

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

**GÜBRE FABRİKALARI  
TÜRK  
ANONİM ŞİRKETİ  
INTERIM CONDENSED  
CONSOLIDATED  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
JANUARY 1 - SEPTEMBER 30,  
2022**

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

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Interim consolidated statement of financial position as of September 30, 2022**

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

		<b>September 30,</b>	<b>Audited</b>
	<b>Notes</b>	<b>2022</b>	<b>December 31,</b>
			<b>2021</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	4	2.039.257.175	1.179.720.584
Financial investments	17	483.903.726	191.032.590
Trade receivables			
- Trade receivables from related parties	16	1.033.880.807	1.248.779.873
- Trade receivables from third parties	6	1.681.089.445	659.621.649
Other receivables			
- Other receivables from third parties	7	437.029.511	230.134.594
Inventories	8	5.243.201.584	5.018.321.850
Prepaid expenses	19	223.454.220	590.944.195
Derivative financial instruments	24	--	39.424.793
Assets related to the current period taxes	21	73.874.327	52.859
Other current assets		68.474.748	101.697.254
<b>Total current assets</b>		<b>11.284.165.543</b>	<b>9.259.730.241</b>
<b>Non-current assets</b>			
Financial investments	17	29.928.233	22.967.162
Trade receivables			
-Trade receivables from third parties		1.439.263	--
Other receivables			
- Other receivables from third parties	7	13.301.663	18.937.471
Investments valued by equity method		115.102.598	40.676.021
Investments properties		191.215.160	191.478.293
Property, plant and equipment	9	5.013.748.366	3.081.727.065
Intangible assets	10		
-Goodwill		184.643.874	119.358.609
-Other intangible assets		220.072.431	82.712.134
Prepaid expenses	19	483.970.241	232.022.895
Deferred tax assets	21	--	--
<b>Total non-current assets</b>		<b>6.253.421.829</b>	<b>3.789.879.650</b>
<b>Total assets</b>		<b>17.537.587.372</b>	<b>13.049.609.891</b>

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

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

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Interim consolidated statement of financial position as of September 30, 2022**

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

		September 30, 2022	Audited December 31, 2021
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Short-term borrowings	5	4.401.999.423	2.559.498.555
Trade payables			
-Due to related parties	16	7.820.318	7.177.456
-Due to third parties	6	3.916.734.759	4.696.694.049
Payables due to employee benefits	18	98.398.839	77.065.830
Other payables			
Other payables to third parties	7	298.650.868	192.789.251
Deferred income	19	145.303.667	752.793.129
Liabilities related to current period tax	21	85.523.475	72.397.614
Short-term provisions			
-Short-term provisions for employee benefits	18	73.119.597	51.430.512
-Other short-term provisions	12	480.629.235	189.136.960
Derivative Financial Instruments	24	31.305.046	--
<b>Total short-term liabilities</b>		<b>9.539.485.227</b>	<b>8.598.983.356</b>
<b>Long-term liabilities</b>			
Long-term borrowings	5	51.793.718	8.354.465
Long-term provisions			
- Long-term provisions for employee benefits	18	514.252.488	338.204.352
Deferred tax liability	21	112.483.828	75.809.339
<b>Total long-term liabilities</b>		<b>678.530.034</b>	<b>422.368.156</b>
<b>Total liabilities</b>		<b>10.218.015.261</b>	<b>9.021.351.512</b>
<b>Shareholders' equity</b>			
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		5.403.003	6.243.916
-Impairment on property, plant and equipment		549.972.967	549.972.967
-Defined benefit plans re-measurement losses		(12.088.505)	(2.811.836)
Accumulated other comprehensive income / expense to be reclassified to profit or loss			
-Foreign currency translation differences		818.045.706	332.976.445
Restricted reserves from profit			
- Legal reserves	20	68.182.652	53.838.737
Prior year profit		1.818.503.203	921.268.125
Current period profit / (loss)		865.718.362	523.125.635
<b>Shareholders' equity</b>		<b>4.447.737.388</b>	<b>2.718.613.989</b>
Non-controlling interests		<b>2.871.834.723</b>	<b>1.309.644.390</b>
<b>Total shareholders' equity</b>		<b>7.319.572.111</b>	<b>4.028.258.379</b>
<b>Total liabilities and equities</b>		<b>17.537.587.372</b>	<b>13.049.609.891</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**  
**Interim consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**for the interim period ended September 30, 2022**  
**(Amounts expressed in Turkish Lira (“TL”) unless otherwise indicated.)**

	Notes	January 1– September 30, 2022	January 1– September 30, 2021	July 1– September 30, 2022	July 1– September 30, 2021
Sales	13	19.898.030.743	6.216.824.037	6.492.385.203	2.367.118.131
Cost of sales	13	(16.274.509.565)	(4.898.506.478)	(5.336.466.959)	(1.960.240.222)
<b>Gross profit</b>		<b>3.623.521.178</b>	<b>1.318.317.559</b>	<b>1.155.918.244</b>	<b>406.877.909</b>
General and administrative expense (-)		(372.076.154)	(162.157.987)	(172.689.307)	(57.619.104)
Marketing, selling and distribution expense (-)		(512.250.051)	(251.428.170)	(167.992.102)	(61.046.615)
Other operating income	14	1.039.778.513	319.732.005	166.760.902	101.541.329
Other operating expenses (-)	14	(2.460.820.029)	(679.536.928)	(534.713.911)	(215.988.453)
<b>Operating profit</b>		<b>1.318.153.457</b>	<b>544.926.479</b>	<b>447.283.826</b>	<b>173.765.066</b>
Income from investment activities		3.955.442	6.901.936	2.038.511	347.101
Expenses from investment activities		(18.217)	(96.578)	(17.977)	--
Profit / (loss) from investments accounted by equity method		75.267.491	1.865.097	(11.315.259)	(1.723.203)
<b>Operating profit before financial income / (expense)</b>		<b>1.397.358.173</b>	<b>553.596.934</b>	<b>437.989.101</b>	<b>172.388.964</b>
Financial income		712.508.055	208.768.905	228.548.643	73.641.040
Financial expense		(778.828.001)	(352.417.543)	(148.253.553)	(137.111.011)
Gain / (loss) from net monetary position		197.778.187	(27.943.015)	140.529.848	(31.576.048)
<b>Profit before tax from continuing operations</b>		<b>1.528.816.414</b>	<b>382.005.281</b>	<b>658.814.039</b>	<b>77.342.945</b>
- Current period tax (expense)	21	(77.454.542)	(29.912.986)	(435.526)	(5.389.514)
- Deferred tax (expense) / income	21	(32.186.163)	(62.413.030)	(55.007.713)	2.404.848
<b>Total tax (expense) / income</b>		<b>(109.640.705)</b>	<b>(92.326.016)</b>	<b>(55.443.239)</b>	<b>(2.984.666)</b>
<b>Current period profit / (loss)</b>		<b>1.419.175.709</b>	<b>289.679.265</b>	<b>603.370.800</b>	<b>74.358.279</b>
<b>Distribution of income for the period</b>					
Non-controlling interests		553.457.347	(18.086.576)	244.606.142	24.419.252
Attributable to equity holders of the parent		865.718.362	307.765.841	358.764.658	49.939.027
<b>Gain / (Loss) per share (kr)</b>	15	<b>2,592</b>	<b>0,921</b>	<b>1,074</b>	<b>0,150</b>
<b>Other comprehensive income</b>					
<b>Items not to be reclassified to profit or loss</b>					
Tangible asset revaluation increases of investments valued by equity method		(840.913)	6.110.400	--	--
Defined benefit plans re-measurement gains		(11.595.836)	(1.155.458)	3.131.645	(1.054.828)
Tax effect of other comprehensive income/expense not to be reclassified to profit or loss		2.319.167	231.092	(626.329)	210.966
<b>Items to be reclassified to profit or loss</b>					
Foreign currency translation differences		1.085.673.321	793.264.348	(590.743.547)	126.227.268
<b>Other comprehensive (expense)</b>		<b>1.075.555.739</b>	<b>798.450.382</b>	<b>(588.238.231)</b>	<b>125.383.406</b>
<b>Total comprehensive income / (expense)</b>		<b>2.494.731.448</b>	<b>1.088.129.647</b>	<b>15.132.569</b>	<b>199.741.685</b>
<b>Distribution of total comprehensive income / (income)</b>					
Non-controlling interests		1.154.061.407	378.864.208	(11.377.874)	90.848.719
Attributable to equity holders of the parent		1.340.670.041	709.265.439	26.510.443	108.892.966

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**

**Interim consolidated Statements of Changes in Equity for the interim period ended September 30, 2022**

**(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		Equity attributable to equity holders of the parent	Non-controlling interests	Total equities	
	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
<b>Balances at January 1, 2021</b>	<b>334.000.000</b>	<b>317.298.232</b>	<b>(1.097.445)</b>	<b>--</b>	<b>(490.429.269)</b>	<b>53.838.737</b>	<b>604.588.289</b>	<b>262.056.082</b>	<b>1.080.254.626</b>	<b>682.000.259</b>	<b>1.762.254.885</b>
Adjustments for mandatory changes in accounting policies	--	--	--	--	--	--	39.495.382	--	39.495.382	41.301.881	80.797.263
<b>Balances after adjustments</b>	<b>334.000.000</b>	<b>317.298.232</b>	<b>(1.097.445)</b>	<b>--</b>	<b>(490.429.269)</b>	<b>53.838.737</b>	<b>644.083.671</b>	<b>262.056.082</b>	<b>1.119.750.008</b>	<b>723.302.140</b>	<b>1.843.052.148</b>
Transfers	--	--	--	--	--	--	262.056.082	(262.056.082)	--	--	--
Total comprehensive income/ (expense)	--	--	(924.366)	6.110.400	396.313.564	--	--	307.765.841	709.265.439	378.864.208	1.088.129.647
<b>Balances at September 30, 2021</b>	<b>334.000.000</b>	<b>317.298.232</b>	<b>(2.021.811)</b>	<b>6.110.400</b>	<b>(94.115.705)</b>	<b>53.838.737</b>	<b>906.139.753</b>	<b>307.765.841</b>	<b>1.829.015.447</b>	<b>1.102.166.348</b>	<b>2.931.181.795</b>
<b>Balances at January 1, 2021</b>	<b>334.000.000</b>	<b>549.972.967</b>	<b>(2.811.836)</b>	<b>6.243.916</b>	<b>332.976.445</b>	<b>53.838.737</b>	<b>921.268.125</b>	<b>523.125.635</b>	<b>2.718.613.989</b>	<b>1.309.644.390</b>	<b>4.028.258.379</b>
Adjustments for mandatory changes in accounting policies	--	--	--	--	--	--	389.120.156	--	389.120.156	406.918.344	796.038.500
<b>Balances after adjustments</b>	<b>334.000.000</b>	<b>549.972.967</b>	<b>(2.811.836)</b>	<b>6.243.916</b>	<b>332.976.445</b>	<b>53.838.737</b>	<b>1.310.388.281</b>	<b>523.125.635</b>	<b>3.107.734.145</b>	<b>1.716.562.734</b>	<b>4.824.296.879</b>
Transfers	--	--	--	--	--	14.343.915	508.781.720	(523.125.635)	--	--	--
Subsidiary acquisition	--	--	--	--	--	--	(666.798)	--	(666.798)	1.210.582	543.784
Total comprehensive income/ (expense)	--	--	(9.276.669)	(840.913)	485.069.261	--	--	865.718.362	1.340.670.041	1.154.061.407	2.494.731.448
<b>Balances at September 30, 2022</b>	<b>334.000.000</b>	<b>549.972.967</b>	<b>(12.088.505)</b>	<b>5.403.003</b>	<b>818.045.706</b>	<b>68.182.652</b>	<b>1.818.503.203</b>	<b>865.718.362</b>	<b>4.447.737.388</b>	<b>2.871.834.723</b>	<b>7.319.572.111</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**

Interim consolidated statement of cash flows for the interim period ended September 30, 2022

