



**2022 1<sup>st</sup> Half**  
**OPERATING REVIEW**  
**REPORT**

**GÜBRE FABRİKALARI TÜRK A. Ş.**  
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## I. INTRODUCTION

### A. REPORTING PERIOD

01.01.2022 - 30.06.2022

### B. COMMERCIAL TITLE

Gübre Fabrikaları Türk Anonim Şirketi ("Gübretaş" or "the Company")

### C. TRADE REGISTER NUMBER

The Company is registered to the İstanbul Trade Registry with the registry number 47535.

### D. CONTACT INFORMATION

#### HEAD OFFICE

The address of headquarters, which is registered to the trade registry, is "İstanbul Kadıköy Bora Sk. Nida Kule Göztepe İşm. No.1 K.12-30-31".

The telephone, fax, e-mail and web address of Gübretaş are as below:

Tel: +90 (216) 468 50 50

Fax: +90 (216) 407 10 11

E-mail Address: [gubretas@gubretas.com.tr](mailto:gubretas@gubretas.com.tr)

Web Address: [www.gubretas.com.tr](http://www.gubretas.com.tr)

The contact information of production facilities and regional offices is listed below;

#### YARIMCA FACILITIES

Address: Atalar Mahallesi Hayat Sokak No: 30 41740 Körfez / KOCAELİ

Phone : +90 (262) 528 46 40

Fax : +90 (262) 528 21 31

#### İZMİR FACILITIES

Address: Fatih Mah. Atatürk Cad.No: 28 Aliğa / İZMİR

Phone : +90 (232) 627 91 59

Fax : +90 (232) 627 91 59

**FOÇA FACILITIES**

Address: Baęarası Ky Hacıveli Mh. Foça-İzmir Karayolu No: 401 Foça / İZMİR

Phone: +90 (232) 822 81 48

**İSKENDERUN FACILITIES**

Address: Sariseki Mah. 12 Eylül Caddesi E-5 Karayolu Altı No: 1 İskenderun / HATAY

Phone : +90 (326) 656 22 88

Fax : +90 (326) 656 22 80

**INNER ANATOLIA REGIONAL OFFICE**

Address: Emek Mah. Kazakistan Cad. (4. Cadde) No: 139 Çankaya / ANKARA

Phone : +90 (312) 212 75 75

Fax : +90 (312) 231 92 99

**WEST MEDITERRENEAN REGIONAL OFFICE**

Address: Kızıltoprak Mah. Aspendos Bulvarı, Çam Plaza, No:19 Daire:3 Muratpaşa/ANTALYA

Phone : +90 (242) 311 43 73 - 83

Fax : +90 (242) 311 43 93

**SOUTHEAST ANATOLIA REGIONAL OFFICE**

Address: Kayapınar Mah. Urfa Yolu 3. Km DİYARBAKIR

Phone : +90 (412) 251 12 46 / +90 (412) 251 15 46

Fax : +90 (412) 251 18 55

**EAST MEDITERRENEAN REGIONAL OFFICE**

Address: Sariseki Mah. Atatrk Cad. No: 6 Sariseki İskenderun/HATAY

Phone : +90 (326) 626 14 42 - 44 - 49

Fax : +90 (326) 626 14 50

**AEGEAN REGIONAL OFFICE**

Address: Kırlar Mevkii Fatih Mah. Atatrk Cad. Helvacı - Alięa / İZMİR

Phone : +90 (232) 627 91 59

Fax : +90 (232) 627 91 60

**BLACK SEA REGIONAL OFFICE**

Address: Kamalı Mah. 4043 Sok. No.1/A Atakum / SAMSUN

Phone : +90 (362) 266 40 10

Fax : +90 (362) 266 68 25

**GAP REGIONAL OFFICE**

Address: Ulubağ Mh. Recep Tayyip Erdoğan Blv. Tarım Kredi St. No.305/5 Haliliye/  
ŞANLIURFA

Phone : +90 (414) 341 08 08

Fax : +90 (414) 381 08 10

**MARMARA REGIONAL OFFICE**

Address: Hürriyet Mah. Dekanlar Sk. No: 2 Yaşam Plaza Kat:1 D:2 Süleymanpaşa/TEKİRDAĞ

Phone : +90 (282) 262 76 50 / +90 (282) 262 47 94

Fax : +90 (282) 262 98 51

**E. ORGANIZATIONAL STRUCTURE**

The Company's organizational structure consists of a Board of Directors, a General Manager directly linked to the BoD and two Assistant Managers directly linked to the General Manager

**F. CAPITAL STRUCTURE**

As of 30.06.2022, authorized share capital of the company is 1.000.000.000 ₺ and paid-in share capital is 334.000.000 ₺. There has not been any change in terms of share capital and shareholder's structure of Gübretas within the reporting period.

There is no preferred shares issued by the Company and the Company does not own any shares that it has acquired.

"Capital loss" or "Indebtedness" situations, which are defined in 376<sup>th</sup> article of TCC, has not been observed.

