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**2023 1<sup>st</sup> HALF**  
**OPERATING REVIEW**  
**REPORT**

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

### A. REPORTING PERIOD

01.01.2023 - 30.06.2023

### B. COMMERCIAL TITLE

Gübre Fabrikaları Türk Anonim Şirketi (“Gübretaş”)

### C. TRADE REGISTER NUMBER

Gübre Fabrikaları T.A.Ş. is registered to the İstanbul Trade Registry with the registry number 47535-0.

### 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 (Bölüm: 42, 45) K. 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)

Also, the contact information of production facilities and regional offices are 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: Kırlar Mevkii Fatih Mah. Atatürk Cad. No: 28 Aliğa / İZMİR

Phone : +90 (232) 627 91 59

Fax : +90 (232) 627 91 59

#### İSKENDERUN FACILITIES

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

Phone : +90 (326) 656 22 88

Fax : +90 (326) 656 22 88

**WEST MEDITERRANEAN 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

**EAST MEDITERRANEAN REGIONAL OFFICE**

Address: Sariseki Mah. Atatürk 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. Atatürk Cad. Helvacı - Aliğa / İZMİR

Phone : +90 (232) 627 91 59

Fax : +90 (232) 627 91 60

**GAP REGIONAL OFFICE**

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

Phone : +90 (414) 341 08 08

Fax : +90 (414) 381 08 10

**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

**CENTRAL 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

**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

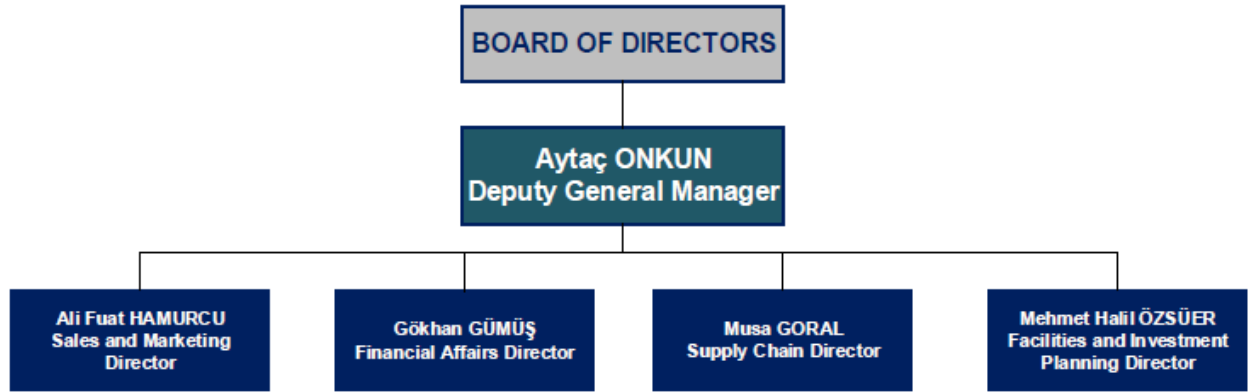
**MARMARA REGIONAL OFFICE**

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. ORGANIZATION CHART



## F. CAPITAL STRUCTURE

As of 30.06.2023 authorized capital of the company is 1.000.000.000 ₺ and issued capital is 334.000.000 ₺. Necessary applications have been made to the Capital Markets Board ("CMB") regarding the 300% bonus issue capital increase and the approval of the CMB is pending. There has not been any change in terms of capital and shareholder structure of Gübretas within the fiscal period.

There is no preferred shares in the Company's capital 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.

**Tablo 1 : CAPITAL STRUCTURE**

| Shareholders  | Share Amount -₺       | Share %       |
|---|-----------------------|---------------|
| Central Union of Turkish Agricultural Credit Cooperatives | 253.684.607           | 75,95         |
| Other   | 80.315.393            | 24,05         |
| <b>Total</b>  | <b>334.000.000,00</b> | <b>100,00</b> |

## G. 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 411th article of Turkish Commercial Code. Minority shareholders are not represented in 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 | Hasan DURSUN           | 19.08.2022       |
| Independent Member | Dr. Vahit Ferhan BENLİ | 10.04.2023       |

Members of the Board of Directors, which resigned during the period and after balance sheet date:

| Title              | Name            | Date of Appointment | Date of Election |
|--------------------|-----------------|---------------------|------------------|
| Independent Member | Mustafa HAMARAT | 25.05.2022          | 22.03.2023       |

The members of Board of Directors have the rights which are noted in the Articles of Association and Turkish Commercial Code. In the footnotes numbered 16 of financial tables, informations about the benefits provided to the Board of Directors and top management are provided.