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

	Notes	January 1, – September 30, 2022	January 1, – September 30, 2021
<b>Cash flows from operating activities</b>			
Period income /loss		<b>1.419.175.709</b>	<b>289.679.265</b>
<b>Adjustments to reconcile net profit/(loss) for the period</b>			
Adjustments related to depreciation and amortization expense	9-10	396.555.598	121.494.450
Adjustments related to gain from investments accounted by equity method		(75.267.491)	(1.865.097)
Adjustments related to provisions for employee benefits	18	236.372.272	164.790.647
Adjustments related to interest expense		468.651.099	143.528.276
Adjustments related to impairment of inventories	8	90.195.072	(1.584.857)
Adjustments related to impairment of receivables	6	(2.398.494)	147.295
Deferred financial income		461.379	(15.522)
Adjustments related to lawsuit provisions	12	11.645.315	2.657.152
Adjustments related to current year tax income	21	109.640.705	92.326.016
Adjustments related to losses (gains) on sale of property, plant and equipments	9-10	(1.430.686)	(6.045.555)
Adjustments related to fair value losses (gains) on derivative financial instruments	24	70.729.839	(1.021.984)
Adjustments related to fair value losses (gains) on investment properties		263.133	264.095
<b>Cash flows from the operating activities before changes in the assets and liabilities</b>		<b>2.724.593.450</b>	<b>804.354.181</b>
<b>Change in working capital (net):</b>			
Adjustments related to increase in trade receivables		(806.445.240)	(305.298.843)
Adjustments related to increase in other receivables		(201.259.109)	(120.758.589)
Adjustments related to decrease in inventories		(315.074.806)	(1.595.281.914)
Adjustments related to increase in trade payables		(778.942.066)	1.312.195.006
Increase / (decrease) in employee benefit obligations		21.333.009	9.107.207
Increase / (decrease) in deferred income		(607.489.462)	37.526.285
Increase / (decrease) in prepaid expenses		115.542.630	(207.792.735)
Increase / (decrease) in other payables		105.861.617	68.581.345
Adjustments related to other decrease in working capital		428.588.709	33.459.720
<b>Cash flows from the operations after the changes in working capital</b>		<b>686.708.732</b>	<b>36.091.663</b>
Interest paid		(369.282.034)	(51.612.604)
Taxes refunds/ (payments)	21	(90.937.072)	(22.907.182)
Payments related to provision for employee benefits	18	(162.577.240)	(52.468.121)
<b>Cash flow regarding investment activities</b>		<b>63.912.386</b>	<b>(90.896.244)</b>
<b>Cash flows from investment activities</b>			
Cash outflows from the purchases of property, plant and equipment and intangible assets	9-10	(1.045.899.609)	(112.780.772)
Cash inflows from the purchases of property, plant and equipment and intangible assets	9-10	36.411.926	25.300.571
Other cash inflows / (outflows)		(299.832.207)	(97.771.289)
<b>Cash flows from investment activities</b>		<b>(1.309.319.890)</b>	<b>(185.251.490)</b>
<b>Cash flows from financing activities</b>			
Cash inflows from financial borrowings		7.860.792.000	1.614.000.000
Cash outflows from financial borrowings payments		(6.074.220.943)	(1.721.856.285)
Other cash inflows / (outflows)		543.784	--
<b>Cash flows from financing activities</b>		<b>1.787.114.841</b>	<b>(107.856.285)</b>
<b>Net change in cash and cash equivalents before effect of foreign currency translation difference</b>		<b>541.707.337</b>	<b>(384.004.019)</b>
<b>Cash and cash equivalents as of January 1</b>		<b>1.171.491.537</b>	<b>657.508.102</b>
Foreign currency translation difference		315.419.346	393.015.796
<b>Cash and cash equivalents as of September 30</b>		<b>2.028.618.220</b>	<b>666.519.879</b>

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

## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Notes to the interim condensed consolidated financial statements as of September 30, 2022

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

### NOTE 1 - GROUP’S ORGANIZATION AND NATURE OF OPERATIONS

Gübre Fabrikaları T.A.Ş. (“Gübretaş” or “the Company”) and its subsidiaries (altogether referred to as “the Group”) are composed of direct or indirect seven subsidiaries (December 31, 2021: four) and two associates (December 31, 2021: two). Gübretaş, established in 1952, operates in the field of production and marketing of chemical fertilizers.

The Company conducts the majority of its operations together with Türkiye Tarım Kredi Kooperatifleri Merkez Birliği (“TTK”) (Turkish Agricultural Loan Cooperative Association). The registered head Office is in Istanbul and information about the locations of the other production facilities and offices are summarized here below:

<u>Operational units</u>	<u>Operation details</u>
Yarımcı Plant Directorate	Production / Port management / Logistics
Aegean Regional Directorate	Sales-marketing / Liquid-powder fertilizer production / Logistics
Black Sea Region Directorate	Sales-marketing / Logistics
Eastern Mediterranean Region Directorate	Sales-marketing / Port management / Logistics
Marmara Region Directorate	Sales-marketing / Logistics
Central Anatolia Region Directorate	Sales-marketing
Southeast Anatolia Region Directorate	Sales-marketing
GAP Region Directorate	Sales-marketing
West Mediterranean Region Directorate	Sales-marketing

The number of employees of the Company and its subsidiaries for the period ended September 30, 2022 is 1.503 (December 31, 2021: 1.576).

23,67% of the shares of the Company are traded in the Istanbul Stock Exchange and is registered to the Capital Market Board (“CMB”). The shareholders holding 10% and above shareholding in the Company’s share capital are listed below:

<u>Name</u>	<u>September 30, 2022</u>		<u>December 31, 2021</u>	
	<u>Share (%)</u>	<u>Share Amount</u>	<u>Share (%)</u>	<u>Share Amount</u>
TKK	%75,95	253.684.607	%75,95	253.684.607
Other (Public held)	%24,05	80.315.393	%24,05	80.315.393
<b>Total</b>	<b>%100,00</b>	<b>334.000.000</b>	<b>%100,00</b>	<b>334.000.000</b>

#### 1.1 Subsidiaries

The consolidated entities as of September 30, 2022 and December 31, 2021, the direct and indirect voting rights of Gübretaş and their effective ownership rates (%) and the applicable currencies according to the countries of operation are shown below:

<u>Name</u>	<u>September 30, 2022</u>			<u>December 31, 2021</u>	
	<u>Currency in Use</u>	<u>Voting Right</u>	<u>Effective Ownership Rate</u>	<u>Voting Right</u>	<u>Effective Ownership Rate</u>
Razi Petrochemical Co.	IRR	%48,88	%48,88	%48,88	%48,88
Arya Phosphoric Jonoob Co.	IRR	%48,88	%48,88	%48,88	%48,88
Petro Saman Avaran	IRR	%33,73	%33,73	%33,73	%33,73
Raintrade Petrokimya ve Dış Ticaret A.Ş.	TL	%48,88	%48,88	%48,88	%48,88
Rexim Dış Ticaret A.Ş.	TL	%48,88	%48,88	--	--
Gübretaş Maden Yatırımları A.Ş.	TL	%100,00	%100,00	%100,00	%100,00
Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş.	TL	%40,00	%40,00	%40,00	%40,00
Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş.	TL	%15,78	%15,78	%15,78	%15,78
Kavak Madencilik A.Ş.	TL	%80	%80	--	--



## **GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

Notes to the interim condensed consolidated financial statements as of September 30, 2022

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

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### **NOTE 1 - GROUP’S ORGANIZATION AND NATURE OF OPERATIONS (Cont’d)**

#### **1.1 Subsidiaries (Cont’d)**

##### **Razi Petrochemical Co.**

##### **Razi Petrochemical Co.**

Gübretaş has participated in Razi Petrochemical Co. (“Razi”) on May 24, 2008, which is located in Iran and conducts the production and sale of fertilizer and fertilizer raw materials. The share of Gübretaş in the share capital of Razi as of the date of balance sheet is 48,88% (December 31, 2021: 48,88%). Razi is considered a subsidiary because Gübretaş has the right to select and nominate three of the five-member Board of Razi. Also, it has the controlling power over the operational management of Razi.

##### **Raintrade Petrokimya ve Dış Ticaret A.Ş.**

Razi has established Raintrade Petrokimya ve Dış Ticaret A.Ş. (“Raintrade”) in Turkey in order to conduct its sales activities outside Iran. Raintrade has commenced its operations in April 2011. Razi has 100% shareholding of Raintrade; therefore, the Group has indirect ownership of 48,88% of the shares of Raintrade. In the Extraordinary General Assembly of Razi held on August 19, 2020, it was decided to liquidate Raintrade Petrokimya ve Dış Ticaret A.Ş. and the relevant liquidation process was cancelled as of the report date. As of the report date Raintrade continues its operations.

##### **Arya Phosphoric Jonoob Co.**

In 2012, Razi has purchased 87,5% of Arya Phosphoric Jonoob Co. (“Arya”), which operates in the same region and owns a production facility having an annual production capacity of 126.000 tons of phosphoric acid. In 2013, Razi purchased the remaining 12,5% of the shares and fully owns Arya, which resulted as an indirect ownership of 48,88% for the Group.

##### **Gübretaş Maden Yatırımları A.Ş.**

Gübretaş established Gübretaş Maden Yatırımları A.Ş. (“Gübretaş Maden”) on March 31, 2020, in which it owns 100% of the shares, in order to operate nationally and internationally for the purpose of undertaking mining investments. On February 24, 2021, the Söğüt Gold Mine license with registration number 82050 and the studies conducted within the scope of the license were transferred to Gübretaş Maden. At the General Assembly of Gübretaş Maden, dated January 29, 2021, it was decided to increase the share capital of the company to TL 40.000.000, and it was fully paid in cash on May 6, 2021. As of report date Gübretaş Maden, consolidated included in the accompanying financial statements, continues its preparations in order to start its operations.

##### **Kavak Madencilik A.Ş.**

Gübretaş Maden acquired 80% of Kavak Madencilik A.Ş. from Teck Anadolu Madencilik A.Ş. for USD 1.800.000 and 2% royalty payment based on the agreement signed on January 3, 2022., which is the owner of the license field number 200709861 located within the borders of Bilecik province, in order to expand the exploration and development activities around the Söğüt Gold Mine and to identify possible new mineral resources. USD 900.000 of the relevant fee has been paid on the date of the agreement, and the remaining amount has not been paid yet as of the report date. The transfer of the related shares was completed on May 23, 2022.

##### **Rexim Dış Ticaret A.Ş.**

Rexim was established by Raintrade on August 19, 2022. It is shown as long-term financial investments as of September 30, 2022.

## **GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Notes to the interim condensed consolidated financial statements as of September 30, 2022**

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

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### **NOTE 1 - GROUP’S ORGANIZATION AND NATURE OF OPERATIONS (Cont’d)**

#### **1.1 Subsidiaries (Cont’d)**

##### **Petro Saman Avaran**

The Company established in 2019 by the shareholders including Arya and started to its operations. The Company provides technical and general services to the oil, gas and petrochemical industries. The Company also provides general and social services for Razi and Arya, including human resources, catering services, green space and repair complexes. As of the balance sheet date, the main shareholder Arya's participation rate is 69% (December 31, 2021: 69%), and the Group's indirect participation rate is 33,73% (December 31, 2021: 33.73%).

#### **1.2 Associates**

Gübretaş has participated in Tarkim Bitki Koruma Sanayi ve Ticaret A.Ş. (“Tarkim”), which operates in agricultural pesticide sector on April 13, 2009. As of the balance sheet date, the shares held by Gübretaş is 40% of total shares of Tarkim (December 31, 2021: 40%).

#### **1.3 Other financial investments**

The Group has participated at the rate of 15,78% in Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş. (“Tarnet”) which is a subsidiary of TKK.

#### **1.4 The approval of the consolidated financial statements**

The consolidated financial statements have been approved by the Board of Directors and authorized to be issued on November 8, 2022. The General Assembly has the power to amend the consolidated financial statements.

### **NOTE 2 – BASIS OF THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS**

#### **2.1 Basis of presentation**

##### **Financial Reporting Standards Applied**

The Company and its subsidiaries located in Turkey record and prepare their statutory books of accounts and their statutory financial statements in line with the Turkish Commercial Code (“TCC”) and accounting principles stated by the tax legislation. The subsidiaries based in Iran keep their books of accounts and prepare their financial statements in the currency of Iranian Rial (“IRR”) in accordance with the prevailing regulation in Iran.

The accompanying consolidated financial statements of the Group have been prepared in accordance with the communiqué numbered II-14,1 “Communiqué on the Principles of Financial Reporting In Capital Markets” (“the Communiqué”) announced by Public Oversight Accounting and Auditing Standards Authority of Turkey (“POA”) on June 13, 2013 which is published on Official Gazette numbered 28676 in order to comply with Turkish Accounting Standards / Turkish Financial Reporting Standards (“TFRS”) and interpretations prepared in compliance with international standards. These standards are updated in parallel to the changes made in International Financial Reporting Standards (“IFRS”).

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

## **GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Notes to the interim condensed consolidated financial statements as of September 30, 2022**

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

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### **NOTE 2 – BASIS OF THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)**

#### **2.1 Basis of presentation (Cont'd)**

##### **Financial Reporting Standards Applied (Cont'd)**

Turkey Accounting Standard ("IAS") No. 34, "Interim Financial Reporting" in accordance businesses are free to prepare as completed or condensed set of interim financial statements. In this framework, the Group has preferred to prepare condensed consolidated financial statements in the interim periods. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements of the Group as of December 31, 2021.

The Group has prepared and presented its condensed consolidated financial statements for the interim period ended September 30, 2022 in accordance with TAS 34 Interim Financial Reporting Standards with the announcement of the CMB's Communiqué Serial: XII, 14.1 and its announcements.

The accounting policies used in the preparation of the condensed consolidated financial statements for the interim period ended as of September 30, 2022, comply with those in the consolidated financial statements of the previous year, except for the effect of the new and amended TFRSs and TFRYK interpretations summarized in Note 2.2 and valid as of January 1, 2022.

The consolidated financial statements have been prepared with historical cost principal excluding the revaluation of land and buildings presented in property plant and equipment, investment and derivative financial instruments stated at fair value as measured on the balance sheet date. However due to the accumulative inflation rate of last three years in Iran exceeding 100% (120%), the financial statements have been prepared accounting the effects of inflation instead of historical cost basis, as of the beginning of the accounting period of 2020. IAS 29 "Financial Reporting in Highly Inflationary Economies" standard was applied during the preparation of the financial statements of the subsidiary in Iran.

##### **Going Concern**

The Group has prepared its consolidated financial statements based on going concern assumption.

##### **Netting/ Offset**

Financial assets and liabilities, the necessary legal right already exists, these assets and liabilities are clearly shown if there is an intention to pay on a net basis, or if there is an intention to simultaneously achieve the acquisition of assets and the fulfillment of obligations.

##### **Comparative Information and Restatement of the Prior Period Financial Statements**

The consolidated financial statements of the Group include comparative financial information to enable the determination of trends in the financial position and performance. Comparative figures are reclassified where necessary, to conform to changes in presentation in the current period financial statements and the significant changes are explained.

## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Notes to the interim condensed consolidated financial statements as of September 30, 2022

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

### NOTE 2 - BASIS OF THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)

#### 2.1 Basis of presentation (Cont’d)

##### Functional Currency

The financial statements of the entities of the Group are presented in local currencies (“functional currency”) of the economic zones they operate in. All of the financial position and operational results of the entities are presented in Turkish Lira (“TL”) which is functional currency of the Company and presentation currency of the condensed consolidated financial statements.