**Table 1 : CAPITAL STRUCTURE**

| Shareholders  | Share Amount -₺    | Share %       |
|---|--------------------|---------------|
| Central Union of Turkish Agricultural Credit Cooperatives | 253.684.606        | 75,95         |
| Other   | 80.315.393         | 24,05         |
| <b>Total</b>  | <b>334.000.000</b> | <b>100,00</b> |

## G. VOTING RIGHTS AND MINORITY RIGHTS

At Gübretas, practices that make it difficult to exercise the right to vote are avoided, and all shareholders are provided with the opportunity to vote equally, easily and appropriately. The Company does not have privileged voting rights as it does not have any preferred shares.

According to the Company's Articles of Association, minority rights can be exercised by "shareholders who own at least 5% of the company's capital," as stipulated in Article 411 of the TCC for publicly traded companies. Minority shareholders are not represented in the management.

## H. BOARD OF DIRECTORS

| Title              | Name            | Date of Election |
|--------------------|-----------------|------------------|
| Chairman           | Hüseyin AYDIN   | 22.04.2022       |
| Vice Chairman      | Yasin AYZ       | 03.08.2022       |
| Executive Member   | Aytaç ONKUN     | 10.06.2022       |
| Independent Member | Mustafa HAMARAT | 25.05.2022       |
| Independent Member | Hasan DURSUN    | 19.08.2022       |

The Members who left the office during or after the reporting period;

| Title              | Name                   | Date of Election | Date of Leaving |
|--------------------|------------------------|------------------|-----------------|
| Chairman           | Fahrettin POYRAZ       | 19.12.2017       | 03.02.2022      |
| Independent Member | Vahit KİRİŞÇİ          | 25.06.2020       | 04.03.2022      |
| Executive Member   | İbrahim YUMAKLI        | 28.10.2016       | 11.04.2022      |
| Chairman           | Temel Tayyar YEŞİL     | 08.04.2022       | 22.04.2022      |
| Independent Member | Murat YAŞA             | 11.05.2017       | 25.05.2022      |
| Independent Member | Prof. Dr. Mehmet BULUT | 30.03.2018       | 25.05.2022      |
| Member             | Mehmet Okan ATEŞ       | 02.05.2019       | 25.05.2022      |
| Member             | Selahattin KÜLCÜ       | 22.03.2019       | 25.05.2022      |
| Member             | Zeynep Müjde SAKAR     | 08.04.2021       | 25.05.2022      |
| Independent Member | Adnan GÜN              | 25.05.2022       | 03.08.2022      |
| Vice Chairman      | Ahmet BAĞCI            | 03.05.2018       | 03.08.2022      |

The members of Board of Directors have the rights, which are described in the Articles of Association and Turkish Commercial Code. In the footnote 16 of interim consolidated

financial statements, information about the benefits provided to the Board of Directors and top management is disclosed.

#### **İ. VOTING RIGHTS AND MINORITY RIGHTS**

In our company, practices that obstruct exercise of voting rights are avoided, and equal, easy and applicable voting opportunities are made possible to all shareholders. There are no privileged rights on voting because there is no preferred stock issued.

As per articles of association, minority rights can be exercised by shareholders having at least 5% of issued company capital as foreseen for listed companies within 411<sup>th</sup> article of Turkish Commercial Code. Minority shareholders are not represented in management.

#### **J. TOP MANAGEMENT**

| <b>Title</b>                              | <b>Name</b>         | <b>Date of Appointment</b> |
|---|---------------------|----------------------------|
| General Manager (D)                       | Aytaç ONKUN         | 10.06.2022                 |
| Assistant GM - Supply Chain& Facilities   | Mesud ŞENKARDEŞLER  | 30.09.2016                 |
| Assistant GM – Finance, Sales & Marketing | Muhammed Raşid ÜNAL | 15.06.2020                 |

The Executives who left the office during or after the reporting period;

| <b>Title</b>                            | <b>Name</b>        | <b>Date of Appointment</b> | <b>Date of Leaving</b> |
|---|--------------------|----------------------------|------------------------|
| General Manager                         | İbrahim YUMAKLI    | 28.10.2016                 | 11.04.2022             |
| General Manager (D)                     | Mehmet YENER       | 11.04.2022                 | 10.06.2022             |
| Assistant GM - Facility and Investments | Mahmut KARAMAN     | 04.02.2015                 | 13.08.2022             |
| Assistant GM - Finance                  | Hüseyin BAĞRIYANIK | 04.08.2021                 | 13.08.2022             |

## K. EMPLOYEE INFORMATION

### Number of Personnel

As of 30.06.2022, the number of personnel increased by 4% to 595 people compared to the same period of previous year.

**Table 2 : EMPLOYEE STATUS**

| EMPLOYEE                       | 30.06.2022 | 31.12.2021 | 30.06.2021 |
|--------------------------------|------------|------------|------------|
| Headquarters                   | 115        | 106        | 108        |
| Yarımca Facilities             | 345        | 342        | 332        |
| Other Facilities and Reg. Off. | 135        | 134        | 134        |
| <b>TOTAL</b>                   | <b>595</b> | <b>582</b> | <b>574</b> |

### Training Activities

Training activities are aimed at developing managerial, personal and professional skills of the staff. Education activities of 1.900 hours were carried out with the participation of 535 personnel in the first half of 2022.

## L. 2022 1<sup>ST</sup> HALF REVIEW

The war between Russia and Ukraine, which are among the world's largest fertilizer and grain exporters, has made the world agriculture and fertilizer markets more fragile. In addition to this development, the increase in the Covid-19 epidemic caused historical levels to be seen in raw material and product prices.

