

(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, 2023**

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

GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Consolidated statement of financial position as of December 31, 2023

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL unless otherwise indicated.)

		Audited	Audited
	Notes	31 December 2023	31 December 2022
ASSETS			
Current assets:			
Cash and cash equivalents	5	2.279.416.182	1.785.115.431
Financial investments	31	44.716.110	737.541.307
Trade receivables			
- Trade receivables from related parties	30	1.185.131.892	2.131.344.883
- Trade receivables from third parties	7	2.744.396.604	445.282.372
Other receivables			
- Other receivables from third parties	8	1.305.106.402	754.471.962
Inventories	9	5.945.039.993	13.215.279.520
Prepaid expenses	10	1.047.377.092	915.837.780
Derivative Financial Instruments	20	--	--
Assets related to the current period taxes	28	--	1.788
Other current assets	18	157.281.598	208.835.216
Total current assets		14.708.465.873	20.193.710.259
Non-current assets			
Financial investments	31	418.436.997	171.703.769
Trade receivables			
- Trade receivables from third parties	7	300.000	1.867.576
Other receivables			
- Other receivables from third parties	8	32.976.550	56.634.907
Investments valued by equity method	3	390.341.867	366.908.745
Investments properties	11	599.081.040	521.982.180
Property, plant and equipment	12	13.761.474.359	12.575.268.533
Intangible assets	13		
- Goodwill		222.296.838	274.659.347
- Other intangible assets		1.237.894.652	557.311.866
Prepaid expenses	10	275.207.787	308.279.384
Deferred tax assets	28	386.038.687	269.654.962
Total non-current assets		17.324.048.777	15.104.271.269
Total assets		32.032.514.650	35.297.981.528

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, 2023**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL unless otherwise indicated.)

		Audited	Audited
	Notes	31 December 2023	31 December 2022
LIABILITIES			
Current liabilities			
Short-term borrowings	6	7.310.818.067	9.088.845.507
Trade payables			
- Due to related parties	30	22.262.385	11.784.960
- Due to third parties	7	4.538.102.117	8.488.805.125
Payables due to employee benefits	17	119.776.568	101.825.292
Other payables			
- Other payables to third parties	8	877.651.284	691.086.167
Deferred income	10	183.547.862	126.965.959
Liabilities related to current period tax	28	631.089.158	940.003.970
Short-term provisions			
- Short-term provisions for employee benefits	17	142.746.290	136.061.641
- Other short-term provisions	16	442.849.286	550.219.434
Derivative Financial Instruments	20	3.483.981	13.876.020
Total short-term liabilities		14.272.326.998	20.149.474.075
Long-term liabilities			
Long-term borrowings	6	11.018.513	73.836.879
Long-term provisions		--	--
- Long-term provisions for employee benefits	17	764.200.350	867.468.506
- Other long-term provisions	13	347.589.691	--
Deferred tax liability	28	--	--
Total long-term liabilities		1.122.808.554	941.305.385
Total liabilities		15.395.135.552	21.090.779.460
Shareholder's equity			
Share capital	19	334.000.000	334.000.000
Adjustment to share capital		2.947.603.563	2.947.603.563
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		6.966.276	33.224.280
- Impairment on property, plant and equipment		4.057.173.963	1.609.820.238
- Defined benefit plans re-measurement losses		(49.804.660)	(83.560.719)
Accumulated other comprehensive income / expense to be reclassified to profit or loss			
- Foreign currency translation differences		1.294.708.286	817.183.165
Restricted reserves from profit			
- Legal reserves	19	481.278.542	462.449.384
Prior year profit		4.715.784.443	4.506.470.162
Current period profit		(417.275.408)	228.143.439
Shareholders' equity		13.370.435.005	10.855.333.512
Non-controlling interests		3.266.944.093	3.351.868.556
Total shareholders' equity		16.637.379.098	14.207.202.068
Total liabilities and equities		32.032.514.650	35.297.981.528

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

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GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

**Consolidated Statements of Profit or Loss and Other Comprehensive Income
for the period ended December 31, 2023**

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL unless otherwise indicated.)