The functional currency of the Company's subsidiary operating in Iran is Iranian Rial (“IRR”). In Iran, the exchange rates used in the market for foreign currency-based transactions differ significantly from the announced fixed exchange rates. The Center for Foreign Exchange Transactions (“Center”) has been established under the supervision of the Central Bank of Iran and the benchmark rates, which are close to the free market rates, have begun to be announced. In the foreign currency valuations of Razi, as the exchange rate regime in Iran is ambiguous and it is uncertain with which exchange rate will be realized in the future cash flows, the year-end exchange rate (NIMA) announced by the Center is used. Similarly, while calculating the period average exchange rates, the average of the rates announced by the Center was taken into consideration.

According to TAS 21 Changes in Exchange Rates, the assets and liabilities of the subsidiaries in foreign countries are converted to Turkish Lira with the parity on the balance sheet day. Income and expense items are translated into Turkish Lira with the average exchange rate during the period. Currency translation differences resulting from the use of the closing and average rate is accounted for under currency translation difference under equity. These translation differences are recognized as income or loss in the related period incurred.

The conversion rates used are as follows:

Currency	September 30, 2022		December 31, 2021	
	Period End	Period Average	Period End	Period Average
IRR/TL	0,000068358	0,000056697	0,000052874	0,000032305

#### Restatement of Previous Period and Restatement Financial Statements in High Inflation Periods

CMB declared with the decision taken on March 17, 2005, that the listed companies operating in Turkey and preparing financial statements for the accepted financial reporting standards by the Capital Markets Board (“CMB Financial Reporting Standards”) were not subjected to inflation accounting effective as from January 1, 2005. In the statement made by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, Since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (CPI) is 74.41%, it is stated that there is no need to make any adjustments within the scope of TAS 29 in the financial statements for 2021. In this respect, while preparing the financial statements as of June 30, 2022, no inflation adjustment was made according to TAS 29. On the other hand, within the scope of tax legislation, inflation accounting has been postponed starting from the financial statements dated December 31, 2023, with the “Law on Amending the Tax Procedure Law and the Corporate Tax Law”, which was accepted on the agenda of the Turkish Grand National Assembly on January 20, 2022. However due to the accumulative inflation rate of last three years in Iran exceeding 100% (120%), the financial statements have been prepared accounting the effects of inflation instead of historical cost basis, as of the beginning of the accounting period of 2020. IAS 29 "Financial Reporting in Highly Inflationary Economies" standard was applied during the preparation of the financial statements of the subsidiary in Iran.

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Notes to the interim condensed consolidated financial statements as of September 30, 2022**

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

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**NOTE 2 - BASIS OF THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(Cont’d)**

**2.1 Basis of presentation (Cont’d)**

**Restatement of Previous Period and Restatement Financial Statements in High Inflation Periods  
(Cont’d)**

Financial statements are prepared on the basis of historical costs of purchases and sales; thus, the balance sheet items that have not yet been expressed in currency in the balance sheet should be converted using a general price index. This also should be applying for income and expenses. Monetary assets and liabilities are not required to be converted using a general price index, if they are subject to price changes depending on the contract or are expressed as current value.

***Subsidiaries reporting in a hyperinflationary currency of the parent company in a non- hyperinflationary economy***

According to TAS 21, when the financial statements and financial information of an entity, whose functional currency is the currency of a hyperinflationary economy, are converted to the currency of a non-hyperinflationary economy, comparative amounts may be those presented as current year amounts in the relevant previous year's financial statements (not adjusted according to changes in price level or foreign currency in next period).

The effect of the adjustment of the financial statements for inflation amounting to TL 894.409.298 related with the prior periods was recognized in the opening balances in the equity in the previous year's profits as of January 1, 2020. As of January 1, 2022, the equity opening balances of the subsidiary have been corrected by TL 796.038.500 regarding inflation accounting.

**2.2 Changes in Turkish Financial Reporting Standards (“TFRS”)**

**The new standards, amendments and interpretations which are effective as at January 1, 2022 are as follows:**

The accounting policies adopted in preparation of the consolidated financial statements as at September 30, 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRIC interpretations effective as of January 1, 2022.

**Standards published but not yet effective and not early adopted**

The new standards, interpretations and amendments that have been published as of the approval date of the consolidated financial statements but have not yet entered into effect for the current reporting period and have not been applied early by the Group are as follows. Unless stated otherwise, the Group will make the necessary changes that will affect its consolidated financial statements and notes after the new standards and interpretations come into effect.

**TFRS 17 - The new Standard for insurance contracts**

The POA issued TFRS17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 17 will become effective for annual reporting periods beginning on or after January 1, 2023, early application is permitted. The standard is not applicable for the Company and will not have an impact on the financial position or performance of the Company.

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Notes to the interim condensed consolidated financial statements as of September 30, 2022**

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

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**NOTE 2 - BASIS OF THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(Cont’d)**

**2.2 Changes in Turkish Financial Reporting Standards (“TFRS”) (Cont’d)**

**Standards issued but not yet effective and not early adopted (Cont’d)**

**Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities**

On March 12, 2020, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after January 1, 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted. The Company is in the process of assessing the impact of the amendments on financial position or performance of the Company.

**TAS 8 Amendments – Definition of accounting estimates**

In August 2021, POA published amendments to TAS 8 that introduce a new definition for "accounting forecasts". The amendments published for TAS 8 are valid for annual accounting periods beginning on or after January 1, 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. It also clarifies how businesses can use measurement techniques and inputs to improve accounting estimates. The amended standard clarifies that the effects of a change in input or a change in a measurement technique on the accounting estimate are changes in accounting estimates unless they result from a correction for prior period errors. The previous definition of change in accounting estimate indicated that changes in accounting estimates could result from new information or new developments. Therefore, such changes are not considered as corrections of errors. This aspect of the definition has been preserved by the UPS. The effects of the said change on the financial position and performance of the Group are being evaluated.

**TAS 1 Amendments – Disclosure of accounting policies**

In August 2021, POA published amendments to TAS 1, providing guidance and examples to help businesses apply materiality estimates to accounting policy disclosures. The amendments published in TAS 1 are valid for annual accounting periods beginning on or after January 1, 2023. Due to the lack of a definition of the term "significant" in TFRS, POA has decided to replace this term with "significant" in the context of disclosing accounting policy information. 'Significant' is a term defined in TFRS and is widely understood by users of financial statements according to POA. In assessing the materiality of accounting policy information, entities need to consider both the size of transactions, other events or conditions, and their nature. In addition, examples of situations in which the entity may consider accounting policy information to be important are included. The effects of the said change on the financial position and performance of the Group are being evaluated.

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Notes to the interim condensed consolidated financial statements as of September 30, 2022**

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

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**NOTE 2 - BASIS OF THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS  
(Cont’d)**

**2.2 Changes in Turkish Financial Reporting Standards (“TFRS”) (Cont’d)**

**Standards issued but not yet effective and not early adopted (Cont’d)**

**TAS 12 Amendments – Deferred tax on assets and liabilities arising from a single transaction**

In August 2021, POA published amendments to TAS 12 that narrows the scope of the initial recognition exemption and thus ensures that the exemption is not applied to transactions that result in equal taxable and deductible temporary differences. Amendments to TAS 12 are valid for annual accounting periods beginning on or after January 1, 2023. Changes require a judgment (given applicable tax law) whether such deductions are attributable for tax purposes to the recognized liability (and interest expense) or related asset component (and interest expense) where payments made on a liability are tax deductible. clarifies that it is an issue. This judgment is important in determining whether there is any temporary difference in initial recognition of the asset and liability. Changes apply to transactions that occur at or after the beginning of the earliest period presented comparatively. In addition, at the beginning of the earliest comparative period presented, deferred tax asset (provided there is sufficient taxable income) and deferred tax liability are recognized for all deductible and taxable temporary differences related to leases and decommissioning, restoration and similar liabilities. The effects of the said change on the financial position and performance of the Group are being evaluated.

**2.3 Principles of Consolidation**

- a) The consolidated financial statements for the period ended September 30, 2022, have been prepared in accordance with principles stated on consolidated financial statements for the year ended December 31, 2021 and include the financial statements of Gübretaş and those of subsidiaries.
- b) As of September 30, 2022, there have been no changes in voting rights or proportion of effective interest on subsidiaries that are subject to consolidation with respect to the information stated in the consolidated financial statements for the year ended December 31, 2021.
- c) The statement of financial position and statement of comprehensive income of the subsidiaries are consolidated on a line-by-line basis and the carrying value of the investment held by the Company is eliminated against the related equity. Intercompany transactions and balances between the Company and its subsidiaries are eliminated on consolidation. The cost of and the dividends arising from, shares held by the Company in its subsidiaries are eliminated from equity and statement of comprehensive income for the year, respectively.
- d) The non-controlling shareholders’ share of the net assets and results for the period for the subsidiaries are classified separately in the consolidated statement of financial position and statements of comprehensive income as non-controlling interest.

## **GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Notes to the interim condensed consolidated financial statements as of September 30, 2022**

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

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### **NOTE 2 - BASIS OF THE PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (Cont’d)**

#### **2.3 Principles of Consolidation (Cont’d)**

- e) The Company’s significant interest in affiliates is accounted for with equity method. Affiliates accounted by equity method are presented in consolidated statement of financial position with additions or deductions of changes on share of the Group on net assets of the affiliate and with deduction of provisions for the decline in the value. The comprehensive income statement presents shares of financial results of the Group’s affiliates. The changes of the amount, not reflected on income or loss of the affiliate, on the equity of the affiliate can requisite an adjustment on the net book value of the affiliate in proportion of the Group’s share. The share of the Group from these changes is directly accounted under the Group’s equity.
- f) Financial asset held for sale in which the total voting rights of the Group do not have a material impact or are not material to the consolidated financial statements and whose fair values cannot be reliably determined, or not quoted in organized markets, are measured in the consolidated financial statements at cost less impairment if any.

#### **2.4 Significant accounting policies**

The condensed consolidated interim financial statements as of and for the period ended September 30, 2022 have been prepared in accordance with TAS 34. The accounting policies used in the preparation of these condensed interim consolidated financial statements as of and for the period ended June 30, 2022 are consistent with those used in the preparation of annual consolidated financial statements as of and for the year ended December 31, 2021. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as of and for the year ended December 31, 2021.

#### **2.5 Changes and Errors in Accounting Policies and Estimates**

Accounting policy changes resulting from the first application of a new standard, if any, are applied retrospectively or prospectively in accordance with the transitional provisions. Changes that do not include any transitional provisions, optional significant changes in accounting policy or accounting errors detected are applied retrospectively and prior period financial statements are restated. Changes in accounting estimates are applied in the current period if the change is made, if it relates to only one period, and both in the period when the change is made and prospectively if it is related to future periods.

The Company revalued its tangible assets in local books first with the Board of Directors Decision No. 10346 dated July 6, 2021 pursuant to the 11th Article of the Law No. 7326 on the Restructuring of Certain Receivables and the Amendment of Certain Laws and the Temporary Article 31 added to the Tax Procedure Law as of May 31, 2021. Afterwards the Company revalued its tangible assets with the Board of Directors Decision No. 10539 dated October 28, 2021 pursuant to the Temporary Article 32 added to the Tax Procedure Law as of September 30, 2021 through indexation with the rates determined by the Ministry of Finance. The revaluations have not been reflected in the consolidated financial statements.

The revaluation made in accordance with the Tax Procedure Law may differ from their fair values determined in accordance with TFRS principles based on market approach. The fair values of the land, buildings and underground and above-ground properties owned by the Group have been determined as TL 814.396.000, which was appraised in the valuation report dated October 12, 2021 prepared by the CMB licensed valuation firm, which provides valuation services within the framework of the CMB legislation. As of December 31, 2021, the valuation difference of TL 153.120.578, TL 98.287.102, and TL 7.119.803 totaling to TL 258.527.483 over the appraised fair values of the land and buildings, has been reflected in the financial statements.



## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Notes to the interim condensed consolidated financial statements as of September 30, 2022

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

### NOTE 3 – SEGMENT REPORTING

The Group’s competent authority of making decision reviews the results and activities based on geographical divisions in order to make decision on resources to be allocated to departments and evaluate the performance of these departments. The Parent Company operates in Turkey, whereas Razi, a subsidiary, operates in Iran.

The Company is engaged in carrying out the production and sales of chemical fertilizer within Turkey. Razi is engaged in carrying out the production and trading of chemical fertilizers and fertilizer raw materials. The Group continues its efforts to start mining activities through Gübretaş Maden.

Since the Group management evaluates the operational results and financial performance based on consolidated financial statements prepared in accordance with TFRS, TFRS consolidated financial statements are used to prepare segment reporting.