In this context, fertilizer prices were up in the 2nd quarter of 2022, compared to the same period of the previous year. The price increases has seen as following; Urea Gr. and 100% in DAP, 105% in ammonia and 61% in phosphoric acid.

While countries' protectionist policies in this period led to deterioration in the food supply chain; with the rise in energy, fuel and freight prices, serious increases were observed in country inflation.

In Turkey, which is among the countries that are highly dependent on foreign countries in terms of raw materials and commodity products in the fertilizer sector, companies with increasing production costs can restrict their production in order not to sell at a loss. In



addition to this situation, the high foreign commodity prices also reduce the desire of companies to import.

While these developments increased the risk of product availability and led to deterioration in the supply-demand balance, significant increases were experienced in fertilizer prices with the increase in exchange rates.

## II. THE COMPANY'S ACTIVITIES

### A. PRODUCTION

Gübretaş produced a total of 354.932 tons fertilizers consist of 316.560 of solid fertilizers and 38.372 tons of liquid and powder fertilizers in the first half of 2022.

Solid fertilizer production decreased by 20% while liquid-powder production increased by 9% in the first half of 2022 compared to the same period of 2021. Total fertilizer production including solid, liquid and powder decreased by 18%.

Capacity utilization rate was 65% in the first half of 2022.

**Table 2: PRODUCTION BY GROUP -TON**

| Production                 | 2022/6         | 2021/6         | Change       |
|----------------------------|----------------|----------------|--------------|
| Solid Fertilizer           | 316.560        | 394.725        | (20%)        |
| Liquid - Powder Fertilizer | 38.372         | 35.285         | 9%           |
| <b>TOTAL</b>               | <b>354.932</b> | <b>430.010</b> | <b>(18%)</b> |
| <b>CUR</b>                 | <b>%65</b>     | <b>%75</b>     |              |

### B. SALES AND PURCHASES

The Company sold a total of 1.086.359 tons fertilizers consist of 1.015.334 solid and 1.015.334 tons of liquid and powder fertilizers in the first half of 2022.

The solid fertilizer sales decreased by 17% and the liquid fertilizer sales increased by 28%, the total fertilizer sales decreased by 15% in the first half of 2022, compared to same period of the previous year.

The volume of purchases decreased by 24% to 839.137 tons the first half of 2022 compared to same period of the previous year.

**Table 3: PROCUREMENT AND SALES-TON**

| <b>Solid Chemical Fertilizer</b> | <b>2022/6</b>  | <b>2021/6</b>    | <b>Change</b> |
|----------------------------------|----------------|------------------|---------------|
| Raw Material                     | 305.937        | 332.097          | (8%)          |
| Commodity                        | 533.200        | 769.640          | (31%)         |
| <b>Total Purchases</b>           | <b>839.137</b> | <b>1.101.737</b> | <b>(24%)</b>  |

**Table 4: SALES BY PRODUCT GROUPS-TON**

| <b>Solid Chemical Fertilizer</b>        | <b>2021/6</b>    | <b>2020/6</b>    | <b>Change</b> |
|---|------------------|------------------|---------------|
| Compound                                | 307.801          | 373.561          | (18%)         |
| Nitrogen-based                          | 673.554          | 778.265          | (14%)         |
| Phosphate-based and others              | 33.979           | 66.084           | (49%)         |
| <b>Total Solid Fertilizer</b>           | <b>1.015.334</b> | <b>1.217.910</b> | <b>(17%)</b>  |
| <b>Total Liquid - Powder Fertilizer</b> | 71.025           | 55.672           | 28%           |
| <b>Grand Total</b>                      | <b>1.086.359</b> | <b>1.273.582</b> | <b>(15%)</b>  |

### C. INVESTMENTS

In Turkey operations, the Company incurred 124.758.488 ₺ of capital expenditure in the first half of 2022, while this figure was 12.485.086 ₺ in the same period of 2021.

The Company's investment activities continue within the scope of the following studies.

- The ongoing acid tanks investment in Yarımca facilities is planned to be completed in 2022.
- Iskenderun Depo and Samsun Ware rooftop photovoltaic electric power generation facility investment is planned to be completed in 2022.
- The new sack storage investment in Samsun Kamalı storage facility has been completed.

### III. AFFILIATES AND SUBSIDIARIES

Detailed information about affiliates and subsidiaries are given in the Note 1 of interim consolidated financial statements of 30 June 2022.

### IV. RAZI PETROCHEMICAL CO.'S ACTIVITIES

#### A. PRODUCTION

In the first half of 2022, 695.109 tons of fertilizer and fertilizer raw materials were produced in Razi Petrochemical Co. ("Razi"). The capacity utilization rate was 63%

**Table 5: RAZI PRODUCTION-TON**

| PRODUCT         | 2022/6         | 2021/6         | Change       | Capacity         | 2022/6 CUR |
|-----------------|----------------|----------------|--------------|------------------|------------|
| Ammonia         | 236.617        | 334.673        | (29%)        | 997.684          | %47        |
| Urea            | 193.076        | 203.256        | (5%)         | 452.502          | %85        |
| Sulphuric Acid  | 100.329        | 79.355         | 26%          | 261.580          | %77        |
| Sulphur         | 82.530         | 106.866        | (23%)        | 396.675          | %42        |
| Phosphoric Acid | 56.511         | 48.667         | 16%          | 126.000          | %90        |
| DAP             | 26.046         | 28.069         | (7%)         | 81.298           | %64        |
| <b>Total</b>    | <b>695.109</b> | <b>800.886</b> | <b>(13%)</b> | <b>2.315.739</b> | <b>%63</b> |

