

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

**GÜBRE FABRİKALARI TÜRK  
ANONİM ŞİRKETİ  
CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE PERIOD  
JANUARY 1, - DECEMBER 31, 2019**

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

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Consolidated statement of financial position as of December 31, 2019**

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

		<b>Audited</b>	<b>Restated Audited</b>
	<b>Notes</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	174.457.909	368.851.076
Financial investments	31	39.543.797	35.397.720
Trade receivables			
- Trade receivables from related parties	7-30	174.682.037	104.052.340
- Trade receivables from third parties	7	336.576.916	543.266.746
Other receivables			
- Other receivables from related parties	8-30	10.135.215	--
- Other receivables from third parties	8	205.513.380	216.078.981
Inventories	9	1.231.329.135	1.108.978.905
Prepaid expenses	10	75.440.336	27.772.064
Derivative Financial Instruments	20	9.462.872	--
Assets related to the current period taxes	28	3.087.261	2.113.486
Other current assets	18	17.710.885	21.373.133
<b>Current assets</b>		<b>2.277.939.743</b>	<b>2.427.884.451</b>
Assets held for sale	27	520.307.521	--
<b>Total current assets</b>		<b>2.798.247.264</b>	<b>2.427.884.451</b>
<b>Non-current assets</b>			
Financial investments	31	21.869.440	6.662.887
Other receivables			
- Other receivables from third parties	8	78.669.231	59.948.500
Investments valued by equity method	3	19.765.952	18.904.335
Investments properties	11	84.478.876	80.145.503
Property, plant and equipment	12	1.070.283.898	1.536.317.781
Intangible assets	13		
- Goodwill		87.044.600	121.614.875
- Other intangible assets		22.204.900	20.694.884
Prepaid expenses	10	34.489.280	19.573.127
Deferred tax assets	28	68.585.422	43.521.271
<b>Total non-current assets</b>		<b>1.487.391.599</b>	<b>1.907.383.163</b>
<b>Total Assets</b>		<b>4.285.638.863</b>	<b>4.335.267.614</b>

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

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

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**  
**Consolidated statement of financial position as of December 31, 2019**  
**(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)**

		<b>Audited</b>	<b>Restated</b>
	<b>Notes</b>	<b>31 December 2019</b>	<b>31 December 2018</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short term borrowings	6	1.465.961.474	1.352.015.844
Current portion of long-term borrowings	6	55.885.641	198.437.226
Trade payables			
- Trade payables to related parties	7-30	1.821.087	1.431.632
- Trade payables to third parties	7	986.018.509	778.200.783
Payables due to employee benefits	17	32.161.760	31.205.404
Other payables			
-Other payables to related parties	8-30	25.000.000	--
-Other payables to third parties	8	86.375.472	34.850.876
Deferred income	10	17.163.951	41.334.435
Current period tax liabilities	28	2.641.986	4.680.658
Derivative financial instruments	20	--	4.703.497
Short term provisions			
-Short-term provisions for employee benefits	17	24.878.780	32.496.815
-Other short-term provisions	16	138.046.967	66.365.157
<b>Current liabilities</b>		<b>2.835.955.627</b>	<b>2.545.722.327</b>
Liabilities related to assets held for sale	27	358.058.558	--
<b>Total current liabilities</b>		<b>3.194.014.185</b>	<b>2.545.722.327</b>
<b>Non-current liabilities</b>			
Long-term borrowings	6	117.472.564	59.850.476
Other borrowings			
-Other borrowings to third parties	8	--	349.323.760
Long term provisions			
- Long-term provisions for employee benefits	17	113.665.364	116.286.123
Deferred tax liability	28	19.577.929	26.528.482
<b>Total non-current liabilities</b>		<b>250.715.857</b>	<b>551.988.841</b>
<b>Total liabilities</b>		<b>3.444.730.042</b>	<b>3.097.711.168</b>
<b>Shareholders' Equity</b>			
Share Capital	19	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		(1.678.630)	(937.828)
Accumulated other comprehensive income / expense to be reclassified to profit or loss			
-Foreign currency translation differences		(359.020.958)	(213.293.368)
Restricted reserves from profit			
-Legal reserves	19	53.838.737	52.295.108
Prior year profits		348.259.261	434.038.586
Current year profit/loss		(149.740.564)	(84.235.696)
<b>Shareholders' Equity</b>		<b>554.588.165</b>	<b>850.797.121</b>
Non-controlling interests		286.320.656	386.759.325
<b>Total shareholders' equity</b>		<b>840.908.821</b>	<b>1.237.556.446</b>
<b>Total liabilities and equities</b>		<b>4.285.638.863</b>	<b>4.335.267.614</b>