The distribution of segment assets and liabilities pertaining to the period ending September 30, 2022 and the year ending December 31, 2021 is as follows:

	Domestic Mining	Domestic Fertilizer	Foreign Fertilizer	Cons. Adjustments	Total
	September 30, 2022	September 30, 2022	September 30, 2022	September 30, 2022	September 30, 2022
<b>Assets</b>					
Current assets	26.827.201	6.304.342.229	5.281.699.416	(328.703.303)	11.284.165.543
Non-current assets	1.377.637.576	1.882.507.961	3.304.228.255	(310.951.963)	6.253.421.829
<b>Total assets</b>	<b>1.404.464.777</b>	<b>8.186.850.190</b>	<b>8.585.927.671</b>	<b>(639.655.266)</b>	<b>17.537.587.372</b>

<b>Liabilities</b>					
Short-term liabilities	1.385.464.590	5.997.659.349	2.478.966.479	(322.605.191)	9.539.485.227
Long-term liabilities	9.695.225	180.960.649	489.093.782	(1.219.622)	678.530.034
Equities	9.304.962	2.008.230.192	5.617.867.410	(315.830.453)	7.319.572.111
<b>Total Liabilities</b>	<b>1.404.464.777</b>	<b>8.186.850.190</b>	<b>8.585.927.671</b>	<b>(639.655.266)</b>	<b>17.537.587.372</b>

	Domestic Mining	Domestic Fertilizer	Foreign Fertilizer	Cons. Adjustments	Total
	December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2021
<b>Assets</b>					
Current assets	12.348.229	6.810.991.321	2.496.422.713	(60.032.022)	9.259.730.241
Non-current assets	240.005.989	1.749.386.779	2.137.229.112	(336.742.230)	3.789.879.650
<b>Total assets</b>	<b>252.354.218</b>	<b>8.560.378.100</b>	<b>4.633.651.825</b>	<b>(396.774.252)</b>	<b>13.049.609.891</b>
<b>Liabilities</b>					
Short-term liabilities	206.378.565	6.822.908.481	1.629.728.332	(60.032.022)	8.598.983.356
Long-term liabilities	4.086.492	88.511.942	329.769.722	--	422.368.156
Equities	41.889.161	1.648.957.677	2.674.153.771	(336.742.230)	4.028.258.379
<b>Total Liabilities</b>	<b>252.354.218</b>	<b>8.560.378.100</b>	<b>4.633.651.825</b>	<b>(396.774.252)</b>	<b>13.049.609.891</b>

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

## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Notes to the interim condensed consolidated financial statements as of September 30, 2022

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

### NOTE 3 – SEGMENT REPORTING (Cont'd)

The distribution of segment assets and liabilities pertaining to the period ending September 30, 2022 and the year ending December 31, 2021 is as follows:

	Domestic Mining	Domestic Fertilizer	Foreign Fertilizer	Consolidation Adjustments	Total
	January 1-September 30, 2022	January 1-September 30, 2022	January 1-September 30, 2022	January 1-September 30, 2022	January 1-September 30, 2022
Sales	--	15.571.177.816	5.022.883.604	(696.030.677)	19.898.030.743
Cost of sales	--	(13.541.153.312)	(3.412.493.403)	679.137.150	(16.274.509.565)
<b>Gross profit</b>	<b>--</b>	<b>2.030.024.504</b>	<b>1.610.390.201</b>	<b>(16.893.527)</b>	<b>3.623.521.178</b>
Marketing, selling and distribution expense	--	(441.531.033)	(70.719.018)	--	(512.250.051)
General and administrative expense	(36.516.740)	(82.925.475)	(252.633.939)	--	(372.076.154)
Other operating income / expense, net	4.442.900	(982.223.879)	(454.055.953)	10.795.416	(1.421.041.516)
<b>Operating profit / (loss)</b>	<b>(32.073.840)</b>	<b>523.344.117</b>	<b>832.981.291</b>	<b>(6.098.111)</b>	<b>1.318.153.457</b>
Income from investments, net	--	3.937.225	--	--	3.937.225
Profit from investments accounted by equity method	--	75.267.491	--	--	75.267.491
<b>Operation profit before financial income / (expense)</b>	<b>(32.073.840)</b>	<b>602.548.833</b>	<b>832.981.291</b>	<b>(6.098.111)</b>	<b>1.397.358.173</b>
Financial expense, net	(2.947.613)	(130.469.198)	264.875.052	--	131.458.241
<b>Profit / (loss) before tax</b>	<b>(35.021.453)</b>	<b>472.079.635</b>	<b>1.097.856.343</b>	<b>(6.098.111)</b>	<b>1.528.816.414</b>
Tax Profit / (loss)	2.030.678	(102.764.482)	(10.126.523)	1.219.622	(109.640.705)
<b>Profit / (loss) for the period</b>	<b>(32.990.775)</b>	<b>369.315.153</b>	<b>1.087.729.820</b>	<b>(4.878.489)</b>	<b>1.419.175.709</b>

	Domestic Mining	Domestic Fertilizer	Foreign Fertilizer	Consolidation Adjustments	Total
	January 1-September 30, 2021	January 1-September 30, 2021	January 1-September 30, 2021	January 1-September 30, 2021	January 1-September 30, 2021
Sales	--	4.966.462.306	1.493.252.809	(242.891.078)	6.216.824.037
Cost of sales	--	(4.008.886.719)	(1.132.510.837)	242.891.078	(4.898.506.478)
<b>Gross profit</b>	<b>--</b>	<b>957.575.587</b>	<b>360.741.972</b>	<b>--</b>	<b>1.318.317.559</b>
Marketing, selling and distribution expense	--	(236.412.355)	(15.015.815)	--	(251.428.170)
General and administrative expense	(12.777.848)	(63.061.928)	(86.318.211)	--	(162.157.987)
Other operating income / expense, net	(47.646)	(165.543.875)	(194.213.402)	--	(359.804.923)
<b>Operating profit</b>	<b>(12.825.494)</b>	<b>492.557.429</b>	<b>65.194.544</b>	<b>--</b>	<b>544.926.479</b>
Income from investments, net	--	6.304.658	500.700	--	6.805.358
Profit from investments accounted by equity method	--	1.865.097	--	--	1.865.097
<b>Operation profit before financial income / (expense)</b>	<b>(12.825.494)</b>	<b>500.727.184</b>	<b>65.695.244</b>	<b>--</b>	<b>553.596.934</b>
Financial expense, net	198.367	(83.565.152)	(88.224.868)	--	(171.591.653)
<b>Profit / (loss) before tax</b>	<b>(12.627.127)</b>	<b>417.162.032</b>	<b>(22.529.624)</b>	<b>--</b>	<b>382.005.281</b>
Tax Profit / (loss)	--	(79.473.576)	(12.852.440)	--	(92.326.016)
<b>Profit / (loss) for the period</b>	<b>(12.627.127)</b>	<b>337.688.456</b>	<b>(35.382.064)</b>	<b>--</b>	<b>289.679.265</b>

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### NOTE 3 – SEGMENT REPORTING (Cont’d)

Investment expenditures pertaining to segment assets for the periods ending September 30, 2022 and September 30, 2021 are as follows:

	January 1- September 31, 2022	January 1- September 31, 2021
Gübretaş Maden (Domestic Mining)	858.607.236	56.665.782
Gübretaş (Domestic Fertilizer)	138.440.597	25.321.775
Razi (Foreign Fertilizer)	48.851.776	30.793.215
<b>Total</b>	<b>1.045.899.609</b>	<b>112.780.772</b>

### Depreciation / Amortization:

Depreciation and amortization expenditures pertaining to segment assets for the periods ending September 30, 2022 and September 30, 2021 are as follows:

	January 1- September 31, 2022	January 1- September 31, 2021
Gübretaş Maden (Domestic Mining)	6.362.630	725.629
Gübretaş (Domestic Fertilizer)	46.599.461	36.492.363
Razi (Foreign Fertilizer)	343.593.507	84.276.458
<b>Total</b>	<b>396.555.598</b>	<b>121.494.450</b>

### NOTE 4 – CASH AND CASH EQUIVALENTS

	September 30, 2022	December, 31 2021
Cash on hands	2.571.911	935.227
Bank	2.035.712.799	1.176.256.732
- Demand deposits	1.008.062.327	153.216.859
- Time deposits	1.027.650.472	1.023.039.873
Repo	--	--
Other cash equivalents	972.465	2.528.625
<b>Total</b>	<b>2.039.257.175</b>	<b>1.179.720.584</b>
Blocked deposit	(10.638.955)	(8.229.047)
<b>Cash and cash equivalents at the statement of cash flow</b>	<b>2.028.618.220</b>	<b>1.171.491.537</b>

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**NOTE 4 – CASH AND CASH EQUIVALENTS (Cont’d)**

**4.1 Time deposits (TL)**

Interest rate (%)	Maturity	September 30, 2022
19,04	3 days	16.162.019
<b>Total</b>		<b>16.162.019</b>

Interest rate (%)	Maturity	December 31, 2021
15,00	3 gün	7.254.351
<b>Total</b>		<b>7.254.351</b>

**4.2 Time Deposits (Foreign Currency)**

Interest rate (%)	Maturity	Currency	September 30, 2022	
			Foreign currency amount	Amount in TL
3,03	3 days	USD	28.316.881	524.391.826
0,85	33 days	EUR	9.263.886	168.042.259
10-11	3 days	Milyon IRR	4.667.408	319.054.368
<b>Total</b>				<b>1.011.488.453</b>

Interest rate (%)	Maturity	Currency	December 31, 2021	
			Foreign currency amount	Amount in TL
1,30	3 days	USD	51.781.436	690.194.767
1,00	3 days	EUR	15.083.480	227.559.941
10 –11	3 days	Milyon IRR	1.854.057	98.030.814
<b>Total</b>				<b>1.015.785.522</b>

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### NOTE 5 – BORROWINGS

<b>Short-term and Long-term borrowings</b>	<b>September 30, 2022</b>	<b>December 31,2021</b>
Payable within 1 year	4.401.999.423	2.559.498.555
Payable within 1 – 5 years	51.793.718	8.354.465
<b>Total</b>	<b>4.453.793.141</b>	<b>2.567.853.020</b>

As of September 30, 2022 and December 31, 2021, details of short-term and long-term borrowings are as follows:

<b>Short-term borrowings</b>	<b>September 30, 2022</b>	<b>December 31,2021</b>
Short-term borrowings	4.383.897.386	2.549.567.447
Lease liabilities	18.096.979	7.533.393
Other short-term borrowings	5.058	2.397.715
<b>Total</b>	<b>4.401.999.423</b>	<b>2.559.498.555</b>

#### 5.1 Short-term borrowings and short-term portion of long-term borrowings:

The details of short-term borrowings and short-term parts of long-term borrowings as of September 30, 2022 and December 31, 2021 are as follows:

#### September 30, 2022

<b>Currency</b>	<b>Average effective annual interest rate (%)</b>	<b>Original amount</b>	<b>Amount in TL</b>
<b>Bank loans</b>			
EUR	6,52	9.169.427	166.628.661
USD	6,44	28.924.291	536.606.339
TL	17,65	3.643.067.505	3.643.067.505
<b>Other financial borrowings</b>			
Million IRR (*)	18	549.970	37.594.881
<b>Total</b>			<b>4.383.897.386</b>

#### December 31, 2021

<b>Currency</b>	<b>Average effective annual interest rate (%)</b>	<b>Original amount</b>	<b>Amount in TL</b>
<b>Bank loans</b>			
EUR	6,50	1.626.458	24.582.124
TL	18,07	2.363.142.703	2.363.142.703
<b>Other financial borrowings</b>			
Million IRR (*)	18,00	3.060.911	161.842.620
<b>Total</b>			<b>2.549.567.447</b>

(\*) The amounts included in the short-term and long-term other financial borrowings of Razi represent the financial payables to its previous owner before the privatization.

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### NOTE 5 – BORROWINGS (Cont’d)

#### 5.2 Financial lease liabilities

September 30, 2022

Currency	Average effective annual interest rate (%)	Original Amount	Amount in TL
TL	18,08	8.581.066	8.581.066
USD	6,40	512.929	9.515.913
<b>Total</b>			<b>18.096.979</b>

December 31, 2021

Currency	Average effective annual interest rate (%)	Original Amount	Amount in TL
TL	14	7.533.393	7.533.393
<b>Total</b>			<b>7.533.393</b>

#### 5.3 Long-term borrowings

	September 30, 2022	December 31, 2021
Long-term financial lease liabilities	46.793.718	8.354.465
Long-term borrowings (*)	5.000.000	--
<b>Total</b>	<b>51.793.718</b>	<b>8.354.465</b>

(\*) The maturity of long-term borrowings is October 2023, and the interest rate is 18%.

#### 5.4 Long-term lease liabilities

September 30, 2022

Currency	Average effective annual interest rate (%)	Original Amount	Amount in TL
TL	18,08	11.461.494	11.461.494
USD	6,40	1.904.487	35.332.224
<b>Total</b>			<b>46.793.718</b>

December 31 2021

Currency	Average effective annual interest rate (%)	Original Amount	Amount in TL
TL	14	8.354.465	8.354.465
<b>Total</b>			<b>8.354.465</b>

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## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

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### NOTE 6 – TRADE RECEIVABLES AND PAYABLES

#### 6.1 Short-term trade receivable

	September 30, 2022	December 31, 2021
Trade receivables	129.246.621	82.773.081
Notes receivable	3.800.000	--
Receivables from Subsidiaries of Ministry of Agriculture of Iran (Razi)		
- Urea price difference (*)	1.495.012.077	532.264.965
- Other	65.305.342	59.256.692
Provision for doubtful trade receivables	(12.274.595)	(14.673.089)
<b>Total</b>	<b>1.681.089.445</b>	<b>659.621.649</b>

(\*) As of September 30, 2022, Razi has receivables 1.495.012.077 TL (21.870 billion IRR) (December 31, 2021: 532.264.965 TL (10.067 billion IRR)) due from Agricultural Support Services affiliated to the Ministry of Agriculture of Iran and its union members. Razi recognized income for the difference between the minimum amount that has occurred in the commodity exchange in the last six months and urea sales price at requested price based on the enactment of government dated September 29, 2019, the decision of the Administrative Court General Assembly dated August 22, 2017 and numbered 505, and the approval of the Administrative Judicial Court Economic Affairs Deputy Judiciary Executive Branch and the 24th meeting of the market regulation working group. Negotiations are continuing for the collection of unsecured trade receivables, and no provision has been made for the relevant amounts since the trade with these companies is continuing.