#### B. SALES

In the first quarter of 2022, 238.580 tons of fertilizer were sold. The total revenue generated by Razi and its subsidiaries were 2.969.742.330 ₺

**Table 6: RAZI SALES-TON**

| Sale Type       | 2022/6         | 2021/6         | Change      |
|-----------------|----------------|----------------|-------------|
| Urea            | 156.935        | 160.677        | (2%)        |
| Sulphuric Acid  | 113.769        | 163.181        | (30%)       |
| Ammonia         | 107.888        | 85.931         | %26         |
| Sulphur         | 70.096         | 64.807         | %8          |
| Phosphoric Acid | 55.051         | 56.698         | (3%)        |
| DAP             | 23.869         | 30.197         | (21%)       |
| <b>TOTAL</b>    | <b>527.608</b> | <b>561.491</b> | <b>(6%)</b> |

## C. INVESTMENTS

38.537.031€ of capital expenditures were incurred by the Iran operations in the first half of 2022, while this figure was 38.537.031 € in the same period of 2021.

## V. GÜBRETAŞ MINING CO. ACTIVITIES

Important developments related to mining activities are as follows:

- Koza Altın İşletmeleri A.Ş. by Gübretaş. ("Koza") under the file numbered 2015/1344 E. of the Istanbul 8th Civil Court of Peace, the termination of the royalty agreement between the parties, the evacuation of Koza from the mine site and the re-registration of the mining operation licenses for the aforementioned mine site to Gübretaş. With the decision numbered 2019/616 E. 2019/2254 K. and dated 17.12.2019 by the 35th Civil Chamber of the Istanbul Regional Court of Justice, which examined the appeal application made against the local court decision as a result of the trial process made within the scope of the aforementioned case, Gübretaş and Koza Altın Calculation of annex-1 royalty with the contract dated 02.07.2007 for the transfer of the operating rights of the mines in the mine field with the license number IR-3141, registration number 5534, located in Kızılsaray village of Bilecik province Merkez district, which was made between its enterprises ("Koza") Termination of contracts titled as "revenue rent" due to breach of contract, termination of Koza's mineral exploration activities and It was decided to evacuate the mine site subject to the lawsuit, to evacuate the mine site and to deliver the field to Gübretaş, and to re-register the license for the operation right of the mines in the mining area in question in the name of Gübretaş, pursuant to the operation permit issued by the Ministry of Energy and Natural Resources, General Directorate of Mining Affairs on 24.02.2003. Upon the final decision taken, Gübretaş made the necessary application to the General Directorate of Mining and Petroleum Advanced ('MAPEG') affiliated to the Ministry of Energy and Natural Resources for the registration of the license regarding the right to operate the mines in the Söğüt mining field to Gübretaş, and MAPEG on 14.01. The license in question was registered in the name of Gübretaş in 2020.
- Following the transfer of the Söğüt mining site and mining license to Gübretaş with a court decision, Gübretaş Board of Directors decided to establish Gübretaş Maden Yatırımları A.Ş. and Ankara Trade Registry Directorate with the decision dated 31.03.2020, the

establishment procedures of Gübretaş Maden Yatırımları A.Ş. with the trade registry number 444814 have been completed.

- It was purchased by Gübretaş with all rights of all information and documents, including all kinds of data/data, analysis and reports regarding the Söğüt mining site with Koza Altın İşletmeleri A.Ş. A contract was signed between the parties on 07.07.2020 for the purchase.
- Gübretaş Maden Yatırımları A.Ş. Senior management appointments were made in January 2021 and March 2021 in order to start the activities.
- An extraordinary general assembly meeting was held to increase the capital of Gübretaş Maden Yatırımları A.Ş. from 550,000 TL to 40,000,000 TL and the company's capital was increased to 40,000,000 TL. The capital increase was registered and announced in the Turkish Trade Registry Gazette dated February 2, 2021 and numbered 10258.
- Pursuant to the decision taken at the Board of Directors Meeting of Gübretaş dated 24.02.2021, it was decided to transfer the Söğüt Gold Mine license with registration number 82050 and the works within the scope of the license to Gübretaş Maden Yatırımları A.Ş. The transfer process is a one-time fixed license transfer fee of 36.000.000.-TL excluding VAT and the relative license transfer fee to be taken from the turnover on an annual basis at the rate of 3% as long as the mine production continues. The Administration has been authorized to sign the relevant transfer agreement and this authorization Mining License Transfer Agreement was signed on 24.02.2021. The said license transfer process was also approved by the Ministry of Energy and Natural Resources, General Directorate of Mining and Petroleum Affairs, and completed.
- T.R. Ziraat Bankası A.Ş. and Gübretaş Maden Yatırımları A.Ş. A General Loan Agreement amounting to 135 million USD was signed on 25.03.2021 to be used in financing the investment activities in the Söğüt gold mine.
- Pursuant to the application made to the General Directorate of Mining and Petroleum Affairs on 25.03.2021, with the President's Decision dated 16.10.2021 and numbered 4626, the immovables within the boundaries of the mining operation license area no. The General Directorate of Petroleum Affairs decided to expropriate it urgently, pursuant to Article 27 of the Expropriation Law No. 2942, and this decision was published in the Official Gazette dated 17.10.2021 and numbered 31631.