## İ. TOP MANAGEMENT

| Title                                       | Name                | Date of Appointment |
|---|---------------------|---------------------|
| Deputy General Manager                      | Aytaç ONKUN         | 10.06.2022          |
| Supply Chain Director                       | Musa GORAL          | 10.01.2023          |
| Sales and Marketing Director                | Ali Fuat HAMURCU    | 10.01.2023          |
| Financial Affairs Director                  | Gökhan GÜMÜŞ        | 06.02.2023          |
| Facilities and Investment Planning Director | Mehmet Halil ÖZSÜER | 28.03.2023          |

Members of the executive management resigned during and after the reporting period:

| Title                                       | Name               | Date of Election | Date of Resignation |
|---|--------------------|------------------|---------------------|
| Assistant GM-Fin., Sales and Marketing      | M. Raşid ÜNAL      | 15.06.2020       | 09.01.2023          |
| Assistant GM-Supply and Fac.                | Mesud ŞENKARDEŞLER | 30.09.2016       | 10.01.2023          |
| Financial Affairs Director                  | Hüseyin KARAKUŞ    | 01.08.2021       | 06.02.2023          |
| Facilities and Investment Planning Director | Dr. Ertuğrul KÖSE  | 12.08.2022       | 28.03.2023          |

## J. HUMAN RESOURCES

### Number of Personnel

As of 30.06.2023, the number of personel decreased by 64 to 531 people compared to the same date a year before.

The breakdown of the number of employees is as follows:

| EMPLOYEE           | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|--------------------|------------|------------|------------|
| Headquarters       | 86         | 104        | 115        |
| Yarımca Facilities | 327        | 342        | 345        |
| Regional Offices   | 118        | 128        | 135        |
| <b>TOTAL</b>       | <b>531</b> | <b>574</b> | <b>595</b> |

### Collective Labor Agreement

The collective bargaining agreement negotiations between Petrol-İş (Turkish Petroleum, Chemical, Rubber and Plastics Industry Employers' Union), the workers' union, and KİPLAS (Turkish Chemical, Petroleum, Rubber and Plastics Industry Employers' Union), the employer's union, on 19.01.2023, covering the period between 2023 and 2024, were concluded with an agreement on 11.05.2023.

### Training Activities

Training activities are aimed at developing managerial, personal and professional capabilities of the staff. Education activities of 1.035 hours with participation of 292 employees were carried out in the first half of 2023.

## II. FERTILIZER MARKET

In the first half of the year, normalization in commodity and raw material prices and freight rates in international markets had a positive impact on domestic demand for chemical fertilizers. Consumption increased by nearly 40 percent in the first half of 2023 compared to the same period of the previous year. Abundant rains in March, April and May, when nitrogen fertilizers are used, also contributed to the increase in consumption.

In the first quarter, when fertilizer consumption was high, companies had to stock up before the season in order to meet demand, and they tried to manage their supplies proactively in order to minimize their costs. However, continuously falling prices did not allow costs to be realized in line with expectations.

The drought in January and February postponed fertilizer consumption, and the earthquake disaster on February 6, 2023 made it difficult to deliver orders on time. During this period, companies that were unable to deplete their high-cost stocks engaged in fierce price competition, which had a negative impact on profitability in the sector.

