

**GÜBRE FABRİKALARI TÜRK
ANONİM ŞİRKETİ
INTERIM CONDENSED
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD
JANUARY 1-SEPTEMBER 30, 2019**

GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Interim consolidated statement of financial position as of September 30, 2019
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

			Restated / Audited
	Notes	September 30, 2019	December 31, 2018
ASSETS			
Current assets:			
Cash and cash equivalents	4	223.780.401	368.851.076
Financial investments		41.225.486	35.397.720
Trade receivables			
-Trade receivables from related parties	16	104.930.295	104.052.340
-Trade receivables from third parties	6	359.310.289	543.266.746
Other receivables			
- Other receivables from third parties	7	236.594.712	216.078.981
Inventories	8	1.111.858.631	1.108.978.905
Prepaid expenses		61.395.658	27.772.069
Assets related to the current period taxes		2.854.255	2.113.481
Other current assets		17.219.475	21.373.133
Total current assets		2.159.169.202	2.427.884.451
Non-current assets			
Financial investments		22.679.405	6.662.887
Other receivables			
- Other receivables from third parties	7	66.479.962	59.948.500
Investments valued by equity method		20.043.475	18.904.335
Investment properties		63.698.581	63.809.825
Property, plant and equipment	9	1.560.780.540	1.552.653.459
Intangible assets	10		
- Goodwill		90.746.366	121.614.875
- Other intangible assets		21.074.162	20.694.884
Prepaid expenses		18.571.446	19.573.127
Deferred tax assets		57.651.158	43.521.271
Total non-current assets		1.921.725.095	1.907.383.163
Total assets		4.080.894.297	4.335.267.614

GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**Interim consolidated statement of financial position as of September 30, 2019
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)**

	Notes	September 30, 2019	Restated / Audited December 31, 2018
LIABILITIES			
Current liabilities			
Short term borrowings	5	1.291.110.698	1.352.015.844
Current portion of long-term borrowings	5	47.306.463	198.437.226
Trade payables			
- Trade payables to related parties	16	1.073.191	1.431.632
- Trade payables to third parties	6	1.031.319.651	778.200.783
Employee benefit obligations		23.720.304	31.205.404
Other payables			
- Other payables to third parties	7	65.324.143	34.850.876
Deferred income		15.950.591	41.334.435
Current income tax liability		1.603.988	4.680.658
Derivative financial instruments		1.509.381	4.703.497
Short-term provisions			
-Short-term provisions for employee benefits		29.726.814	32.496.815
- Other short term provisions	12	98.331.059	66.365.157
Total current liabilities		2.606.976.283	2.545.722.327
Non-current liabilities:			
Long-term borrowings	5	30.642.606	59.850.476
Other borrowings			
-Other borrowings from third parties		345.205.100	349.323.760
Long-term provisions			
- Long-term provisions for employee benefits		124.847.870	116.286.123
Deferred tax liability		20.666.590	26.528.482
Total non-current liabilities		521.362.166	551.988.841
Total liabilities		3.128.338.449	3.097.711.168
Shareholders' equity			
Share Capital		334.000.000	334.000.000
Accumulated other comprehensive income / expense not to be reclassified to profit or loss			
-Impairment on property, plant and equipment		328.930.319	328.930.319
-Defined benefit plans re-measurement losses		(400.466)	(937.828)
Accumulated other comprehensive income / expense to be reclassified to profit or loss			
-Foreign currency translation differences		(337.131.368)	(213.293.368)
Restricted reserves from profit			
- Legal reserves		53.838.737	52.295.108
Prior year profit		348.259.261	434.038.586
Current year profit or loss		(62.625.500)	(84.235.696)
Shareholders' Equity		664.870.983	850.797.121
Non-controlling interests		287.684.865	386.759.325
Total shareholders' equity		952.555.848	1.237.556.446
Total liabilities and equity		4.080.894.297	4.335.267.614

GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**Consolidated statement of profit or loss and other comprehensive income as of September 30, 2019
(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)**

		Restated		Restated
	Notes	January 1 – Sep 30, 2019	January 1 – Sep 30, 2018	July 1 – Sep 30, 2018
Sales	13	3.388.266.544	3.213.707.790	821.089.754
Cost of sales (-)	13	(2.671.732.073)	(2.408.684.331)	(581.205.676)
Gross profit		716.534.471	805.023.459	239.884.078
General and administrative expense (-)		(103.542.646)	(110.142.898)	(24.901.856)
Marketing, selling and distribution expense (-)		(269.798.611)	(251.297.396)	(92.360.788)
Other operating income	14	336.838.314	969.546.900	182.301.954
Other operating expenses (-)	14	(409.765.565)	(1.254.721.172)	(191.547.925)
Operating profit		270.265.963	158.408.893	113.375.463
Income((expenses) from investment activities		91.046	(7.710.775)	(42.593)
Profit / (loss) from investments accounted by equity method		1.139.140	3.897.124	(903.098)
Financial income / (expense) before operating profit		271.496.149	154.595.242	112.429.772
Financial income / (expense)		(281.530.121)	(276.690.922)	(117.139.543)
Profit before tax from continuing operations		(10.033.972)	(122.095.680)	(4.709.771)
- Current period tax (expense)		(2.472.226)	(7.938.832)	586.524
- Deferred tax (expense) / income		13.982.154	119.901.521	2.932.777
Total tax (expense) / income		11.509.928	111.962.689	3.519.301
Net profit		1.475.956	(10.132.991)	(1.190.470)
Distribution of income for the period				
Non-controlling interests		64.101.456	147.126.938	44.207.728
Attributable to equity holders of the parent		(62.625.500)	(157.259.929)	(45.398.198)
Loss per share (kr)	15	(0,0019)	(0,0047)	(0,0014)
Other Comprehensive Income:				
Items not to be reclassified to profit or loss				
Actuarial gain/(loss) arising from defined benefit plans		671.703	(564.788)	(77.117)
Tax effect of other comprehensive income/expense not to be reclassified to profit or loss		(134.341)	112.958	15.423
Items to be reclassified to profit or loss				
Changes in currency translation differences		(196.881.393)	(140.557.811)	7.947.302
Other comprehensive (expense)		(196.344.031)	(141.009.641)	7.885.608
Total comprehensive (expense) / income		(194.868.075)	(151.142.632)	6.695.138
Distribution of total comprehensive income / (income)				
Non-controlling interests		(8.941.937)	73.009.192	47.306.860
Equity holders of the parent		(185.926.138)	(224.151.824)	(40.611.722)

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

GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Interim consolidated statement of changes in equity as of September 30, 2019

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

		Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss			Retained earnings				
	Share capital	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	Restricted reserves	Retained earnings	Net profit for the period	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
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
Transfers	--	--	--	--	--	--	33.317.912	(33.317.912)	--	--	--
Acquisition and disposal of Subsidiary	--	--	--	28.376.207	--	--	--	--	28.376.207	35.857.652	64.233.859
Total comprehensive income/ (expense)	--	--	(451.830)	--	(66.440.065)	--	--	(157.259.929)	(224.151.824)	73.009.192	(151.142.632)
Balances as restated at Sep 30, 2018	334.000.000	261.940.485	(1.910.381)	--	(134.828.154)	52.295.108	420.473.851	(157.259.929)	774.710.980	345.891.334	1.120.602.314
Balances as January 1, 2019	334.000.000	328.930.319	(937.828)	--	(213.293.368)	52.295.108	434.038.586	(64.340.136)	870.692.681	386.759.325	1.257.452.006
Effect of correction of errors	--	--	--	--	--	--	--	(19.895.560)	(19.895.560)	--	(19.895.560)
Balances as restated	334.000.000	328.930.319	(937.828)	--	(213.293.368)	52.295.108	434.038.586	(84.235.696)	850.797.121	386.759.325	1.237.556.446
Transfers	--	--	--	--	--	1.543.629	(85.779.325)	84.235.696	--	--	--
Profit shares	--	--	--	--	--	--	--	--	--	(90.132.523)	(90.132.523)
Total comprehensive income / (expense))	--	--	537.362	--	(123.838.000)	--	--	(62.625.500)	(185.926.138)	(8.941.937)	(194.868.075)
Sep 30, 2019	334.000.000	328.930.319	(400.466)	--	(337.131.368)	53.838.737	348.259.261	(62.625.500)	664.870.983	287.684.865	952.555.848