The summary information on doubtful receivables and provisions for these receivables is as follows:

Time after maturity	September 30, 2022	December 31, 2021
More than 9 months	12.274.595	14.673.089
<b>Total</b>	<b>12.274.595</b>	<b>14.673.089</b>

The movements of the provision for doubtful trade receivables for the nine-month interim periods ending on 30 September 2022 and 2021 are as follows:

	September 30, 2022	December 31, 2021
<b>Balance at beginning of the period</b>	14.673.089	9.124.754
Reversal expenses	(2.398.494)	147.295
<b>Balance at end of the period</b>	<b>12.274.595</b>	<b>9.272.049</b>

As September 30, 2022 and December 31, 2021 guarantees obtained for receivables not due yet are as follows:

	September 30, 2022	December 31, 2021
Guarantee letters	311.277.753	111.558.883
Collateral cheques and notes	6.875.001	8.967.841
<b>Total</b>	<b>318.152.754</b>	<b>120.526.724</b>

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

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**NOTE 6 – TRADE RECEIVABLES AND PAYABLES (Cont’d)**

**6.2 Short-term trade payables**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Liabilities to the Iranian gas supplier	336.432.800	673.023.837
Creditors	2.461.140.393	3.959.952.257
Other trade payables	1.119.161.566	63.717.955
<b>Total</b>	<b>3.916.734.759</b>	<b>4.696.694.049</b>

**NOTE 7 – OTHER RECEIVABLES AND PAYABLES**

<b>7.1 Other short-term receivables:</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
VAT receivables - Turkey	106.769.290	81.593.928
Due from personnel	34.758.827	35.094.389
Receivables from Tabosan (*) (Note 12)	--	36.391.022
Receivables from other government agencies - Razi	228.155.405	58.197.738
Other various receivables	67.345.989	18.857.517
<b>Total</b>	<b>437.029.511</b>	<b>230.134.594</b>

(\*) The total receivables of the Group arising from principal payments made as co-guarantor and accrued interest receivable thereon amounted to TL 36.391.022 as of report date. The Group management requested from the Bankruptcy Administration to affect the transfer of Razi shares pertaining to Tabosan Mühendislik ve İmalat ve Montaj San. A.Ş. (“Tabosan”) at the rate of 1,31% corresponding to payments in the amount of EUR 5.439.402 made as co-guarantor. Since this request was not accepted by the Bankruptcy Administration, the Group applied to court whereby it was ruled by the court to issue an interim injunction on June 27, 2013 in order to avoid any savings on the shares and the distribution of 1,31% of Razi shares owned by Tabosan. The share transfer lawsuit brought to the court by the Group was dismissed and appealed by the Group. However, the court ruling was approved by the Supreme Court. The Group hence applied to the Supreme Court in order to seek a revision of the verdict. The lawsuit filed by the Group against the Bankruptcy Court to seek share transfer plea was rejected. Accordingly, the Group filed a lawsuit against the Bankruptcy Administration to seek approval of receivables. The Bankruptcy Administration ruled for the acceptance of the aforementioned lawsuit and the Court decided to accept the lawsuit regarding recording of receivables following this acceptance declaration on July 15, 2017. The Group collected the principle amounting to TL 12.395.509 on June 14, 2022, the interest amounting to TL 24.621.355 on 23 June 2022 and foreign exchange difference amounting to TL 1.571.576 on June 24, 2022 totaling to TL 38.588.440.

<b>7.2 Other long-term receivables</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Deposits and guarantees given	79.940	9.280.676
Due from personnel	1.757.961	1.535.302
Other long-term receivables	11.463.762	8.121.493
<b>Total</b>	<b>13.301.663</b>	<b>18.937.471</b>



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### NOTE 7 – OTHER RECEIVABLES AND PAYABLES (Cont’d)

	September 30, 2022	December 31, 2021
<b>7.3 Other Short-Term Payables to Unrelated Parties</b>		
Dividend payables to non-controlling interests	25.869.445	112.222.501
Taxes and funds payable	14.423.522	5.707.468
Deferred gas liabilities - Razi	73.403.296	15.959.443
Other payables and liabilities	184.954.605	58.899.839
<b>Total</b>	<b>298.650.868</b>	<b>192.789.251</b>

### NOTE 8 – INVENTORIES

	September 30, 2022	December 31, 2021
Raw materials and supplies	1.313.478.279	1.245.286.249
Finished goods	1.339.031.875	993.029.623
Trade goods	2.243.009.743	2.550.653.948
Other inventories	454.486.168	245.961.439
	<b>5.350.006.065</b>	<b>5.034.931.259</b>
Provision of impairment of inventories (-)	(106.804.481)	(16.609.409)
<b>Total</b>	<b>5.243.201.584</b>	<b>5.018.321.850</b>

### NOTE 9 - PROPERTY, PLANT AND EQUIPMENT

The details of depreciation and amortization expenses calculated by the Group as of September 30, 2022 and September 30, 2021 are given below.

	September 30, 2022			
	Gübretaş	Maden	Razi	Total
Depreciation expense	43.541.645	4.944.557	343.471.135	391.957.337
Amortization expense	3.057.816	1.418.073	122.372	4.598.261
<b>Total</b>	<b>46.599.461</b>	<b>6.362.630</b>	<b>343.593.507</b>	<b>396.555.598</b>

During the period ended 30 September 2022, out of depreciation and amortization expense amounting to TL 396.555.598; TL 372.925.476 is included in general production expenses, 3.117.138 TL in sales and marketing expenses, TL 20.512.984 in general administrative expenses.

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**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

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**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Cont’d)**

				<b>September 30, 2021</b>
	<b>Gübretaş</b>	<b>Maden</b>	<b>Razi</b>	<b>Total</b>
Depreciation expense	34.345.406	644.460	83.999.711	118.989.577
Amortization expense	2.146.957	81.169	276.747	2.504.873
<b>Total</b>	<b>36.492.363</b>	<b>725.629</b>	<b>84.276.458</b>	<b>121.494.450</b>

During the period ended 30 September 2022, out of depreciation and amortization expense amounting to TL 121.494.450; TL 111.642.883 is included in general production expenses, 2.869.320 TL in sales and marketing expenses, TL 6.982.247 in general administrative expenses.

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**NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Cont’d)**

	Lands	Land improvements	Buildings	Machinery, equipment and installations	Vehicles	Furniture and fixtures	Right of use assets	Special Costs	Construction in progress	Total
<b>Cost Value</b>										
Opening balance at January 1,2022	747.322.298	215.141.908	1.235.125.992	13.641.426.665	73.585.700	222.563.214	33.284.030	2.396.214	264.264.280	16.435.110.301
Foreign currency translation differences	72.983.425	--	239.141.640	3.930.195.095	21.031.261	56.779.490	--	--	54.290.689	4.374.421.600
Inflation difference	120.991.490	--	396.447.595	6.517.417.540	34.865.501	94.128.702	--	--	90.002.783	7.253.853.611
Additions	--	3.494.312	678.750	8.444.808	6.269.882	11.491.063	68.435.293	--	812.112.399	910.926.507
Sales / disposals	--	--	--	--	(1.071.681)	(9.056.761)	(33.284.030)	(269.973)	(234.241)	(43.916.686)
Transfer from construction in progress	--	1.617.169	446.216	38.039.549	--	6.002.747	--	--	(48.897.210)	(2.791.529)
<b>Closing balance on September 30,2022</b>	<b>941.297.213</b>	<b>220.253.389</b>	<b>1.871.840.193</b>	<b>24.135.523.657</b>	<b>134.680.663</b>	<b>381.908.455</b>	<b>68.435.293</b>	<b>2.126.241</b>	<b>1.171.538.700</b>	<b>28.927.603.804</b>
<b>Accumulated depreciation</b>										
Opening balance at January 1,2022	--	(87.858.323)	(769.768.971)	(12.220.926.145)	(64.266.125)	(193.228.006)	(16.231.378)	(1.104.288)	--	(13.353.383.236)
Foreign currency translation differences	--	--	(242.826.622)	(4.611.692.646)	(24.448.825)	(70.671.248)	--	--	--	(4.949.639.341)
Inflation difference	--	--	(256.168.359)	(4.874.201.641)	(25.708.256)	(73.582.058)	--	--	--	(5.229.660.314)
Period cost	--	(12.606.528)	(28.790.788)	(321.222.230)	(2.775.023)	(13.221.092)	(13.036.364)	(305.312)	--	(391.957.337)
Sales / disposals	--	--	--	--	161.965	86.744	10.536.081	--	--	10.784.790
<b>Closing balance on September 30,2022</b>	<b>--</b>	<b>(100.464.851)</b>	<b>(1.297.554.740)</b>	<b>(22.028.042.662)</b>	<b>(117.036.264)</b>	<b>(350.615.660)</b>	<b>(18.731.661)</b>	<b>(1.409.600)</b>	<b>--</b>	<b>(23.913.855.438)</b>
<b>Net book value on September 30,2022</b>	<b>941.297.213</b>	<b>119.788.538</b>	<b>574.285.453</b>	<b>2.107.480.995</b>	<b>17.644.399</b>	<b>31.292.795</b>	<b>49.703.632</b>	<b>716.641</b>	<b>1.171.538.700</b>	<b>5.013.748.366</b>

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### NOTE 9 - PROPERTY, PLANT AND EQUIPMENT (Cont’d)

	Lands	Land improvements	Buildings	Machinery, equipment and installations	Vehicles	Furniture and fixtures	Right of use assets	Special Costs	Construction in progress	Total
<b>Cost Value</b>										
Opening balance at January 1,2021	441.715.486	203.034.895	648.328.125	5.639.827.669	28.877.200	99.237.132	25.778.418	1.387.441	58.376.740	7.146.563.106
Foreign currency translation differences	32.961.982	--	108.005.097	1.773.919.826	8.868.664	25.160.507	--	--	12.254.977	1.961.171.053
Inflation difference	33.557.281	--	109.552.679	1.802.652.739	7.457.955	23.225.741	--	--	11.232.597	1.987.678.992
Additions	520.817	2.759.572	111.781	636.714	331.605	6.180.860	--	980.573	51.780.840	63.302.762
Sales / disposals	--	(6.353)	--	(9.533.553)	(1.006.349)	(1.498.405)	--	--	(23.341.605)	(35.386.265)
Transfer from construction in progress	--	--	--	600.840	2.050.151	1.625.616	--	--	(4.276.607)	--
<b>Closing balance on September 30,2021</b>	<b>508.755.566</b>	<b>205.788.114</b>	<b>865.997.682</b>	<b>9.208.104.235</b>	<b>46.579.226</b>	<b>153.931.451</b>	<b>25.778.418</b>	<b>2.368.014</b>	<b>106.026.942</b>	<b>11.123.329.648</b>
<b>Accumulated depreciation</b>										
Opening balance at January 1,2021	--	(70.935.633)	(374.984.509)	(4.898.171.392)	(25.817.253)	(80.899.764)	(9.151.060)	(698.205)	--	(5.460.657.816)
Foreign currency translation differences	--	--	(86.006.876)	(1.641.097.992)	(8.469.126)	(24.498.421)	--	--	--	(1.760.072.415)
Inflation difference	--	--	(73.950.103)	(1.541.687.793)	(5.694.724)	(16.561.315)	--	--	--	(1.637.893.935)
Period cost	--	(11.805.007)	(11.175.765)	(80.547.215)	(3.195.688)	(7.785.886)	(4.184.397)	(295.619)	--	(118.989.577)
Sales / disposals	--	424	--	1.600.865	1.006.341	1.432.509	--	--	--	4.040.139
<b>Closing balance on September 30,2021</b>	<b>--</b>	<b>(82.740.216)</b>	<b>(546.117.253)</b>	<b>(8.159.903.527)</b>	<b>(42.170.450)</b>	<b>(128.312.877)</b>	<b>(13.335.457)</b>	<b>(993.824)</b>	<b>--</b>	<b>(8.973.573.604)</b>
<b>Net book value on September 30,2021</b>	<b>508.755.566</b>	<b>123.047.898</b>	<b>319.880.429</b>	<b>1.048.200.708</b>	<b>4.408.776</b>	<b>25.618.573</b>	<b>12.442.961</b>	<b>1.374.190</b>	<b>106.026.942</b>	<b>2.149.756.044</b>

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

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

**NOTE 10 – INTANGIBLE ASSETS**

**10.1 Rights**

<b>September 30, 2022</b>	<b>Rights</b>	<b>Mine Research Expenses</b>	<b>Total</b>
<b>Cost</b>			
Opening balance at January 1	42.279.609	53.198.874	95.478.483
Inflation difference	4.706.659	--	4.706.659
Purchases	14.986.120	119.986.982	134.973.102
Sales / disposals	(4.710.716)	--	(4.710.716)
Transfer	2.791.529	--	2.791.529
Foreign currency translation differences	4.197.984	--	4.197.984
<b>Closing balance</b>	<b>64.251.185</b>	<b>173.185.856</b>	<b>237.437.041</b>
<b>Accumulated Amortization</b>			
Opening balance at January 1	(12.766.349)	--	(12.766.349)
Current period amortization expense	(4.598.261)	--	(4.598.261)
<b>Closing balance</b>	<b>(17.364.610)</b>	<b>--</b>	<b>(17.364.610)</b>
<b>Net Book Value</b>	<b>46.886.575</b>	<b>173.185.856</b>	<b>220.072.431</b>
<b>September 30, 2021</b>	<b>Rights</b>	<b>Mine Research Expenses</b>	<b>Total</b>
<b>Cost</b>			
Opening balance at January 1	27.319.638	--	27.319.638
Inflation difference	2.807.114	--	2.807.114
Purchases	4.958.363	44.519.647	49.478.010
Foreign currency translation differences	2.509.724	--	2.509.724
<b>Closing balance</b>	<b>37.594.839</b>	<b>44.519.647</b>	<b>82.114.486</b>
<b>Accumulated Amortization</b>			
Opening balance at January 1	(8.607.652)	--	(8.607.652)
Current period amortization expense	(2.504.873)	--	(2.504.873)
<b>Closing balance</b>	<b>(11.112.525)</b>	<b>--</b>	<b>(11.112.525)</b>
<b>Net Book Value</b>	<b>26.482.314</b>	<b>44.519.647</b>	<b>71.001.961</b>
<b>10.2 Goodwill</b>			
	<b>September 30, 2022</b>	<b>September 30, 2021</b>	
Opening balance at January 1	119.358.609	60.572.972	
Inflation difference	23.301.322	7.709.051	
Kavak Madencilik (Note 23)	15.138.021	--	
Foreign currency translation differences	26.845.922	16.367.671	
<b>Closing balance</b>	<b>184.643.874</b>	<b>84.649.694</b>	

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## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

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### NOTE 11 – COMMITMENTS

As of September 30, 2022, the Group has raw material and trade goods purchasing commitment planned to order and import amounting to USD 66.981.188 and EUR 682.200 (December 31, 2021: USD 250.602.406 and EUR 915.960).