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

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Consolidated statement of profit or loss and**

**other comprehensive income as of December 31, 2019**

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

		<b>Audited</b>	<b>Restated, Audited</b>
		<b>January 1 – December 31, 2019</b>	<b>January 1 – December 31, 2018</b>
	<b>Notes</b>		
Sales	21	4.344.496.369	4.559.086.668
Cost of Sales	21	(3.494.521.126)	(3.279.309.282)
<b>Gross Profit</b>		<b>849.975.243</b>	<b>1.279.777.386</b>
General and administrative expense	22	(146.751.465)	(151.894.048)
Marketing, selling and distribution expense	22	(392.069.013)	(350.838.860)
Other operating income	24	304.237.871	720.918.514
Other operating expense	24	(433.302.258)	(1.113.512.910)
<b>Operating profit</b>		<b>182.090.378</b>	<b>384.450.082</b>
Income((expenses) from investment activities	25	7.485.850	(11.234.651)
Profit/(loss) from investments accounted by equity method	3	861.617	6.024.575
<b>Financial income / (expense) before operating profit</b>		<b>190.437.845</b>	<b>379.240.006</b>
Financial income / expense	26	(307.761.252)	(238.262.659)
<b>Profit before tax from continuing operations</b>		<b>(117.323.407)</b>	<b>140.977.347</b>
- Current period tax (expense)	28	(5.853.910)	(4.833.529)
- Deferred tax (expense) / income	28	24.536.311	(484.151)
<b>Total tax (expense) / income</b>		<b>18.682.401</b>	<b>(5.317.680)</b>
<b>Net profit</b>		<b>(98.641.006)</b>	<b>135.659.667</b>
<b>Distribution of income for the period</b>			
Non-controlling interests		51.099.558	219.895.363
Attributable to equity holders of the parent		(149.740.564)	(84.235.696)
<b>Loss per share (kr)</b>	29	<b>(0,0045)</b>	<b>(0,0025)</b>
<b>Other Comprehensive Income</b>			
<b>Items not to be reclassified to profit or loss</b>			
Increases related to revaluation of fixed assets	12	--	74.433.149
Tax effect of other comprehensive income/expense	28	--	(7.443.315)
Actuarial gain/(loss) arising from defined benefit plans	12	(926.003)	650.904
Tax effect of other comprehensive income/expenses	28	185.201	(130.181)
<b>Items to be reclassified to profit or loss</b>			
Changes in currency translation differences		(207.133.294)	(265.108.639)
Changes in currency translation differences from investments accounted by equity method	3	--	28.376.207
<b>Other comprehensive (expense)</b>		<b>(207.874.096)</b>	<b>(169.221.875)</b>
<b>Total comprehensive (expense) / income</b>		<b>(306.515.102)</b>	<b>(33.562.208)</b>
<b>Distribution of total comprehensive income /(income)</b>			
Non-controlling interests		(10.306.146)	99.692.003
Equity holders of the parent		(296.208.956)	(133.254.211)

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

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

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**  
**Consolidated statement of changes in equity as of December 31, 2019**  
**(Amounts expressed in Turkish Lira ("TL") unless otherwise indicated.)**

	Notes	Items not to be reclassified to profit or loss		Items to be reclassified to profit or loss		Restricted reserves	Accumulated profit		Attributable to equity holders of the parent	Non controlling interests	Total Equity	
		Share capital	Revaluation reserves	Actuarial gain/(loss) arising from defined benefit plans)	Shares to be classified in profit / (loss) from other comprehensive income of investments accountedf for using equity method		Foreign currency translation differences	Retaines earnings				Net profit for the year
Balances at 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
Adjustments of opening balances		--	--	--	--	--	--	13.564.735	--	13.564.735	14.185.180	27.749.915
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)		--	66.989.834	520.723	--	(144.905.279)	--	--	(64.340.136)	(141.734.858)	99.692.003	(42.042.855)
Balances as restated at December 31, 2019	19	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
Balances at 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	2.1	--	--	--	--	--	--	--	(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	--	--	--
Dividend paid		--	--	--	--	--	--	--	--	--	(90.132.523)	(90.132.523)
Total comprehensive income/ (expense)		--	--	(740.802)	--	(145.727.590)	--	--	(149.740.564)	(296.208.956)	(10.306.146)	(306.515.102)
Balances at December 31, 2019	19	334.000.000	328.930.319	(1.678.630)	--	(359.020.958)	53.838.737	348.259.261	(149.740.564)	554.588.165	286.320.656	840.908.821