		Audited	Audited
	Notes	Jan 1– December 31, 2023	Jan 1– December 31, 2022
Sales	21	35.541.343.688	48.304.277.005
Cost of sales	21	(31.658.806.129)	(41.132.159.781)
Gross profit		3.882.537.559	7.172.117.224
General and administrative expense (-)	22	(913.737.696)	(940.365.754)
Marketing, selling and distribution expense (-)	22	(1.783.407.265)	(1.553.475.284)
Other operating income	24	3.294.230.689	2.106.005.714
Other operating expenses (-)	24	(1.612.689.765)	(4.650.575.202)
Operating profit		2.866.933.522	2.133.706.698
Income from investment activities	25	290.959.838	242.982.316
Expenses from investment activities	25	(328.460)	(101.720)
Profit / (loss) from investments accounted by equity method	3	180.863.852	244.559.343
Operating profit before financial income / (expense)		3.338.428.752	2.621.146.637
Financial income	26	1.982.358.905	1.566.110.492
Financial expense	26	(2.217.102.582)	(2.173.429.102)
Gain / (loss) from net monetary position	26	(3.618.926.211)	(1.804.474.174)
Profit before tax from continuing operations		(515.241.136)	209.353.853
- Current period tax (expense)	28	(357.840.712)	(1.022.306.872)
- Deferred tax income / (expense)	28	824.567.089	1.129.889.270
Total tax income / (expense)		466.726.377	107.582.398
Current period profit / (loss)		(48.514.759)	316.936.251
Distribution of income for the period			
Non-controlling interests		368.760.649	88.792.812
Attributable to equity holders of the parent		(417.275.408)	228.143.439
Gain / (Loss) per share (kr)	29	(1,249)	0,683
Other comprehensive income			
Items not to be reclassified to profit or loss			
Tangible asset revaluation increases of investments valued by equity method		(26.258.004)	22.935.999
Defined benefit plans re-measurement gains	17	42.195.074	(98.659.469)
Tax effect of other comprehensive income/expense not to be reclassified to profit or loss		(620.277.446)	(633.016.612)
Items to be reclassified to profit or loss			
Foreign currency translation differences		765.821.040	1.155.625.411
Other comprehensive income / (expense)		3.220.672.820	3.710.627.859
Total comprehensive income / (expense)		3.172.158.061	4.027.564.110
Distribution of total comprehensive income /(expense)		3.172.158.061	4.027.564.110
Non-controlling interests		657.056.568	1.015.036.541
Attributable to equity holders of the parent		2.515.101.493	3.012.527.569

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GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Consolidated Statements of Changes in Equity for the period ended December 31, 2023

(Amounts expressed in Turkish Lira (“TL”) in terms of the purchasing power of the TL unless otherwise indicated.)

	Notes	Share capital	Adjustment to share capital	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		Restricted reserves	Accumulated profit		Equity attributable to equity holders of the parent	Non-controlling interests	Total equities
				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		Retained earnings	Net profit / (los) for the period)			
Balances at January 1, 2022													
		334.000.000	2.947.603.563	--	(7.610.847)	16.900.520	965.579.239	431.707.316	3.095.543.610	1.442.764.675	9.226.488.076	3.266.446.406	12.492.934.482
Transfers		--	--	--	--	--	--	30.742.068	1.412.022.607	(1.442.764.675)	--	--	--
Dividends		--	--	--	--	--	--	--	--	--	--	(933.142.352)	(933.142.352)
Subsidiary acquisition and disposal		--	--	--	--	--	--	--	(1.096.555)	--	(1.096.055)	3.527.961	2.431.906
Total comprehensive income/ (expense))	19	--	--	1.609.820.238	(75.949.872)	16.323.760	(148.396.074)	--	--	228.143.439	1.629.941.491	1.015.036.541	2.644.978.032
Balances at December 31, 2022													
	19	334.000.000	2.947.603.563	1.609.820.238	(83.560.719)	33.224.280	817.183.165	462.449.384	4.506.470.162	228.143.439	10.855.333.512	3.351.868.556	14.207.202.068
Balances at January 1, 2023													
		334.000.000	2.947.603.563	1.609.820.238	(83.560.719)	33.224.280	817.183.165	462.449.384	4.506.470.162	228.143.439	10.855.333.512	3.351.868.556	14.207.202.068
Transfers		--	--	--	--	--	--	18.829.158	209.314.281	(228.143.439)	--	--	--
Dividends		--	--	--	--	--	--	--	--	--	--	(741.981.031)	(741.981.031)
Total comprehensive income/ (expense)	19	--	--	2.447.353.725	33.756.059	(26.258.004)	477.525.121	--	--	(417.275.408)	2.515.101.493	657.056.568	3.172.158.061
Balances at December 31, 2023													
	19	334.000.000	2.947.603.563	4.057.173.963	(49.804.660)	6.966.276	1.294.708.286	481.278.542	4.715.784.443	(417.275.408)	13.370.435.005	3.266.944.093	16.637.379.098

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, 2023

(Amounts expressed in Turkish Lira ("TL") in terms of the purchasing power of the TL unless otherwise indicated.)