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

GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Interim consolidated statement of cash flows as of September 30, 2019 (Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)

	Notes	January 1 - Sep 30, 2019	Restated January 1- Sep 30, 2018
Cash flows from operating activities			
Period income /loss		1.475.956	(10.132.991)
Adjustments to reconcile net profit/(loss) for the period			
Adjustments related to depreciation and amortization expense	9-10	62.585.641	53.929.750
Gain on equity investments		(1.139.140)	(3.897.124)
Retirement pay provision, early retirement pay liability		72.114.612	60.971.166
Adjustments related to interest expense		235.933.135	283.515.211
Adjustments related to Impairment of inventories	8	(7.319.480)	(527.278)
Adjustments related to trade receivables	6	1.537.523	2.539.036
Deferred financial income		(867.393)	(3.337.673)
Lawsuit provision / cancellation	12	2.341.711	7.481.530
Current year tax income / (expense)		(11.509.928)	(111.962.689)
Adjustments related to losses (gains) on sale of property, plant and equipments	9-10	23.554	999.399
Adjustments related to fair value losses (gains) on derivative financial instruments		(3.194.116)	15.612.263
Other Adjustments		111.244	--
Cash flows from the operating activities before changes in the assets and liabilities		352.093.319	295.190.600
Changes in working capital (net):			
Adjustments related to increase / (decrease) in trade receivables		179.127.544	(449.530.967)
Adjustments related to increase / (decrease) in other receivables		(27.047.193)	44.864.126
Adjustments related to increase / (decrease) in inventories		66.995.729	28.730.976
Adjustments related to increase / (decrease) in trade payables		251.922.571	13.635.546
Employee benefit obligations		(7.485.100)	(3.418.642)
Increase / (decrease) in deferred income		(25.383.844)	370.909.996
Increase / (decrease) in prepaid expenses		(32.621.908)	42.594.884
Increase / (decrease) in other payables		(79.665.895)	276.817.430
Adjustments related to other increases / (decreases) in working capital		(59.659.232)	46.648.906
Cash flows from the operations after the changes in working capital		618.275.991	666.442.855
Interest paid		(209.995.111)	(266.241.385)
Taxes refunds/(payments)		(9.071.478)	(6.953.594)
Payment termination indemnity		(32.777.160)	(62.474.820)
Cash flows from operating activities		366.432.242	330.773.056
Cash flows from investment activities			
Cash outflows from the purchases of property, plant and equipment and intangible assets	9-10	(99.359.168)	(57.223.966)
Proceeds from sales of property, plant and equipment	9-10	150.325	3.803.991
Other cash inflows / (outflows)		(21.844.284)	21.327.570
Cash flows from investment activities		(121.053.127)	(32.092.405)
Cash flows from financing activities			
Cash inflows from financial borrowings		2.990.304.305	2.327.410.848
Cash outflows from financial borrowings payments		(3.257.486.109)	(2.257.209.624)
Cash flows from financing activities		(267.181.804)	70.201.224
Net change in cash and cash equivalents before effect of foreign currency translation difference		(21.802.689)	368.881.875
Cash and cash equivalents as of January 1		359.227.711	223.188.075
Foreign currency translation difference		(113.745.073)	(61.233.787)
Cash and cash equivalents as of March 31		223.679.949	530.836.163