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 as of December 31, 2019

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

	Notes	January 1 – December 31, 2019	Restated January 1- December 31, 2018
<b>Cash flows from operating activities</b>			
Period income / loss		(98.641.006)	135.659.667
<b>Adjustments to reconcile net profit/(loss) for the period</b>			
Adjustments related to depreciation and amortization expense	12-13	94.543.534	70.152.958
Gain from investments accounted by equity method	3	(861.617)	(6.024.575)
Adjustments related to provisions for employee benefits	17	63.975.450	74.132.884
Adjustments related to interest expenses		284.505.493	133.624.166
Adjustments related to impairment of inventories	9	7.202.382	10.096.864
Adjustments related to impairment of receivables	8	2.124.464	1.290.086
Deferred financial income		(2.593.530)	--
Adjustments related to lawsuit provision	16	3.160.362	(3.769.651)
Current period tax income	28	(18.682.401)	5.317.680
Adjustments related to losses (gains) on sale of property, plant and equipments	25	(340.386)	652.179
Adjustments related to fair value losses (gains) on derivative financial instruments	20	(14.166.369)	4.789.413
Adjustments related to fair value losses (gains) on investment properties	25	(4.333.373)	5.829.174
<b>Cash flows from the operating activities before changes in the assets and liabilities</b>		<b>315.893.003</b>	<b>431.750.845</b>
<b>Change in working capital (net):</b>			
Increase in trade receivables		133.394.116	(227.795.964)
Increase in other receivables		(18.504.295)	45.540.266
Decrease in inventories		(62.010.591)	(37.409.562)
Increase in trade payables		218.736.893	293.646.476
Increase / (decrease) in employee benefit obligations		956.356	(2.457.727)
Increase / (decrease) in deferred income		(22.879.031)	24.793.049
Increase / (decrease) in prepaid expenses		(71.973.587)	40.724.570
Increase / (decrease) in other payables		(13.590.999)	(512.047.119)
Adjustments related to other decrease in working capital		(81.490.398)	(237.395.024)
<b>Cash flows from the operations after the changes in working capital</b>		<b>398.531.467</b>	<b>(180.650.190)</b>
Interest paid		(245.331.133)	(99.508.235)
Taxes refunds/ (payments)	28	(11.418.736)	(15.054.984)
Payments related to provision for employee benefits	17	(11.801.276)	(59.812.558)
<b>Cash flow regarding investment activities</b>		<b>129.980.322</b>	<b>(355.025.967)</b>
<b>Cash flow from investment activities</b>			
Cash outflows from the purchases of property, plant and equipment and intangible assets	12-13	(129.405.003)	(69.840.423)
Cash inflows from the sales of property, plant and equipment and intangible assets	12-13	595.677	11.603.762
Other inflows (outflows) of cash		(19.352.630)	(43.370.162)
Cash flow from discontinued operations, net		(7.936.987)	--
<b>Cash flow from investment activities</b>		<b>(156.098.943)</b>	<b>(101.606.823)</b>
<b>Cash flow from financing activities</b>			
Cash inflows from financing borrowings		3.570.630.333	2.700.686.948
Cash outflows from financing borrowings payments		(3.580.788.560)	(2.164.155.945)
<b>Cash flow from financing activities</b>		<b>(10.158.227)</b>	<b>536.531.003</b>
<b>Net change in cash cash equivalents before affect of foreign currency translation difference</b>		<b>(36.276.848)</b>	<b>79.898.213</b>
<b>Cash and cash equivalents as of January 1</b>	5	<b>359.227.711</b>	<b>223.188.075</b>
Foreign currency translation difference		(148.492.954)	56.141.423
<b>Cash and cash equivalents as of December 31</b>	5	<b>174.457.909</b>	<b>359.227.711</b>

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