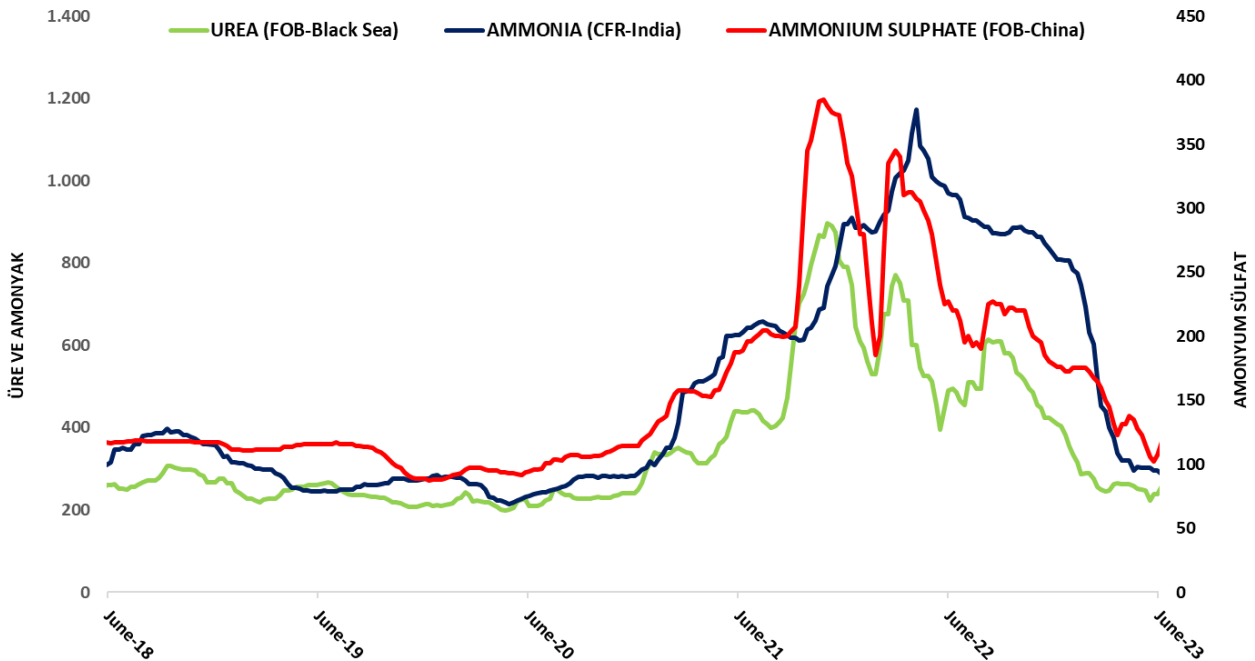
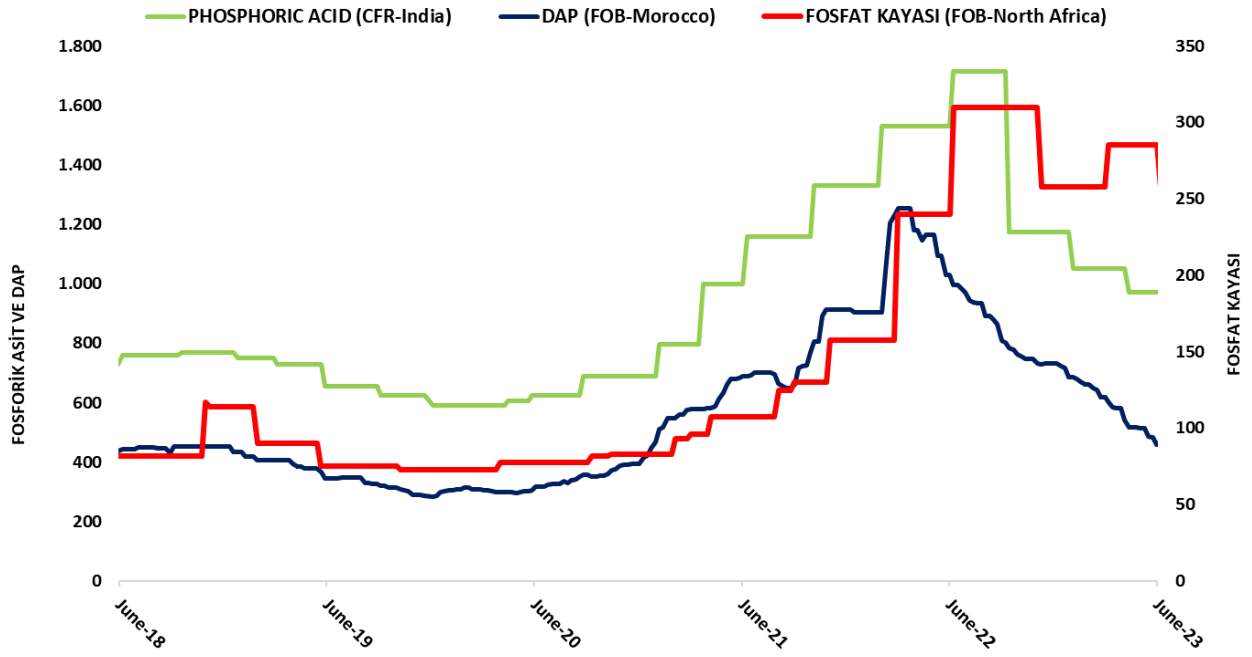
In international markets, prices of intermediate products such as ammonia, phosphoric and sulfuric acid and the commodities produced from them tested rock bottom levels in the second quarter of the year. Prices, which started to return from their lows at the beginning of the second half of the year, are expected to stabilize at long-term averages. Reduced risks in raw material and commodity prices will have a positive impact on profitability in the second half of the year.