### NOT 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

#### 12.1 Short-term provisions

	September 30, 2022	December 31, 2021
Provisions for cost expenses	346.060.332	141.359.517
Provisions for lawsuit (*)	49.984.932	38.339.617
Other short-term debt provisions	84.583.971	9.437.826
<b>Total</b>	<b>480.629.235</b>	<b>189.136.960</b>

(\*) There is a lawsuit filed against Razi in the local court in the amount of TL 6.111.171.000 (330 million USD), alleging excessive gas consumption. The Group Management has made a provision amounting to TL 42.655.351 (624 billion IRR) related to this issue in the previous periods.

A lawsuit has been filed against the Group by Denizciler Birliği Deniz Nakliyatı ve Ticaret Anonim Şirketi, for loss of profit of TL 785.193. The Group Management had not made a provision in the consolidated financial statements regarding this lawsuit, considering the legal opinion received.

The movement of provisions for lawsuits during the related periods is presented below:

	September 30, 2022	September 30, 2021
As of January 1,	38.339.617	25.287.069
Additional provision	11.645.315	2.657.152
<b>Closing Balance</b>	<b>49.984.932</b>	<b>27.944.221</b>

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## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Notes to the interim condensed consolidated financial statements as of September 30, 2022

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### NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont'd)

#### 12.2 Guarantees given

As of September 30, 2022, and December 31, 2021, the tables related to the Group's tables related to Collaterals/ pledges/ mortgages/bill of guarantees ("CPMB") position are as follows:

	September 30, 2022			December 31, 2021		
	Currency	Currency Amount	Amount in TL	Currency	Currency Amount	Amount in TL
CPMB given by the company						
A. CPMB's given for Company's own legal personality	TL	19.863.212	19.863.212	TL	37.939.409	37.939.409
	USD	1.450.000	26.852.115	USD	18.650.000	248.585.850
B. CPMB's given on behalf of fully consolidated companies	--	--	--	--	--	--
C. CPMB's given on behalf of third parties For ordinary of business	--	--	--	--	--	--
D. Total amount of other CPMB'S	--	--	--	--	--	--
i. Total amount of CPMB's given on behalf of the majority shareholder	--	--	--	--	--	--
ii. Total amount of CPMB's given on behalf of other Group companies which are not in scope of B and C	--	--	--	--	--	--
iii. Total amount of CPMB's given on behalf of third parties, which are not in scope C	--	--	--	--	--	--
<b>Total</b>			<b>46.715.327</b>			<b>286.525.259</b>

#### 12.3 Contingent liabilities

##### Iran Comprehensive Action Plan

The Comprehensive Joint Action Plan ("KOEP", "JCPOA") signed in July 2015 between Iran, permanent members of the United Nations Security Council, Germany and the European Union includes the abolition of economic sanctions imposed to Iran as a result of its nuclear activities by the US, the European Union and the United Nations Security Council and the suspension of some of the sanctions in exchange for restricting Iran's nuclear activities.

On May 8, 2018, the United States has stated that it had withdrawn from KOEP and stated that it would begin to re-apply sanctions that had previously been repealed or suspended.

The sanctions put into effect on November 4, 2018, Iran's oil, petroleum products and petrochemical products were subject to sanctions. None of the Group's companies is subject to sanction as of the date of these consolidated financial statements.

The consolidated financial statements include the Group management's assumptions about the effects of the current sanctions imposed on Iran on the operations and financial position of the subsidiary. The future economic situation of the Islamic Republic of Iran may differ from the Group Management's assumptions.

##### Competition Authority Investigation

It was declared that an investigation was launched to determine that if the manufacturer companies operating in the chemical fertilizer production and sales markets violate Article 4 of the Law on the Protection of Competition No. 4054 with the Investigation Notice received on August 27, 2021 in the annex of the letter dated August 26, 2021 sent by the Competition Authority. The information/documents requested from the Company within the scope of the investigation were submitted to the Authority. Within the scope of the investigation, the "First Written Defense" has already been submitted to the Authority, and the preparation process of the "Investigation Report" continues.

## **GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

**Notes to the interim condensed consolidated financial statements as of September 30, 2022**

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

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### **NOTE 12 – PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Cont’d)**

#### **12.3 Contingent liabilities (Cont’d)**

##### **Receivables from Tabosan**

During the purchasing process of Razi shares, the Group and other consortium members became joint and several guarantors for each other against the financed banks and the Iranian Privatization Administration. The bankruptcy of Tabosan Engineering Manufacturing and Assembly A.Ş. (“Tabosan”), one of the consortium members, was requested, Tabosan's request for bankruptcy postponement in 2011 was rejected by the court, and it was decided to bankrupt Tabosan and to transfer all transactions to the bankruptcy desk by establishing a bankruptcy office. The Group has requested a share transfer for some of the payments made on behalf of Tabosan, for which it is the guarantor, and has applied to the bankruptcy office for the remaining receivables.

The Group has filed a lawsuit for the transfer of 1,31% shares of Razi in Tabosan for the payments made on behalf of Tabosan. The court dismissed the case on April 28, 2014. Thereupon, Gübretaş applied to the Court to rectify the decision. However, this request was also rejected, and an application was made to register the receivable subject to this lawsuit as a credit to the bankruptcy desk, and a part of this amount was recorded in the bankruptcy desk.

The Group has applied to the bankruptcy administration for the registration of other receivables that it has not been subject to the share transfer case, but this request was rejected by the administration. This time, the Group filed a receivable acceptance lawsuit against the bankruptcy administration. The Bankruptcy Administration accepted the registration action filed by the Group and upon this acceptance statement, the Court decided to accept the registration acceptance lawsuit filed by the Group on 15 July 2017. The Group collected the principle amounting to TL 12.395.509 on June 14, 2022, the interest amounting to TL 24.621.355 on 23 June 2022 and foreign exchange difference amounting to TL 1.571.576 on June 24, 2022 totaling to TL 38.588.440.

##### **Coastal Line**

Iskenderun Fiscal Directorate (“Treasury”) brought a lawsuit in order to hypothecate on behalf of public and cancel land register of property owned by the Group having a surface area of 79.350 m<sup>2</sup> located in Hatay, Iskenderun, Sarıseki in accordance with the Regulation on Implementation of Coastal Law and its provisions since the Shore Edge Line passes through the aforementioned land. The net book value of the aforementioned property is TL 149.466.593 as of balance sheet date. The Group has appealed against the case in its legal period and requested to re-preparation of expert's report issued towards determining Shore Edge Line which constitutes a base for the aforementioned case. Additionally, the Group has brought a suit for the compensation of property right through considering that the case will result in favor of Treasury. In March of 2018, Iskenderun 3<sup>rd</sup> Civil Court partially accepted the case opened by the Property Directorate and decided to cancel the title deed registration of 78.674,76 m<sup>2</sup> of the immovable property of the Company located in Hatay, İskenderun and Sarıseki borders, the court ruled that the applicant had been denied the registration with the abandonment as a line and rejected the request concerning the surplus and rejected the case against the group. Within the legal period, the Group has applied for the appeal law, the group has accepted the appeal and the Gaziantep Regional Court of Justice has removed the decisions given by the Law Department of the 15th Law Department and the Group actions and returned the case to the local court for reconsideration. The Group Management has not recorded any provision in its accompanying consolidated financial statements since the legal procedures have not been finalized yet in the views of the legal advisors.



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## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

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### NOTE 13 – REVENUE AND COST OF SALES

13.1 Sales	January 1 – September 30, 2022	January 1 – September 30, 2021	July 1- September 30, 2022	July 1- September 30, 2021
Domestic sales	16.569.767.699	5.396.226.444	5.026.064.905	1.897.953.133
Foreign sales	3.531.591.070	864.420.517	1.529.918.293	469.506.215
Service sales	76.238.625	28.069.151	32.901.825	26.174.882
Sales returns (-)	(2.894.110)	(674.558)	(505.379)	(279.639)
Sales discounts (-)	(249.460.563)	(70.591.423)	(95.936.141)	(26.205.212)
Other discounts from sales (-)	(27.211.978)	(626.094)	(58.300)	(31.248)
<b>Total</b>	<b>19.898.030.743</b>	<b>6.216.824.037</b>	<b>6.492.385.203</b>	<b>2.367.118.131</b>

13.2 Cost of sales	January 1 – September 30, 2022	January 1 – September 30, 2021	July 1- September 30, 2022	July 1- September 30, 2021
<i>Cost of goods produced</i>	8.791.600.584	2.829.916.780	2.907.976.894	1.153.406.570
<i>Change in the finished goods</i>	(345.702.183)	(351.692.684)	875.491.482	(72.754.260)
<i>-Finished goods at the beginning of the period</i>	993.329.692	163.335.197	2.214.523.357	442.273.621
<i>-Finished goods at the end of the period</i>	(1.339.031.875)	(515.027.881)	(1.339.031.875)	(515.027.881)
<b><i>Cost of finished goods sold</i></b>	<b>8.445.898.401</b>	<b>2.478.224.096</b>	<b>3.783.468.376</b>	<b>1.080.652.310</b>
<i>-Trade goods at the beginning of the period</i>	2.861.233.661	782.814.591	1.886.123.584	383.049.665
<i>-Purchases</i>	7.162.925.963	3.421.500.266	1.890.021.353	2.288.775.507
<i>Trade goods at the end of the period</i>	(2.243.009.743)	(1.799.687.025)	(2.243.009.743)	(1.799.687.025)
<b><i>Cost of trade goods sold</i></b>	<b>7.781.149.881</b>	<b>2.404.627.832</b>	<b>1.533.135.194</b>	<b>872.138.147</b>
<i>Cost of other sales</i>	42.608.033	15.654.550	19.792.173	7.449.765
<i>Cost of services sold</i>	4.853.250	--	71.216	--
<b>Total</b>	<b>16.274.509.565</b>	<b>4.898.506.478</b>	<b>5.336.466.959</b>	<b>1.960.240.222</b>

### NOTE 14 - OTHER OPERATING INCOME AND EXPENSES

#### 14.1 Other operating income

	January 1 – September 30, 2022	January 1 – September 30, 2021	July 1- September 30, 2022	July 1- September 30, 2021
Foreign exchange income related to trade transactions	980.758.148	282.762.287	161.126.640	89.876.089
Interest income	3.089.959	4.119.586	1.753.893	918.359
Other revenues	55.930.406	32.850.132	3.880.369	10.746.881
<b>Total</b>	<b>1.039.778.513</b>	<b>319.732.005</b>	<b>166.760.902</b>	<b>101.541.329</b>

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## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

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### NOTE 14 - OTHER OPERATING INCOME AND EXPENSES (Cont'd)

#### 14.2 Other operating expense

	January 1 – September 30, 2022	January 1 – September 30, 2021	July 1- September 30, 2022	July 1- September 30, 2021
Foreign exchange expenses related to trade transaction	1.932.595.827	447.073.851	354.667.662	107.197.815
Provision expenses	78.717.040	3.123.747	70.322.177	(1.332.773)
Razi VAT Receivables	295.743.135	80.100.080	128.967.470	16.291.576
Previous year expenses - Razi (*)	54.989.018	--	1.964.014	--
Other expenses	98.775.009	149.239.250	(21.207.412)	93.831.835
<b>Total</b>	<b>2.460.820.029</b>	<b>679.536.928</b>	<b>534.713.911</b>	<b>215.988.453</b>

(\*) These are expenses related with the changes made in the natural gas rates reflected to the purchases made by Razi in previous years.

### NOTE 15 - EARNINGS PER SHARE

Earnings per share stated in the consolidated income statement are calculated by dividing the net income to the weighted average number of ordinary shares outstanding during the year. The weighted average of the shares and profit per share calculations are as follows:

	January 1 – September 30, 2022	January 1 – September 30, 2021	July 1- September 30, 2022	July 1- September 30, 2021
Net period (loss) on parent's shares)	865.718.362	307.765.841	358.764.658	49.939.027
Weighted average number of issued ordinary shares (1 kr each)	33.400.000.000	33.400.000.000	33.400.000.000	33.400.000.000
<b>Earnings per share (kr)</b>	<b>2,592</b>	<b>0,921</b>	<b>1,074</b>	<b>0,150</b>

The earnings and dividends paid per diluted and basic shares do not differ since the shareholders have equal rights on the shares and there is no preferred share.

### NOTE 16 - RELATED PARTIES TRANSACTIONS

#### 16.1 Balances due to / from related parties

	September 30, 2022	December 31, 2021
<b>Trade receivables</b>		
TKK	1.033.474.029	935.479.657
North Star Co.	--	312.697.879
Other related parties	406.778	602.337
<b>Total</b>	<b>1.033.880.807</b>	<b>1.248.779.873</b>

The average maturity in solid fertilizer sales to TKK is 15 days, other fertilizer sales' maturity is between 15 – 45 days.