- In order to realize the Söğüt Gold Mine Project, a 'Environmental Impact Assessment Positive' decision was made by the Ministry of Environment and Urbanization on 17.11.2021, based on the EIA (Environmental Impact Assessment) application made on 25.02.2021. Following this decision, construction activities started in the Söğüt Gold Mine site in December 2021.
- To Gübretaş Maden Yatırımları A.Ş. regarding the Söğüt Gold Mine Project. An investment incentive certificate dated 24/12/2021-531623 was issued by the Ministry of Industry and Technology, General Directorate of Incentive Implementation and Foreign Capital.
- The facility works to be established at the mine site are planned in 3 phases, and the engineering works for the construction of the Phase 1 facility, waste storage facility, electrical line works and administrative buildings have been completed and the construction works for the Phase 1 facility have started. Construction activities of other units started in the second quarter of 2022. Mining site infrastructure and road construction works have been started and are continuing. Work in the field continues and progresses uninterruptedly according to the planned work schedule. Necessary drilling and canal studies were carried out in order to ensure the continuity of the mineralizations in the mine site and to detail the areas within the open pit. The amount of investment made in mining activities in the first quarter of 2022 was 126,332,644₺. This amount was realized as 38,389,376₺ in the same period of the previous year.
- Gübretaş Maden Yatırımları A.Ş., Teck Anadolu Madencilik, which is 80% shareholder, for the purchase of 80% of Kavak Madencilik A.Ş. Inc. signed a contract with on 03.01.2022. transfer processes had completed. Kavak Mining Inc. Kavaklitepe Gold Project, within the license area number 200709861 under its responsibility, is located approximately 30 km west of the Söğüt Gold Mine site and is currently in the exploration phase.

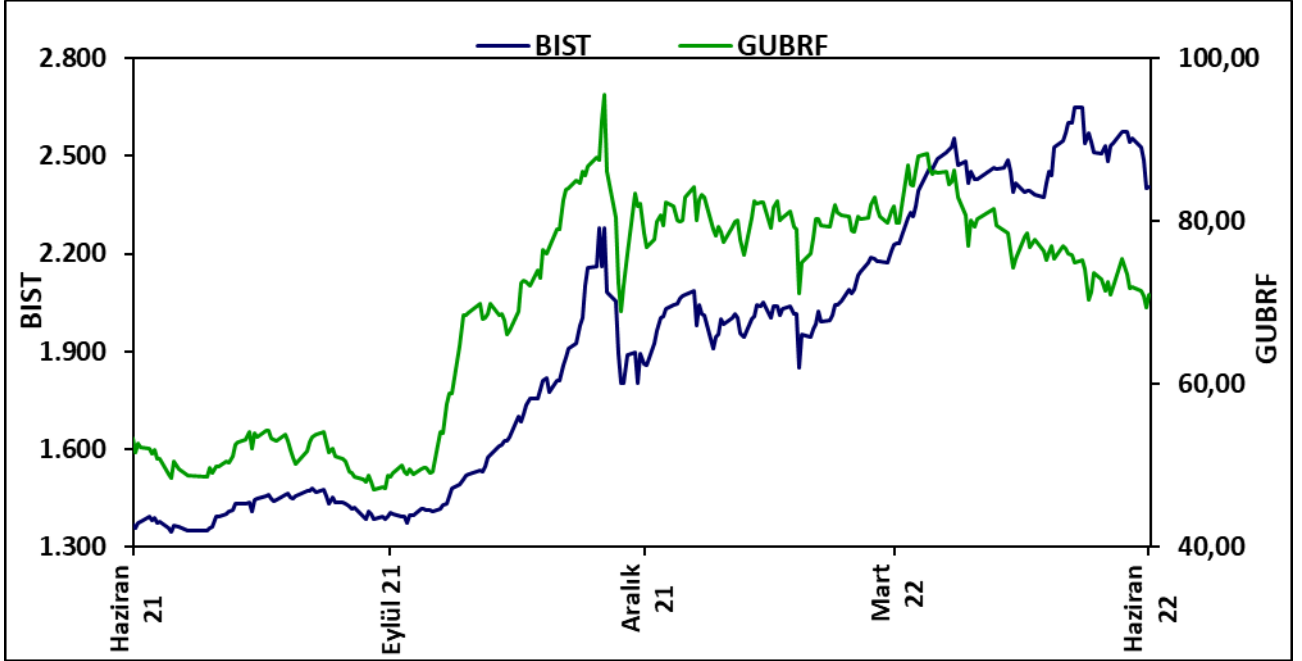
## VI. FINANCIAL RESULTS & STOCK PERFORMANCE