In 2023, the market is expected to grow compared to the previous year. The high wheat and barley yields compared to previous years, the positive impact of TMO's grain purchase prices and the amount of support on farmers' income, and the fact that wheat prices abroad have started to rise again after seeing the bottom levels will keep the demand for fertilizers alive. The increase in chemical fertilizer prices before the grain planting season due to the appreciation of exchange rates against TL will have a negative impact on consumption. The product-based preferences of grain producers and the reduction in the amount of fertilizer used per decare will put pressure on the total and product-based profitability of companies.



In the second half of the year, our company made its planning and procurement in line with budget targets such as sales volume, market share, turnover and profitability. The second half of the year is expected to be more successful than the first half of the year in terms of realizing these targets.

### FERTILIZER PRICES IN INTERNATIONAL MARKETS - US\$/TON



### III. GÜBRE FABRİKALARI T.A.Ş. ACTIVITIES

Gübretaş is the first and pioneer company of Turkey in chemical fertilizer industry. An important portion of the sales of the company is realized through the Central Union of Agricultural Credit Cooperatives (“TACC”). There are 8 regional offices throughout Turkey. In approximately 2.703 sales locations (sum of cooperatives and other dealers) Gübretaş sells to every corner of Turkey where there is agricultural production.

#### A. INFORMATION ABOUT OUR FACILITIES

Gübretaş has real estate assets consisting of facilities, warehouses and administrative buildings totaling 445.470 m<sup>2</sup>, of which 164.772 m<sup>2</sup> is closed area.

Yarımca Facilities have 985.000 tons/year solid fertilizer production capacity, İzmir Facilities have 100.000 tons/year liquid and powder fertilizer production capacity, therefore Gübretaş has 1.085.000 tons/year fertilizer production capacity in total.

The total capacity of our warehouses is 450.000 tons.

#### B. PRODUCTION

Within the scope of Turkey's operations, a total of 258.791 tons of chemical fertilizers were produced in the first half of 2023, including 225.672 tons of solid fertilizers and 33.119 tons of liquid and powder fertilizers.

Solid fertilizer production decreased by 28,7% and liquid and powder fertilizer production increased by 13,7% in the first half of 2023 compared to the same period of 2022. Total production decreased by 27,1%. Capacity utilization rate (CUR) in solid fertilizer production in the first half of 2023 was 46%.

#### PRODUCTION BY GROUP -TON

| Production                 | 2023/6         | 2022/6         | Change         |
|----------------------------|----------------|----------------|----------------|
| Solid Fertilizer           | 225.672        | 316.560        | (28,7%)        |
| Liquid - Powder Fertilizer | 33.119         | 38.372         | (13,7%)        |
| <b>GRAND TOTAL</b>         | <b>258.791</b> | <b>354.932</b> | <b>(27,1%)</b> |

### C. SALES AND PURCHASES

In the first half of 2023, a total of 958.818 tons of chemical fertilizers, including 899.778 tons of solid fertilizers and 59.040 tons of liquid and powder fertilizers, were sold in Turkey.

