

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

GÜBRE FABRİKALARI TÜRK ANONİM ŞİRKETİ

Consolidated statement of cash flows for the period ended June 30, 2023

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

| | | Current Period Reviewed January 1, – June 30, 2023 | Prior Period Reviewed January 1, – June 30, 2022 |
|---|--------------|---|---|
| | Notes | | |
| Cash flows from operating activities | | | |
| Period income | | (532.729.517) | 815.804.909 |
| Adjustments to reconcile net profit for the period | | | |
| Adjustments related to depreciation and amortization expense | 9-10 | 335.784.505 | 198.649.452 |
| Adjustments related to gain from investments accounted by equity method | | (46.965.998) | (86.582.750) |
| Adjustments related to provisions for employee benefits | 18 | 203.201.289 | 128.147.398 |
| Adjustments related to interest expense | | 262.963.546 | 270.752.538 |
| Adjustments related to impairment of inventories | 8 | 73.748.542 | 96.022.261 |
| Adjustments related to impairment of receivables | 6 | (2.157.810) | (457.454) |
| Deferred financial (income) / expense | | 11.862.418 | (7.659.339) |
| Adjustments related to lawsuit provisions | 12 | 3.875.876 | 8.044.102 |
| Adjustments related to current year tax expense | 21 | (450.161.447) | 54.197.466 |
| Adjustments related to losses on sale of property, plant and equipments | | (1.264.495) | (1.233.176) |
| Adjustments related to fair value gains on derivative financial instruments | 24 | 8.169.200 | 227.458.958 |
| Adjustments related to fair value losses (gains) on investment properties | | -- | 174.458 |
| Cash flows from the operating activities before changes in the assets and liabilities | | (133.673.891) | 1.703.318.823 |
| Change in working capital (net): | | | |
| Adjustments related to increase in trade receivables | | (1.634.702.178) | (113.102.503) |
| Adjustments related to increase in other receivables | | (726.203.434) | (100.305.855) |
| Adjustments related to decrease in inventories | | 3.699.078.264 | (1.366.804.202) |
| Adjustments related to increase in trade payables | | (2.555.922.910) | 151.335.790 |
| Increase / (decrease) in employee benefit obligations | | (5.633.620) | 39.395.499 |
| Increase / (decrease) in deferred income | | 139.986.377 | (597.503.552) |
| Increase / (decrease) in prepaid expenses | | (446.911.970) | (885.611.631) |
| Increase / (decrease) in other payables | | 65.173.921 | 117.324.244 |
| Adjustments related to other decrease in working capital | | 331.012.024 | 281.551.523 |
| Cash flows from the operations after the changes in working capital | | (1.267.797.417) | (770.401.864) |
| Interest paid | | (536.500.346) | (187.884.943) |
| Taxes refunds/ (payments) | 21 | (91.996.607) | (88.571.868) |
| Payments related to provision for employee benefits | 18 | (144.568.527) | (107.935.473) |
| Cash flow regarding investment activities | | (2.040.862.897) | (1.154.794.148) |
| Cash flows from investment activities | | | |
| Cash outflows from the purchases of property, plant and equipment and intangible assets | 9-10 | (609.820.777) | (558.302.606) |
| Cash inflows from the purchases of property, plant and equipment and intangible assets | 9-10 | 11.190.946 | 24.641.001 |
| Other cash inflows / (outflows) | | (511.400.553) | (144.722.758) |
| Cash flows from investment activities | | (1.110.030.384) | (678.384.363) |
| Cash flows from financing activities | | | |
| Cash inflows from financial borrowings | | 8.961.514.355 | 6.033.122.500 |
| Cash outflows from financial borrowings payments | | (5.861.672.049) | (4.165.231.625) |
| Other cash inflows / (outflows) | | -- | 543.784 |
| Cash flows from financing activities | | 3.099.842.306 | 1.868.434.659 |
| Net change in cash and cash equivalents before effect of foreign currency translation difference | | (51.050.975) | 35.256.148 |
| Cash and cash equivalents as of January 1 | | 1.083.379.197 | 1.171.491.537 |
| Foreign currency translation difference | | 313.112.869 | 548.079.744 |
| Cash and cash equivalents as of June 30 | | 1.345.441.091 | 1.754.827.429 |

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