### Consolidated Balance Sheet Summary

| <b>ASSETS</b>            | <b>30 June<br/>2022</b> | <b>31 December<br/>2021</b> |
|--------------------------|-------------------------|-----------------------------|
| Current Assets           | 11.912.662.885          | 9.259.730.241               |
| Non-current Assets       | 5.493.081.829           | 3.789.879.650               |
| <b>TOTAL ASSETS</b>      | <b>17.405.744.714</b>   | <b>13.049.609.891</b>       |
| <b>LIABILITIES</b>       |                         |                             |
|                          | <b>30 Mart 2022</b>     | <b>31 Aralık 2021</b>       |
| Current Liabilities      | 10.553.968.489          | 8.598.983.356               |
| Non-current Liabilities  | 541.882.430             | 422.368.156                 |
| <b>Total Liabilities</b> | <b>11.095.850.919</b>   | <b>9.021.351.512</b>        |
| Equity Capital           | 6.309.893.795           | 4.028.258.379               |
| <b>TOTAL ASSETS</b>      | <b>17.405.744.714</b>   | <b>13.049.609.891</b>       |

### Consolidated Income Statement

| <b>ONGOING OPERATIONS</b>                                 | <b>1 January –<br/>30 June 2022</b> | <b>1 January –<br/>30 June 2021</b> |
|---|-------------------------------------|-------------------------------------|
| Sales   | 13.405.645.540                      | 3.849.705.906                       |
| Cost of Sales   | (10.938.042.606)                    | (2.938.266.256)                     |
| <b>Gross Profit</b>                                       | <b>2.467.602.934</b>                | <b>911.439.650</b>                  |
| Operational Income  | 1.596.733.303                       | 540.278.237                         |
| <b>Gross Profit (Loss) from Commercial<br/>Operations</b> | <b>870.869.631</b>                  | <b>371.161.413</b>                  |
| Finance Income / (Loss)                                   | (89.366.697)                        | (76.545.634)                        |
| Other Income (Loss)                                       | 88.499.441                          | 10.046.557                          |
| <b>Profit Before Tax</b>                                  | <b>870.002.375</b>                  | <b>304.662.336</b>                  |
| Tax Cost  | (54.197.466)                        | (89.341.350)                        |
| <b>Profit of the Current Period</b>                       | <b>815.804.909</b>                  | <b>215.320.986</b>                  |
| <b>Profit Distribution</b>                                |                                     |                                     |
| Uncontrolling Shares                                      | 308.851.205                         | (42.505.831)                        |
| Main Shareholder Shares                                   | 506.953.704                         | 257.826.817                         |
| <b>Profit Per Share (kr)</b>                              | <b>1.518</b>                        | <b>0,772</b>                        |