Solid fertilizer sales decreased by 11,4% and liquid and powder fertilizer sales decreased by 16,9% in the first half of 2023 compared to the same period of the previous year. The rate of decline in total sales was 11,7%.

#### SALES BY PRODUCT GROUPS-TON

| Solid Chemical Fertilizer        | 2023/6         | 2022/6           | Change         |
|----------------------------------|----------------|------------------|----------------|
| Compound                         | 248.784        | 307.801          | (19,2%)        |
| Nitrogen-based                   | 593.966        | 673.554          | (11,8%)        |
| Phosphate-based and others       | 57.028         | 33.979           | 67,8%          |
| <b>Total Solid Fertilizer</b>    | <b>899.778</b> | <b>1.015.334</b> | <b>(11,4%)</b> |
| Total Liquid - Powder Fertilizer | <b>59.040</b>  | <b>71.025</b>    | <b>(16,9%)</b> |
| <b>Grand Total</b>               | <b>958.818</b> | <b>1.086.359</b> | <b>(11,7%)</b> |

In the first half of 2023, raw material and commodity purchases decreased by 28% year-on-year to 604.211 tons.

#### IMPORT AND DOMESTIC PURCHASES-TON

|                        | 2023/6         | 2022/6         | Change         |
|------------------------|----------------|----------------|----------------|
| Raw Material           | 208.386        | 305.937        | (31,9%)        |
| Commodity              | 395.825        | 533.200        | (25,8%)        |
| <b>Total Purchases</b> | <b>604.211</b> | <b>839.137</b> | <b>(28,0%)</b> |

### D. INVESTMENTS

Gübretaş made capital expenditures amounting to 56.926.487 ₺ in the first half of 2023 in Turkey chemical fertilizer production activities. This amount was realized as 124.758.488 ₺ in the same period of 2022.

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

- The project for the new warehouse investment at Yarımca facilities is underway and a tender has been issued for the superstructure.
- The project for the investment in acid tanks at Yarımca facilities has been completed and operational permits have been obtained.
- Project design and design studies are ongoing for the İskenderun Akçay Storage Facility investment.
- The investment for the 240 kWe rooftop photovoltaic electricity generation facility on the roof of Samsun Kamalı Storage Facility was completed and TEDAŞ acceptance was made.

## E. DİJİTAL DÖNÜŞÜM PROJESİ

S/4 HANA SAP ERP, the latest technology of SAP, the leader of the global ERP market, which takes ERP processes to the next level in the journey of "Digital Transformation", has gone live.

The ERP project, which increases Gübretaş's digitalization capacity by digitalizing all processes in 12 different main business lines including production, sales, purchasing and accounting, was commissioned on January 1, 2023. Within the scope of this project, 60 ERP consultants, 40 Gübretaş employees and more than 300 meetings, more than 3.000 tests, 30 different external system integrations and more than 200 operational and strategic reports were prepared for better management of the company. Thus, business processes involving all departments were instantly measured through the ERP system, and it became possible to identify and eliminate errors instantly.

All data related to business processes were centralized digitally and made transparent in an authority-controlled manner. The 12-month project was realized on the SAP system, the world's strongest player in the ERP field, in one month less than the planned period and in line with the planned budget. Within the scope of this project, full integration with the Fertilizer Tracking System (GTS) was made, a first in Turkey.

Thanks to this investment, Gübretaş will be able to continue its operations in a more competitive structure by being able to measure and evaluate even the most detailed process data in a globalized and increasingly competitive business world.

#### IV. AFFILIATES AND SUBSIDIARIES

Detailed information about affiliates and subsidiaries are given in the 1st footnote of consolidated financial statements belonging to the fiscal period of 1 January – 30 June 2023.

##### A. RAZI PETROCHEMICAL CO. ACTIVITIES

###### PRODUCTION

In the first half of 2023, Razi Petrochemical Co. ("Razi") produced 533.708 tons of various types of products and the capacity utilization rate was realized as 32%.