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

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**NOTE 16 - RELATED PARTIES TRANSACTIONS (Cont'd)****16.1 Balances due to / from related parties (Cont'd)**

Trade payables	September 30, 2022	December 31, 2021
Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş.	--	3.710.961
TK Taşımacılık ve Lojistik A.Ş.	1.333.321	1.142.567
TK Holding A.Ş.	55.475	--
TK Teknoloji A.Ş.	2.369.165	--
Bereket Sigorta A.Ş.	1.716.996	2.257.964
Bereket Emeklilik ve Hayat A.Ş.	7.144	8.667
TKK	4.366	31.907
Tarım Kredi Birlik Tarım Ürünleri A.Ş.	2.332.129	24.540
Tarkim Bitki Koruma San. ve Tic. A.Ş.	1.722	850
<b>Total</b>	<b>7.820.318</b>	<b>7.177.456</b>

**16.2 Transactions with Related Parties**

Sales of goods and services	January 1 – September 30, 2022	January 1 – September 30, 2021	July 1- September 30, 2022	July 1- September 30, 2021
TKK	12.824.845.504	3.906.289.111	4.708.909.428	1.331.942.351
TK Teknoloji A.Ş.	8.905	--	8.905	--
Tarkim Bitki Koruma San. ve Tic. A.Ş.	3.136	53.663	--	--
Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş.	2.704	6.203	--	1.163
TK Holding A.Ş.	2.329.703	44.997	2.329.703	--
Bereket Sigorta A.Ş.	8.338.790	843.202	2.138.828	90.139
Bereket Katılım Hayat A.Ş.	--	3.695	--	3.695
Bereket Emeklilik ve Hayat A.Ş.	--	55	--	55
TK Taşımacılık ve Lojistik A.Ş.	2.150	20.870	--	17.792
Diğer	--	27.100.432	--	(2.088.189)
<b>Total</b>	<b>12.835.530.892</b>	<b>3.934.362.228</b>	<b>4.713.386.864</b>	<b>1.329.967.006</b>

Purchases of goods and services	January 1 – September 30, 2022	January 1 – September 30, 2021	July 1- September 30, 2022	July 1- September 30, 2021
TKK	153.124	1.544.666	64.375	428.723
Bereket Sigorta A.Ş.	23.549.690	9.093.069	4.497.814	1.710.338
TK Taşımacılık ve Lojistik A.Ş.	29.134.963	10.568.815	7.616.416	2.818.606
Tarnet Tarım Kredi Bilişim ve İletişim Hizmetleri A.Ş.	14.096.179	5.703.051	8.966.057	3.176.033
Tarım Kredi Birlik Tarım Ürünleri San. ve Tic. A.Ş.	2.119.044	231.109	1.958.458	213.573
Tarım Kredi Yem Sanayi ve Tic. A.Ş.	7.190	--	--	--
TK Holding A.Ş.	38.782	33.577	320	9.577
TK Tarım Kredi Pazarlama ve Marketçilik A.Ş.	543.748	27.637	31.056	2.440
Tarkim Bitki Koruma San. ve Tic. A.Ş.	9.816.124	1.668.667	5.868.269	1.668.667
Bereket Katılım Emeklilik ve Hayat A.Ş.	129.211	83.254	(9.448)	3.077
<b>Total</b>	<b>79.588.055</b>	<b>28.953.845</b>	<b>28.993.317</b>	<b>10.031.034</b>

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### NOTE 16 - RELATED PARTIES TRANSACTIONS (Cont’d)

#### 16.3 Remuneration of board of directions and executive management

The total benefits provided by the Group to its board of directors and executive management during the years ended September 30, 2022 and September 30, 2021 are as follows:

	September 30, 2022			September 30, 2021		
	Gübretaş	Maden	Razi	Gübretaş	Maden	Razi
Benefits provided to top management	7.335.422	2.868.303	8.737.251	3.705.532	1.410.155	5.932.194
<b>Total</b>	<b>7.335.422</b>	<b>2.868.303</b>	<b>8.737.251</b>	<b>3.705.532</b>	<b>1.410.155</b>	<b>5.932.194</b>

### NOTE 17 - FINANCIAL INSTRUMENTS

Short-term financial investments	Maturity	Int.rates (%)	September 30, 2022
Private sector bonds and bills	October 2022	15-18	338.738.172
Mutual funds	--	--	50.720.184
Currency protected deposit	November 2022	17	94.445.370
<b>Total</b>			<b>483.903.726</b>

Short-term financial investments	Maturity	Int.rates (%)	December 31, 2021
Private sector bonds and bills	Mart 2022	15-18	191.032.590
<b>Total</b>			<b>191.032.590</b>

Long-term financial investments	Maturity	Int.rates (%)	September 30, 2022
Public sector bonds and bills	2023	15-18	26.190.718
<b>Total</b>			<b>26.190.718</b>

Long-term financial investments	Maturity	Int.rates (%)	December 31, 2021
Public sector bonds and bills	2022	15	20.229.647
<b>Total</b>			<b>20.229.647</b>

Title	Subject of activities	September 30, 2022		December 31, 2021	
		% Share	Amount of participant	% Share	Amount of participant
Tarnet	Internet service provider etc.	15,78	2.537.515	15,78	2.537.515
Tareksav	Educational and cultural foundation	24,10	200.000	24,10	200.000
Rexim Dış Ticaret A.Ş.	Foreign trade	100,00	1.000.000	--	--
<b>Total</b>			<b>3.737.515</b>		<b>2.737.515</b>

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## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Notes to the interim condensed consolidated financial statements as of September 30, 2022

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### NOTE 18 - EMPLOYEE BENEFITS

#### Liabilities for employee benefits:

	September 30, 2022	December 31, 2021
Due to the personnel	90.840.590	73.344.765
Social security premiums payable	7.558.249	3.721.065
<b>Total</b>	<b>98.398.839</b>	<b>77.065.830</b>

#### Provision for Employee Benefits:

Short-term	September 30, 2022	December 31, 2021
Provision for vacation allowance and employee termination benefits	22.411.196	22.540.981
Provision for premium	46.749.751	8.939.941
Provision for early retirement salary (*)	3.958.650	19.949.590
<b>Total</b>	<b>73.119.597</b>	<b>51.430.512</b>

Long-term	September 30, 2022	December 31, 2021
Allowance for retirement pay (Gübretaş)	47.189.637	27.924.086
Allowance for retirement pay (Razi)	365.076.983	261.557.967
Provision for early retirement salary (*)	101.985.868	48.722.299
<b>Total</b>	<b>514.252.488</b>	<b>338.204.352</b>

(\*) During the privatization process of Razi, the right to early retirement has been granted to the employees and the obligation regarding this right has been recorded by Razi within the scope of TAS 19.

As of 30 September 2022, the severance pay liability of the Group has been calculated using the annual real discount rate of 4.09% (30 September 2021: 3.87%), which was determined by estimating an annual inflation rate of 15.00% and a discount rate of 19.50%. The Group's severance pay provision is calculated over TL 15,371.40 (30 September 2021: TL 8.285), effective from 30 September 2022, since the severance pay ceiling is determined every six months. Movements in the provision for severance pay during the year are as follows:

	January 1 – September 30, 2022	January 1 – September 30, 2021
<b>Provisions as of January 1</b>	<b>338.204.352</b>	<b>94.829.669</b>
Adjustments on opening balance	13.475.212	35.041.157
Service cost	208.839.878	147.286.623
Interest cost	27.532.394	17.504.024
Payment termination indemnity	(162.577.240)	(52.468.121)
Foreign currency translation differences	77.353.565	(15.092.747)
Actuarial gain/loss	11.424.327	1.155.457
<b>Provision as of September 30</b>	<b>514.252.488</b>	<b>228.256.062</b>

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### NOTE 19 - PREPAID EXPENSES AND DEFERRED INCOME

<b>Short-term prepaid expenses</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Order advances given for inventory purchase	124.354.058	506.885.154
Expenses for next month	99.100.162	84.059.041
<b>Total</b>	<b>223.454.220</b>	<b>590.944.195</b>
<b>Long-term prepaid expenses</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Order advances given for stock purchase	444.758.353	199.549.756
Other prepaid expenses	39.211.888	32.473.139
<b>Total</b>	<b>483.970.241</b>	<b>232.022.895</b>
<b>Short term deferred income</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Received advances	145.303.667	751.163.780
Other deferred income	--	1.629.349
<b>Total</b>	<b>145.303.667</b>	<b>752.793.129</b>

### NOTE 20 - EQUITY

#### Paid-in capital

The equity structure as of September 30, 2022 and December 31, 2021 is as follows:

	<b>%</b>	<b>September 30, 2022</b>	<b>%</b>	<b>December 31, 2021</b>
Türkiye Tarım Kredi Kooperatifleri Merkez Birliği	75,95	253.684.607	75,95	253.684.607
Other	24,05	80.315.393	24,05	80.315.393
<b>Total</b>	<b>100,00</b>	<b>334.000.000</b>	<b>100,00</b>	<b>334.000.000</b>

As of September 30, 2022, the capital of the Company consists of 33.400.000.000 shares and there are no privileged shares (December 31, 2021: 33.400.000.000 shares). The nominal value of the shares is 0,01 TL (2021: 0,01 TL).

#### Reserves on retained earnings

The legal reserves consist of first and second composition of legal reserves according to the Turkish Code of Commerce. The first composition of legal reserves is composed of 5% of the previous period's commercial profits until the date it reaches 20% of the paid capital. The second composition of legal reserves is allocated as 10% of the total cash dividend distributions following the first composition of legal reserves and dividends.

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**  
**Notes to the interim condensed consolidated financial statements as of September 30, 2022**  
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**NOTE 20 – EQUITY (Cont’d)**

The profit reserves were comprised of as follows as of September 30, 2022 and December 31, 2021:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Legal reserves	68.182.652	53.838.737
<b>Total</b>	<b>68.182.652</b>	<b>53.838.737</b>

Publicly traded companies make their dividend distributions in accordance with the CMB's Dividend Communiqué No. II-19.1, which came into effect as of February 1, 2014.

**NOTE 21 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

**Current and deferred income tax**

The tax expense for the year comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity. In such case, the tax is also recognized in shareholders' equity.

The current income tax charge is calculated in accordance with the tax laws enacted or substantively enacted at the balance sheet date in the countries where the subsidiaries and associates of the Group operate. Under the Turkish Tax Code, companies having head office or place of business in Turkey are subject to corporate tax.

In the Turkish tax system, financial losses can be deducted from the financial profits in the following five years, and it is not possible to deduct (retrospectively) from previous years' earnings. In addition, a temporary tax of 23% (it will be 20% for the year 2023 and after) is paid on the tax bases declared in the interim periods during the year to be deducted from the corporate tax in Turkey. As of September 30, 2022, and 2021, tax provision has been reserved within the framework of the applicable tax legislation.

The Group recognizes deferred tax assets and liabilities based upon temporary differences arising between their statements of financial position accounts prepared. Deferred tax is calculated using tax rates that are currently in effect as of the date of the statement of financial position.

Since the corporate tax rate has changed to 23% for 2022 corporate earnings, as of 30 September 2022, a tax rate of 23% has been used for temporary differences expected to be realized/closed within one year, and 20% for temporary differences expected to be realized/closed after one year in the calculation of deferred tax. Iran corporate tax is 25% (31 December 2021: 25%).

Deferred tax liabilities are recognized for all taxable temporary differences, where deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Provided that deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority, and it is legally eligible, they may be offset against one another.

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

Notes to the interim condensed consolidated financial statements as of September 30, 2022

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

**NOTE 21 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**  
(Cont’d)

**Tax assets and liabilities**

**Corporate tax**

The Company and its subsidiaries established in Turkey and other countries in the scope of consolidation, associates and joint ventures are subject to the tax legislation and practices in force in the countries they are operating.

The corporate tax rate in Turkey is 23% (it will be applied as 20% for the year 2023 and after). applied to earnings. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant year and is paid until the end of the relevant month.

Companies calculate temporary tax at the rate of 23% on their quarterly financial profits (23% for the taxation periods of 2022, and 20% for the year 2023 and after), and declare it until the 17th day of the second month following that period and pay it until the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If the amount of temporary tax paid remains despite the deduction, this amount can be refunded in cash or set off against any other financial debt to the government.

According to the Corporate Tax Law, financial losses shown on the declaration can be deducted from the corporate tax base of the period, provided that they do not exceed 5 years. Declarations and related accounting records can be examined by the tax office within five years.

Dividend payments made to resident companies in Turkey, to those who are not liable and exempt from corporate tax and income tax, and to real persons and non-resident legal entities in Turkey are subject to 15% income tax.

Dividend payments from companies residing in Turkey to joint stock companies residing in Turkey are not subject to income tax. In addition, if the profit is not distributed or added to the capital, income tax is not calculated.

Turkish tax legislation does not allow the parent company to file a tax return on the consolidated financial statements of its subsidiaries. For this reason, tax liabilities reflected in the consolidated financial statements of the Group have been calculated separately for all companies included in the scope of consolidation.

Tax provision included in the balance sheet pertaining to the periods ended September 30, 2022 and December 31, 2021 is as follows:

	<b>September 30, 2022</b>		
	<b>Gübretaş</b>	<b>Razi</b>	<b>Total</b>
Provision for current period corporate tax	(63.061.986)	(14.392.556)	(77.454.542)
Prepaid tax	73.874.327	17.062.745	90.937.072
Prior year’s corporate tax liabilities	--	(19.018.710)	(19.018.710)
Translation differences	--	(6.112.968)	(6.112.968)
<b>Total</b>	<b>10.812.341</b>	<b>(22.461.489)</b>	<b>(11.649.148)</b>

As of September 30, 2022, Gübretaş Maden Yatırımları A.Ş has no corporate tax (December 31, 2021: None).