**Graph 1 : PERFORMANCE OF THE STOCK**


## VII. REVIEW

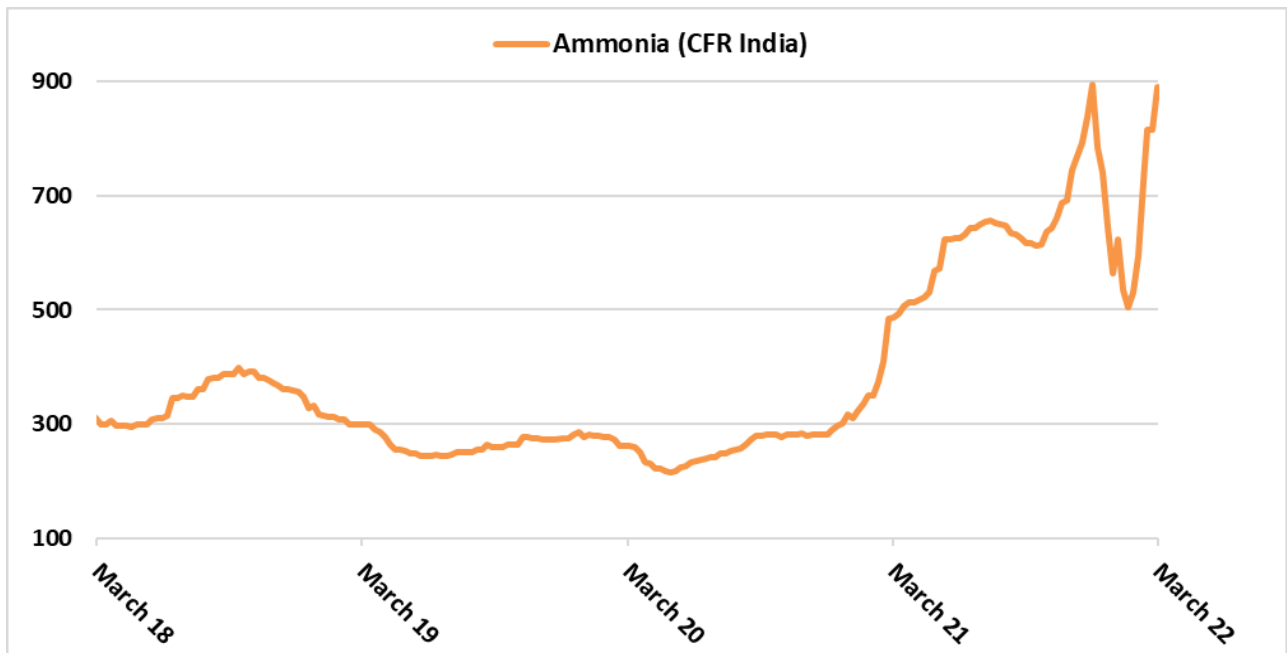
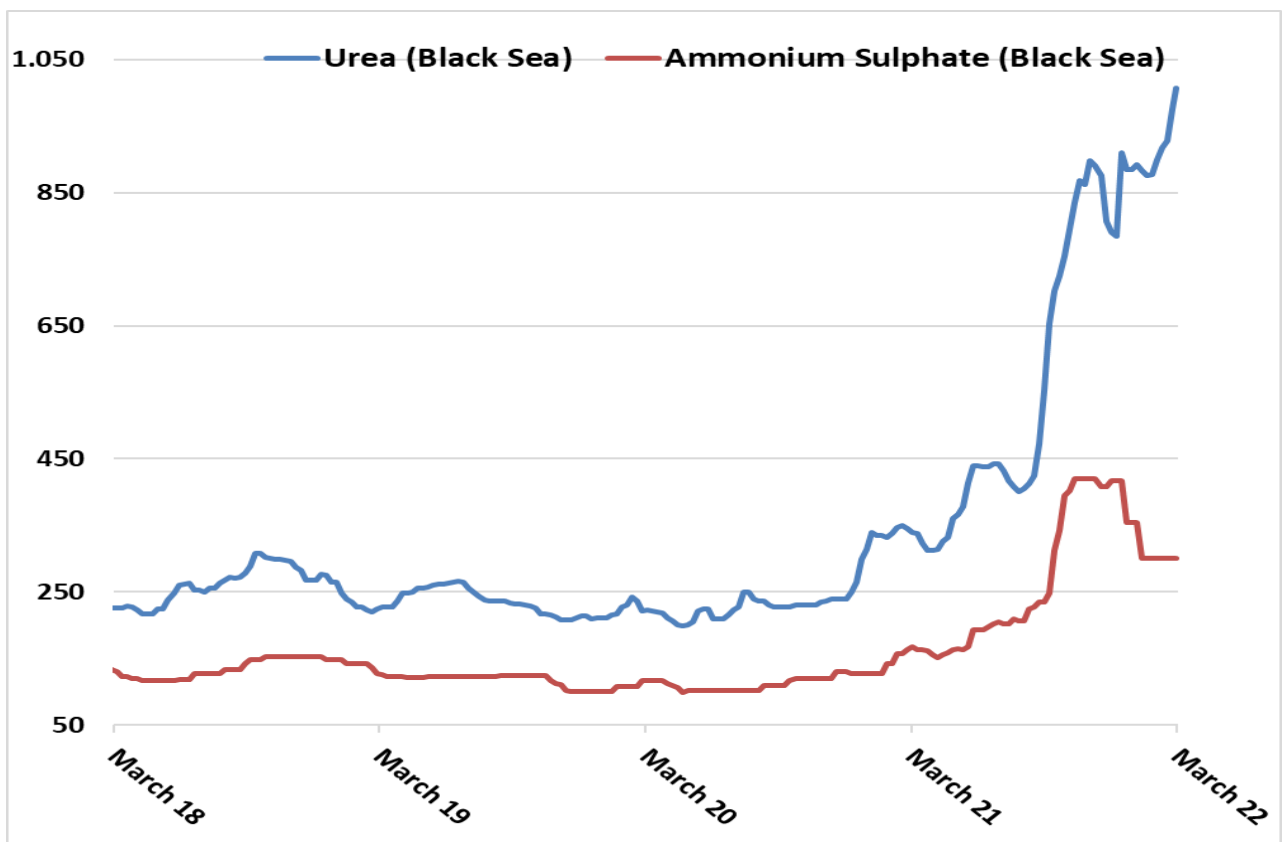
Raw material and commodity prices, which had risen excessively due to the uncertainties caused by the Covid 19 epidemic in global trade, had entered a downward trend as of the beginning of 2022. However, the Russia-Ukraine war that started as of the end of February caused prices to rise again, especially in agricultural products and fertilizers.