###### RAZI PRODUCTION-TON

| PRODUCT        | 2023/6         | 2022/6         | Change         |
|----------------|----------------|----------------|----------------|
| Ammonia        | 237.085        | 236.617        | 0,2%           |
| Urea           | 127.660        | 193.076        | (33,9%)        |
| Sulphuric Acid | 65.721         | 100.329        | (34,5%)        |
| Sulphur        | 83.108         | 82.530         | 0,7%           |
| DAP            | 20.134         | 26.046         | (22,7%)        |
| <b>Total</b>   | <b>533.708</b> | <b>638.598</b> | <b>(16,4%)</b> |

###### SALES

Razi sold 376.987 tons of products in the first half of 2023.

###### RAZI SALES-TON

| PRODUCT        | 2023/6         | 2022/6         | Change         |
|----------------|----------------|----------------|----------------|
| Ammonia        | 158.403        | 113.769        | 39,2%          |
| Urea           | 84.730         | 156.935        | (46,0%)        |
| DAP            | 22.807         | 23.869         | (4,4%)         |
| Sulphuric Acid | 70.987         | 99.162         | (28,4%)        |
| Sulphur        | 40.060         | 70.096         | (42,8%)        |
| <b>Total</b>   | <b>376.987</b> | <b>463.831</b> | <b>(18,7%)</b> |

**Note:** The difference between production and sales figures at Razi is due to the use of some of the ammonia and sulfur products as intermediate products and inventory changes due to the fully integrated production structure of Razi.

## INVESTMENTS

In Iran operations, the Company spent 38.537.031 ₺ for capital expenditure in the first half of 2022, while this figure was 58.305.257 ₺ in the same period of 2023.

### B. GÜBRETAŞ MADEN YATIRIMLARI A.Ş. ACTIVITIES

Gübretaş Maden Yatırımları A.Ş. Söğüt Gold mine Phase 1 facility construction was completed in December 2022 and gold production activities started on January 27, 2023 with the participation of our President Mr. Recep Tayyip Erdoğan.

Until this period, in addition to the construction of the Phase 1 facility, the construction of the first stage mine waste storage facility, high voltage power line displacement operations and the installation of the power line required for the use of the mine site, excavation of infrastructure and facility areas, and on-site building and office construction works were carried out. In addition, it is aimed to complete the construction of the 2nd stage of the mine waste storage facility, the construction of the Korudanlık underground portal area, and the construction of on-site buildings and offices in 2023.

With the completed phase 1 facility, the oxidized upper parts of the Akbaştepe ore vein will be produced and processed by open pit operation method in the first stage. In addition, progress has started in the underground main ramp and ventilation galleries in order to produce the Korudanlık ore vein, and it is aimed to produce the first ore in the middle of 2024 within the scope of underground works and process it in the phase 1 facility.

In 2023, drilling activities have been carried out around the existing mineralizations within the mine site until today. The main purpose of the drilling activities is to prevent ore loss within the scope of ongoing open pit production activities and to excavate the optimum pit, to evaluate the expansion possibilities of the existing open pits and to sterilize the areas to be excavated within the construction areas.

The necessary engineering studies for the Phase 2 plant investment are ongoing.

In the first half of 2023, 494.589.033 ₺ investment expenditures were made at Gübretaş Maden Yatırımları A.Ş. facilities.

As of June 30, 2023, Gübretaş Maden Yatırımları A.Ş. has 376 employees.