	Notes	January 1, – December 31, 2023	January 1, – December 31, 2022
Cash flows from operating activities			
Net profit / (loss) for the year		(48.514.759)	316.936.251
Adjustments to reconcile net profit for the period			
Adjustments related to depreciation and amortization expense	12-13	1.240.635.364	902.878.504
Adjustments related to gain from investments accounted by equity method	3	(180.863.852)	(244.559.343)
Adjustments related to provisions for employee benefits	17	486.343.325	631.282.118
Adjustments related to intetest expense		320.728.031	1.086.801.301
Adjustments related to impairment of inventories	9	67.847.760	33.326.373
Adjustments related to impairment of receivables	8	(4.959.229)	(3.445.971)
Deferred financial (income) / expense		15.102.929	(29.875.441)
Adjustments related to lawsuit provisions	16	13.321.311	22.482.308
Adjustments related to current year tax expense	28	(466.726.377)	(107.582.398)
Adjustments related to losses on sale of property, plant and equipments	25	(1.379.921)	(2.539.579)
Adjustments related to fair value gains on derivative financial instruments	20	(10.392.039)	120.587.821
Adjustments related to fair value losses (gains) on investment properties	25	(243.242.548)	(226.093.880)
Adjustments related to monetary (gain) loss, net		2.161.940.371	306.086.049
Cash flows from the operating activities before changes in the assets and liabilities		3.349.840.366	2.806.284.113
Change in working capital (net):			
Adjustments related to increase in trade receivables		(1.352.167.430)	2.587.587.105
Adjustments related to increase in other receivables		(526.976.083)	(138.781.790)
Adjustments related to decrease in inventories		7.332.976.843	3.207.860.343
Adjustments related to increase in trade payables		(3.949.535.533)	(4.167.294.635)
Increase / (decrease) in employee benefit obligations		17.951.276	(108.849.488)
Increase / (decrease) in deferred income		56.581.903	(1.914.605.256)
Increase / (decrease) in prepaid expenses		(98.467.717)	999.019.429
Increase / (decrease) in other payables		(490.974.084)	(852.150.831)
Adjustments related to other decrease in working capital		(9.628.162)	(1.471.752.273)
Cash flows from the operations after the changes in working capital		4.329.601.379	947.316.717
Interest paid		(1.130.278.689)	(960.752.607)
Taxes refunds/ (payments)	28	(315.551.471)	(159.878.642)
Payments related to provision for employee benefits	17	(347.392.241)	(572.920.666)
Cash flow regarding investment activities		2.536.378.978	(746.235.198)
Cash flows from investment activities			
Cash outflows from the purchases of property, plant and equipment and intangible assets	12-13	(2.516.025.600)	(3.001.036.041)
Cash inflows from the purchases of property, plant and equipment and intangible assets	12-13	43.029.943	88.386.220
Other cash inflows / (outflows)		415.644.074	(309.302.829)
Cash flows from investment activities		(2.057.351.583)	(3.221.952.650)
Cash flows from financing activities			
Cash inflows from financial borrowings		13.475.520.933	10.419.020.800
Cash outflows from financial borrowings payments		(14.506.816.077)	(8.330.941.301)
Other cash inflows / (outflows)		--	2.429.257
Cash flows from financing activities		(1.031.295.144)	2.090.508.756
Net change in cash and cash equivalents before effect of foreign currency translation difference		(552.267.749)	(1.877.679.092)
Cash and cash equivalents as of January 1	5	1.785.115.431	1.171.491.537
Effect of monetary loss on cash and cash equivalents		30.119.435	3.640.711.544
Effects of currency translation differences on cash and cash equivalents		1.016.449.065	(1.149.408.558)
Cash and cash equivalents as of December 31	5	2.279.416.182	1.785.115.431

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