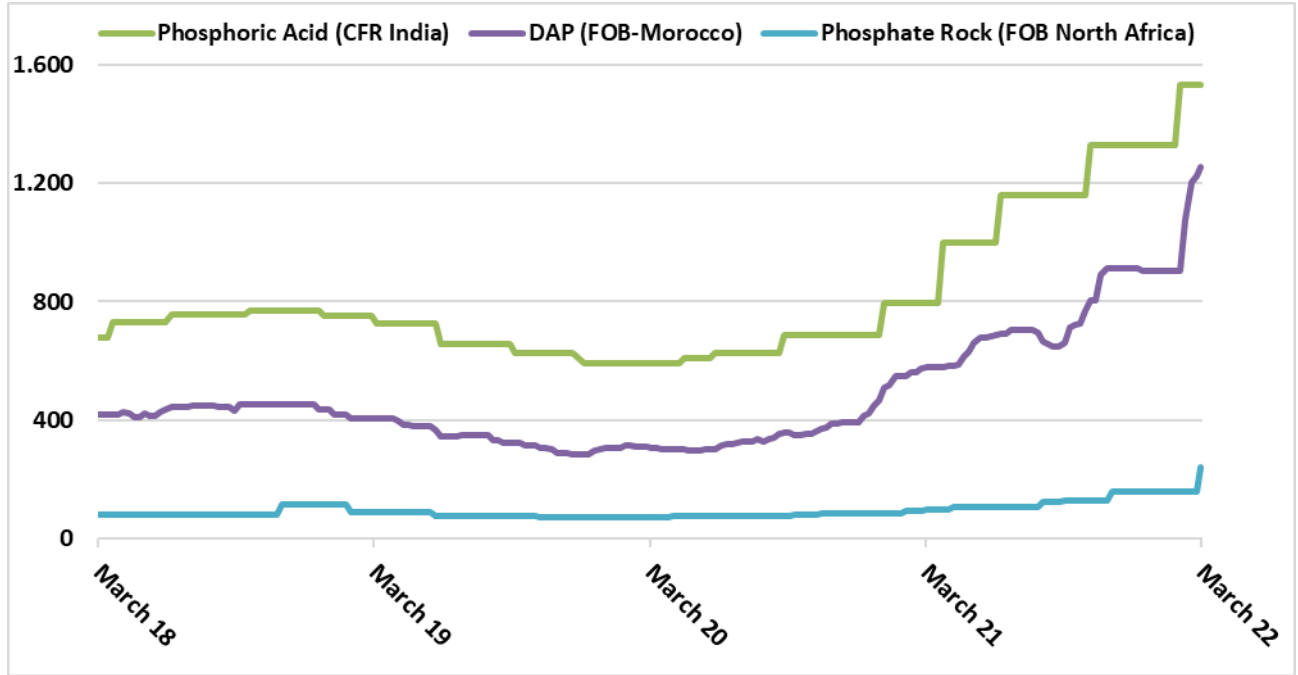
About 30% in world wheat, barley and sunflower trade; The continuation of the war between these two countries, which have an important place in the corn trade with a share reaching approximately 20%, played a decisive role in the agricultural product markets all over the world, especially in our country.

Price increases in agricultural products will contribute positively to the incomes of local producers. On the other hand, fertilizer, energy and transportation prices, which have increased with the effect of the war, put pressure on their incomes, and this situation has a negative impact on input consumption.

Considering that Russia and Belarus are important suppliers of chemical fertilizers, raw materials and commodities in the world, the risk of availability especially in nitrogen and potassium fertilizers and the record high prices can be expressed as other negativities.



**Graph 2 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - US\$/TON**

**Graph 3 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - US\$/TON**


**Graph 4 : FERTILIZER PRICES IN INTERNATIONAL MARKETS - US\$/TON**


## I. IMPORTANT EVENTS AFTER THE REPORTING PERIOD

At the Board of Directors meeting held on April 22, 2022, Gübretaş was appointed to the Board of Directors and Chairman of the Board of Directors. Hüseyin AYDIN was elected.

T.R. Appointed as the Deputy Minister of the Ministry of Agriculture and Forestry, Mr. At the Board of Directors meeting held on April 11, 2022, instead of İbrahim YUMAKLI, Mr. Mehmet YENER has been appointed.

## II. CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

In accordance with Communiqué on Corporate Governance, which is numbered II-17.1 and published by Capital Markets Board in 03.01.2014, within the year of 2020 covering the dates of 01.01.2022 - 31.03.2022, the following works have been realized by the Company in order to be compliant with the principles issued in the related communique:

1. About the fertilizer sales which will be realized by the Company, Gübre Fabrikaları T.A.Ş, within the year of 2022 to the related party, Central Union of Turkish Agriculture Credit Cooperatives, the conclusion part of the Board of Directors' report which was prepared due to the Article 10 under the heading of Common and Continuous Transactions of Communiqué on Corporate Governance numbered II-17.1 was submitted for public information on March 02, 2022.

2. Regarding to the article 11/1 of Corporate Governance Communiqué, Investor Relations Department prepared “Investor Relations 2021 Operating Report” related to activities within the 2021, “Investor Relations 2021 Yearly Operating Report” and submitted them for the Board’s information.
3. Regarding to the article 2.1.3, under the title of “Public Disclosure and Transparency”, in Corporate Governance Principles, which are stated in the Annex-1 of the Corporate Governance Communiqué, our disclosure of 2021 yearly financial statements excluding footnotes was announced in the Public Disclosure Platform both in Turkish and English.

### III. CONCLUSION

#### DEAR SHAREHOLDERS,

In the first quarter of 2022, 518.492 tons of fertilizers and raw materials were procured from domestic and foreign markets. In the first quarter of 2022, 235.242 tons of various types of solid, liquid and powder fertilizer were produced at facilities and totally 730.377 tons fertilizers were sold in the same period. In Turkish operations of the Company, net sale revenues realized as 6.706.043.750 ₺.

In addition, 335.667 tons of fertilizer and fertilizer raw materials were produced and 1.216.995.512₺ sale revenues were realized by the sale of 238.580 tons) of fertilizer and fertilizer raw material in Razi and its subsidiaries.

The Company reached to 7.923.039.262 ₺ consolidated sales revenue. Beside, by deducting cost of goods sold, operation expenses, other operating expenses-income and financial expenses; 690.342.563 ₺ consolidated profit occurred. 123.229.701₺ And consolidated net period profit to shareholders of 690.342.563₺ has occurred.

We would kindly like to ask you to evaluate the results mentioned above regarding the first quarter of 2022 activities.

**Best Regards,**  
**BOARD OF DIRECTORS**