## V. FINANCIAL STRUCTURE AND STOCK PERFORMANCE

### A. FINANCIAL STATEMENTS

#### CONSOLIDATED BALANCE SHEET

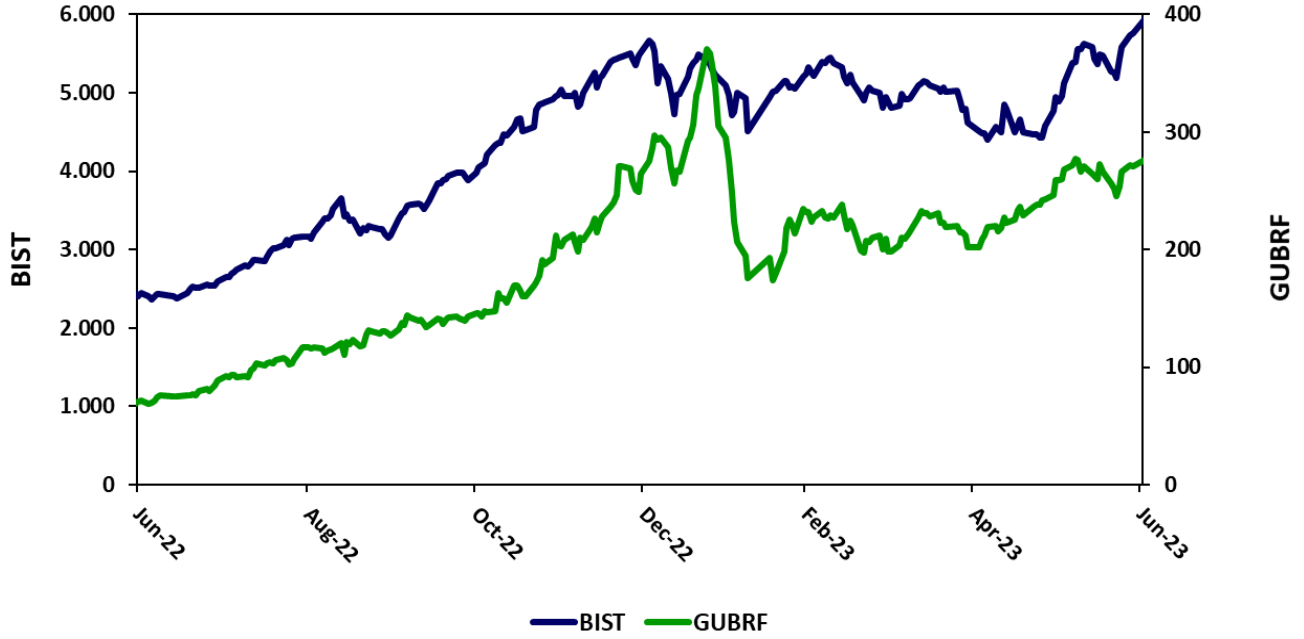
| <b>ASSETS</b>                       | <b>30 June 2023</b>   | <b>31 December 2022</b> |
|-------------------------------------|-----------------------|-------------------------|
| Current Assets                      | 11.650.102.495        | 12.104.405.761          |
| Fixed Assets                        | 10.685.687.900        | 8.753.011.965           |
| <b>TOTAL ASSETS</b>                 | <b>22.335.790.395</b> | <b>20.857.417.726</b>   |
| <b>LIABILITIES</b>                  | <b>30 June 2023</b>   | <b>31 December 2022</b> |
| Short-term Liabilities              | 13.534.346.989        | 12.257.800.744          |
| Long-term Liabilities               | 657.291.826           | 721.902.719             |
| <b>Total Liabilities</b>            | <b>14.191.638.815</b> | <b>12.979.703.463</b>   |
| Equity                              | 8.144.151.580         | 7.877.714.263           |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>22.335.790.395</b> | <b>20.857.417.726</b>   |

#### CONSOLIDATED INCOME STATEMENT

| <b>CONTINUING OPERATIONS</b>                                | <b>1 Jan - 30 June<br/>2023</b> | <b>1 Jan - 30 June<br/>2022</b> |
|---|---------------------------------|---------------------------------|
| Sales (net)   | 12.203.685.591                  | 13.405.645.540                  |
| Costs of Sales  | (11.872.548.958)                | (10.938.042.606)                |
| <b>GROSS PROFIT</b>   | <b>331.136.633</b>              | <b>2.467.602.934</b>            |
| Operating Expenses  | (1.473.561.850)                 | (1.596.733.303)                 |
| <b>OPERATION PROFIT/(LOSS)</b>                              | <b>(1.142.425.217)</b>          | <b>870.869.631</b>              |
| Financial Income/(Expenses)                                 | 28.613.477                      | (89.366.697)                    |
| Other Income/(Expenses)                                     | 130.920.776                     | 88.499.441                      |
| <b>PRE-TAX PROFIT / LOSS FROM CONTINUING<br/>OPERATIONS</b> | <b>(982.890.964)</b>            | <b>870.002.375</b>              |
| Total Tax Income / Expense                                  | 450.161.447                     | (54.197.466)                    |
| <b>PERIOD PROFIT/ (LOSS)</b>                                | <b>(532.729.517)</b>            | <b>815.804.909</b>              |
| <b>Distribution of Period Profit / (Loss)</b>               |                                 |                                 |
| Minority Shares   | (55.854.498)                    | 308.851.205                     |
| Parent Company's Shares                                     | <b>(476.875.019)</b>            | <b>506.953.704</b>              |
| <b>Earnings / (Loss) Per Share (kr)</b>                     | <b>(1,428)</b>                  | <b>1,518</b>                    |

