale of property, plant and equipments		999.399	85.200
Adjustments related to fair value losses (gains) on derivative financial instruments		15.612.263	15.258.298
Net cash provided by the operating activities before changes in the assets and liabilities		295.190.600	216.264.601
Changes in working capital (net):			
Increase / decrease in trade receivables		(449.530.967)	51.942.479
Increase / decrease in other receivables		44.864.126	(5.995.890)
Increase / decrease in inventories		28.730.976	85.812.057
Increase / decrease in trade payables		13.635.546	109.055.490
Employee benefit obligations		(3.418.642)	(5.092.868)
Deferred income		370.909.996	85.180.350
Increase / decrease in prepaid expenses		42.594.884	43.606.501
Increase /decrease in other payables		276.817.430	26.880.526
Other increase / decrease in working capital		46.648.906	(4.724.378)
Cash provided by the operations after the changes in working capital		666.442.855	602.928.868
Interest received		18.604.323	2.013.259
Interest paid		(284.845.708)	(38.084.161)
Taxes paid		(6.953.594)	(16.501.286)
Severance paid		(62.474.820)	(57.711.892)
Cash flow regarding operating activities		330.773.056	492.644.788
Cash flows from investing activities:			
Cash outflows from the purchase of property, plant and equipment and intangible assets	9, 10	(57.223.966)	(79.238.495)
Cash inflows from the sales of property, plant and equipment and intangible assets	9, 10	3.803.991	14.555.897
Other cash inflows / outflows		21.327.570	(28.258.551)
Net cash amount used in investment activities		(32.092.405)	(92.941.149)
Cash flows (used in)/from financing activities			
Dividends paid		-	(1.081.549)
Cash inflows from financial borrowings		2.327.410.848	2.149.106.905
Principle repayment of financial borrowings		(2.257.209.624)	(2.463.337.988)
Net cash (used)/provided by financial activities		70.201.224	(315.312.632)
Change in cash and cash equivalents before foreign currency translation		368.881.875	84.391.007
Cash and cash equivalents as of January 1	4	223.188.075	125.519.427
Foreign currency translation		(61.233.787)	(22.136.730)
Cash and cash equivalents as of September 30	4	530.836.163	187.773.704