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**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

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**NOTE 21 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

(Cont’d)

**Corporate tax (Cont’d)**

	<b>December 31, 2021</b>		
	<b>Gübretaş</b>	<b>Razi</b>	<b>Total</b>
Provision for current period corporate tax	(52.406.973)	(27.864.847)	(80.271.820)
Prepaid tax	17.503.387	247.453	17.750.840
Prior year’s corporate tax liabilities	--	(27.419.231)	(27.419.231)
Translation differences	--	17.595.456	17.595.456
<b>Total</b>	<b>(34.903.586)</b>	<b>(37.441.169)</b>	<b>(72.344.755)</b>

**Deferred tax assets and liabilities**

The Group recognizes deferred tax assets and liabilities on the basis of the temporary differences arising from the difference between consolidated financial statements that are prepared in accordance with TFRS, and the local financial statements prepared for tax purposes. In general, the differences result from the income and expense amounts included in the local financial statements to take place in different periods in the consolidated financial statements that are prepared in accordance with TFRS.

	<b>September 30, 2022</b>		<b>December 31, 2021</b>	
	<b>Temporary differences</b>	<b>Deferred tax, assets and liabilities</b>	<b>Temporary differences</b>	<b>Deferred tax, assets and liabilities</b>
Investment incentive	186.486.987	37.297.397	288.866.688	57.773.336
Adjustments for inventories	98.114.899	19.622.980	9.582.838	2.204.053
Trade receivables	4.752.664	950.533	4.187.698	863.515
Provisions for termination indemnity	70.142.330	14.028.466	38.155.285	7.937.993
Receivable re-discounts	6.484.875	1.296.975	5.649.134	1.299.301
Exchange rate valuation	8.517.759	1.703.552	74.034.313	17.027.892
Expense accruals	65.736.644	13.147.329	2.342.794	538.843
Derivative expense accrual	31.305.046	6.261.009	--	--
Other	11.926.808	2.385.362	1.918.432	441.239
<b>Deferred tax assets</b>	<b>483.468.012</b>	<b>96.693.603</b>	<b>424.737.182</b>	<b>88.086.172</b>
Tangible/intangible assets/investment properties	880.176.918	176.035.385	566.200.503	113.240.101
Income/expense accruals (net)	--	--	1.808.209	415.888
Derivative income accrual	--	--	39.424.793	9.067.702
Trade receivables	--	--	1.350.751	310.673
Rediscount income	2.504.055	500.811	2.129.693	489.829
Other receivables	--	--	2.669.232	613.923
Expense accruals	1.307.245	261.449	--	--
Other	115.393.684	11.568.477	202.679.237	20.267.924
<b>Deferred tax liabilities</b>	<b>999.381.902</b>	<b>188.366.122</b>	<b>816.262.418</b>	<b>144.406.040</b>
<b>Net deferred tax asset</b>		<b>(91.672.519)</b>		<b>(56.319.868)</b>
<b>Razi Co. deferred tax asset / (liability) (*)</b>		<b>(20.811.309)</b>		<b>(19.489.471)</b>
<b>Total deferred tax asset / (liability)</b>		<b>(112.483.828)</b>		<b>(75.809.339)</b>

(\*) The liability amounting to TL 20.811.309 is due to the deferred tax effect of Razi's real estate value increase classification (31 December 2021: TL 19.489.471).

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**NOTE 21 - INCOME TAXES (INCLUDING DEFERRED TAX ASSETS AND LIABILITIES)**

(Cont’d)

**Deferred tax assets and liabilities (Cont’d)**

Information related to deferred tax transaction table:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Opening balance on January 1	(75.809.339)	18.473.466
Impact of foreign currency translation of deferred tax of Razi	(6.807.493)	(10.656.190)
<b>Sub total</b>	<b>(82.616.832)</b>	<b>7.817.276</b>
Deferred tax income /(expense)	(32.186.163)	(58.202.465)
Tax revenue recognized in other comprehensive income	2.319.167	(25.424.150)
<b>Closing balance on September 30</b>	<b>(112.483.828)</b>	<b>(75.809.339)</b>
	<b>January 1 - September 30, 2022</b>	<b>January 1- December 31, 2021</b>
<b>Reconciliation of the tax provision:</b>		
Profit / (Loss) before tax	1.528.816.400	608.263.683
Tax rate	0,23	%25
<b>Calculated tax</b>	<b>(351.627.772)</b>	<b>(152.065.921)</b>
Tax effect of non-deductible expenses	(30.827.791)	(39.584.835)
Tax effect of exemptions	8.918.446	16.042.029
Razi deduction amount	216.059.633	--
Tax effect of investment incentive discount	49.801.945	31.516.266
Other differences	(1.965.166)	5.618.176
<b>Tax expense</b>	<b>(109.640.705)</b>	<b>(138.474.285)</b>

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### NOTE 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Currencies other than the current functional currencies according to the economies of the countries in which the Group operates are considered as foreign currencies.

Assets and liabilities denominated in foreign currency held by the Group in terms of original and Turkish Lira currency units as of September 30, 2022 are as follows:

		<b>September 30, 2022</b>	
	<b>Amount in TL (Functional currency)</b>	<b>USD</b>	<b>EUR</b>
1 Trade receivables	38.681.779	1.806.255	288.447
2 Monetary financial assets (including cash, bank accounts)	877.022.268	35.513.929	12.092.421
3 Other current assets	354.505.590	7.069.022	12.326.497
<b>4 Foreign currency assets (1+2+3)</b>	<b>1.270.209.637</b>	<b>44.389.206</b>	<b>24.707.365</b>
5 Trade payables	299.357.569	6.056.126	10.320.350
6 Financial borrowings	738.012.449	28.840.510	11.241.969
7 Other short-term liabilities, net	2.302.698.481	85.003.521	40.163.388
<b>8 Short term liabilities in foreign currency (5+6+7)</b>	<b>3.340.068.499</b>	<b>119.900.157</b>	<b>61.725.707</b>
9 Trade payables	--	--	--
10 Financial borrowings	--	--	--
<b>11 Long term liabilities in foreign currency (9+10)</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>12 Total liabilities in foreign currency (8+11)</b>	<b>3.340.068.499</b>	<b>119.900.157</b>	<b>61.725.707</b>
<b>13 Net foreign currency asset, liability position (4-12)</b>	<b>(2.069.858.862)</b>	<b>(75.510.951)</b>	<b>(37.018.342)</b>
<b>14 Monetary items net foreign currency asset / liability position (4-12)</b>	<b>(2.069.858.862)</b>	<b>(75.510.951)</b>	<b>(37.018.342)</b>
<b>15 Fair value of derivative instruments classified for hedging purposes</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>16 Amount of hedged portion of foreign currency liabilities</b>	<b>3.456.515.355</b>	<b>186.650.000</b>	<b>--</b>

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**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

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**NOT 22 - FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont’d)**

Assets and liabilities denominated in foreign currency held by the Group in terms of original and Turkish Lira currency units as of December 31, 2021 are as follows:

		<b>December 31, 2021</b>	
	<b>Amount in TL (Functional currency)</b>	<b>USD</b>	<b>EUR</b>
1 Trade receivables	620.222.174	42.447.821	3.608.156
2 Monetary financial assets (including cash, bank accounts)	929.067.776	51.978.521	15.659.227
3 Other current assets	401.884.867	29.652.265	440.774
<b>4 Foreign currency assets (1 + 2 + 3)</b>	<b>1.951.174.817</b>	<b>124.078.607</b>	<b>19.708.157</b>
5 Trade payables	3.761.683.119	281.728.782	432.181
6 Financial borrowings	161.842.620	--	10.727.503
7 Other short-term liabilities, net	849.908	63.109	579
<b>8 Short term liabilities in foreign currency (5 + 6 + 7)</b>	<b>3.924.375.647</b>	<b>281.791.891</b>	<b>11.160.263</b>
9 Trade payables	--	--	--
10 Financial borrowings	--	--	--
11 Long term liabilities in foreign currency (9 + 10)	--	--	--
<b>12 Total liabilities in foreign currency (8 + 11)</b>	<b>3.924.375.647</b>	<b>281.791.891</b>	<b>11.160.263</b>
<b>13 Net foreign currency asset, liability position (4-12)</b>	<b>(1.973.200.830)</b>	<b>(157.713.284)</b>	<b>8.547.894</b>
<b>14 Monetary items net foreign currency asset / liability position (4-12)</b>	<b>(1.973.200.830)</b>	<b>(157.713.284)</b>	<b>8.547.894</b>
15 Fair value of derivative instruments classified for hedging purposes	--	--	--
16 Amount of hedged portion of foreign currency liabilities	581.144.400	43.600.000	--

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

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**NOTE 22- FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Cont’d)**

As of September 30, 2022, and September 30, 2021, if related currencies had appreciated/depreciated by 10% against Turkish Lira with all other variables held constant, profit before tax and other comprehensive income (before tax) as a result of foreign exchange losses on the translation of foreign exchange position is as follows:

	<b>September 30, 2022</b>	
	<b>Profit/(loss)</b>	
	<b>Appreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>
<b>Change of USD by %10 against TL</b>		
1- Assets/liability denominated in USD – net	(139.836.465)	139.836.465
2- The part hedged for USD risk (-)	345.651.536	(345.651.536)
3- The impact of TL net profit for the period	205.815.071	(205.815.071)
<b>Change of EUR by %10 against TL</b>		
1- Assets/liability denominated in EUR - net	(67.149.421)	67.149.421
2- The part hedged for EUR risk (-)	--	--
3- The impact of TL net profit for the period	(67.149.421)	67.149.421
	<b>September 30, 2021</b>	
	<b>Profit/(loss)</b>	
	<b>Appreciation of foreign currency</b>	<b>Appreciation of foreign currency</b>
<b>Change of USD by %10 against TL</b>		
1- Assets/liability denominated in USD – net	(184.200.416)	184.200.416
2- The part hedged for USD risk (-)	3.094.050	(3.094.050)
3- The impact of TL net profit for the period	(181.106.366)	181.106.366
<b>Change of EUR by %10 against TL</b>		
1- Assets/liability denominated in EUR - net	43.364.786	(43.364.786)
2- The part hedged for EUR risk (-)	--	--
3- The impact of TL net profit for the period	43.364.786	(43.364.786)

**GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ**

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**NOTE 23 – BUSINESS COMBINATIONS**

Gübretaş Maden acquired 80% of Kavak Madencilik A.Ş. from Teck Anadolu Madencilik A.Ş. for USD 1.800.000 and 2% royalty payment based on the agreement signed on January 3, 2022., which is the owner of the license field number 200709861 located within the borders of Bilecik province, in order to expand the exploration and development activities around the Söğüt Gold Mine and to identify possible new mineral resources. USD 900.000 of the relevant fee has been paid on the date of the agreement, and the remaining amount has not been paid yet as of the report date. The transfer of the related shares was completed on May 23, 2022. Main activity of Kavak Maden is about mining and it is similar to Gübretaş Maden. The Group has accounted the difference between the acquisition amount and the net assets acquired in accordance with TFRS 3 “Business Combinations”.

Information on the relevant acquisition amount and net assets acquired are as follows:

	<b>September 30, 2022</b>
Acquisition amount	28.664.820
Net assets acquired	(13.526.799)
<b>Goodwill</b>	<b>15.138.021</b>
Cash and cash equivalent	24.702
Other current assets	2.310.366
Property, plant and equipment	13.069.277
Trade payables	(12.373)
Other liabilities	(1.865.173)
<b>Goodwill</b>	<b>13.526.799</b>

**NOTE 24 – DEERIVATIVE FINANCIAL INSTRUMENTS**

The Group uses derivative financial instruments to protect against foreign currency risk and classifies them as financial instruments at fair value through profit or loss. Derivative instruments are first recorded at acquisition cost reflecting their fair value on the contract date and are valued at fair value in the periods following their registration. If a financial instrument is acquired to be sold or bought back at a later date, it is classified in this group. Derivative instruments are recognized as assets if fair value is positive, and liabilities if negative.

The derivative instruments of the Group, whose fair value differences are reflected in profit / loss, comprise foreign currency forward contracts. The Group does not have any derivative transactions within the scope of hedge accounting. For this reason, following the initial recording of derivative financial instruments, they were measured with their fair values and reflected to profit or loss as soon as changes in their fair values took place.

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

## GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Notes to the interim condensed consolidated financial statements as of September 30, 2022

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

### NOTE 24 – DEERIVATIVE FINANCIAL INSTRUMENTS (Cont’d)

As of September 30, 2022 and December 31, 2021, the details of derivative instruments are as follows:

#### September 30, 2022

Forward agreements	Average Maturity	Nominal value (USD)	Fair value (TL)
USD buying	21 days	186.650.000	(31.305.046)
<b>Total</b>		<b>186.650.000</b>	<b>(31.305.046)</b>

#### December 31, 2021

Forward agreements	Average Maturity	Nominal value (USD)	Fair value (TL)
USD buying	30 days	43.600.000	39.424.793
<b>Total</b>		<b>43.600.000</b>	<b>39.424.793</b>

### NOTE 25 – SUBSEQUENT EVENTS

According to the Material Event Disclosure dated November 4, 2022, it was decided that the Group will issue lease certificate up to TL 2.000.000.000 without public offering, directly selling to dedicated buyers or qualified investors at once or with more than one transaction. It was decided to apply to CMB and other authorities to obtain the necessary permits in this regard.

According to the Capital Markets Board Decision No. 63/1564 dated October 27, 2022, the application of the Group was approved to issue a debt instrument up to TL 3.000.000.000 to be sold without public offering directly to dedicated buyers and/or qualified investors

On February 17, 2021, publicly announced investment decision regarding the modernization and capacity increase of the existing NPK facility in İskenderun was revised as of October 14, 2022 and it was decided to add a new liquid and powder fertilizer production facility to İskenderun Sarıseki Facilities.