## B. STOCK PERFORMANCE

The performance graph of the stock traded on Borsa Istanbul compared to Borsa Istanbul is as follows:



## VI. EVENTS AFTER BALANCE SHEET DATE

In accordance with the decision of the Competition Board dated 12.08.2021 and numbered 21-38/543-M, it was decided to open an investigation to our company within the scope of Article 41 of the relevant law in order to determine whether Article 4 of the Law No. 4054 on the Protection of Competition was violated.

With the decision of the Competition Board dated 03.08.2023 and numbered 23-36/670-226;

- our company did not violate Article 4 of the Law No. 4054 on the Protection of Competition,
- therefore there is no need to impose an administrative fine,
- the judicial remedy is open at Ankara Administrative Courts within 60 days from the notification of the reasoned decision,

issues have been notified to our company.



## VII. 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 3.1.2014, within the second quarter of 2023 covering the dates of 01.04.2023 - 30.06.2023, the following works have been realized by the Company in order to be compliant with the principles issued in the related communique:

- 71<sup>st</sup> Ordinary General Meeting of Gübretaş, which belongs to the 2022 accounting period, was held in our headquarters Merdivenköy Mahallesi Bora Sokak No: 1 Nida Kule İş Merkezi Göztepe, Kadıköy/İstanbul in April 19, 2023, 10:00. The General Meeting was held in the conference hall of the headquarters with the participation of around %77,1 of the total 334.000.000,00 ₺ capital and according to the regulations of Capital Markets Law, the meeting has been held both in physical and electronical media simultaneously.
- The Minutes of the 71<sup>st</sup> Ordinary General Meeting, Attendance list and Profit Distribution Table has been announced both in Public Disclosure Platform and company official website in 19.04.2023. The minutes of the meeting have been registered by İstanbul Trade Registry Office and have been announced in the Turkish Trade Registry Gazette no. 10828, which is dated 10.05.2023. These minutes have also been brought to the investors and public attention at e-Company portal.
- After the 71<sup>st</sup> Ordinary General Meeting, the committees that perform under Board of Directors, has been formed and the Board members of the committees announced in the Public Disclosure Platform.
- Regarding to the article 2.1.3 of Corporate Governance Principles, which are stated in the Annex-1 of the Corporate Governance Communique, our 2023 1<sup>st</sup> quarter financial statements including footnotes have been announced in the Public Disclosure Platform both in Turkish and English.

## VIII. CONCLUSION

### DEAR SHAREHOLDERS,

In the first six months of 2023, 604.211 tons of fertilizers and raw materials were procured from domestic and foreign markets and 258.791 tons of various types of chemical solid fertilizer were produced at facilities. 958.818 tons of solid, liquid and powder fertilizers were sold in the same period of 2023. Our company generated sales revenues of **10.655.267.943 ₺** from chemical fertilizer operations in Turkey, while declared a loss for the period of **147.678.709 ₺**.

Our subsidiary Razi produced 533.708 and sold 376.987 tons of chemical fertilizer and fertilizer raw materials. Our Company generated sales revenue of **2.772.731.083 ₺** from chemical fertilizer activities abroad. Loss for the period from these activities amounted to **114.977.990 ₺**.

In addition, our subsidiary Gübretaş Maden Yatırımları A.Ş., which started gold production activities as of January. In the first half of the year, our company announced **180.149.467 ₺** sales revenue and **275.985.526 ₺** loss for the period from domestic mining activities.

The Company reached to **12.203.685.591 ₺** consolidated sales revenue. Our company's loss is **532.729.517 ₺** for the period. **476.875.019 ₺** consolidated loss to shareholders has occurred after deducting **55.854.498 ₺** shares of minority shareholders.

We would kindly like to ask you to evaluate the results mentioned above regarding the first six months of 2023 activities.

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