



**BAGFAŞ BANDIRMA FERTILIZER FACTORIES INC. AND ITS SUBSIDIARY
01.01.2025 – 30.09.2025 INTERIM ANNUAL REPORT**

BAGFAŞ BANDIRMA FERTILIZER FACTORIES INC. AND ITS SUBSIDIARY

PREPARED BASED ON THE COMMUNIQUE ON PRINCIPLES REGARDING FINANCIAL REPORTING CAPITAL MARKETS NO. II-14.1 BOARD OF DIRECTORS ACTIVITY REPORT

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A- GENERAL INFORMATION

1-	Period of the Report	:	01.01.2025 – 30.09.2025
2-	Partnership Title	:	Bagfaş Bandırma Gübre Fabrikaları A.Ş. ve Bağlı Ortaklığı
3-	Trade Registry / Number	:	İstanbul Ticaret Odası / 156662 / 201829-5
4-	Contact Information	:	Kılıçali Paşa Mahallesi, Susam Str, Nu:22
	Head Office/Phone Number	:	Beyoğlu / İSTANBUL 0212 293 08 85
	Factory Site/ Phone Number	:	Bandırma-Erdek Karayolu 10. Km. Erdek / BALIKESİR 0266 714 10 00
	Branches	:	Liaison Office in Ankara and warehouses in Samsun, Mersin, Muratlı and Gelibolu.
	Web-site	:	www.bagfas.com.tr
5-	Board of Director	:	Chief Executive Officer Yahya Kemal Gençer and members; İpek Seviye Gençer Yağcı, Erdal Dumanlı, Hayrullah Nur Aksu, Recep Serkan Örddekçi and Mustafa İlgen were elected by the General Assembly on April 25, 2024 for the term of 3 years. Independent board Member Fatih Yılmaz, Ali Ender Çolak and Umran Bedük were elected by the General Assembly on April 25, for the term of 3 years.
	Y. Kemal GENÇER		Chief Executive Officer
	İpek Seviye GENÇER YAĞCI		Deputy Chairman of the Directory
	Erdal DUMANLI		Board Member
	Hayrullah Nur AKSU		Board Member
	Mustafa İLGEN		Board Member
	Recep Serkan Örddekçi		Board Member
	Ali Ender ÇOLAK		Independent Board Member
	Umran BEDÜK		Independent Board Member
	Fatih YILMAZ		Independent Board Member

The Board of Directors members have the authority stipulated in the T.T.K and Article 16 of the "Company's Articles of Association titled Powers and Duties of the Board of Directors"

6- Committees :

	Audit Committee	Corporate Governance Committee	Committee of Early Detection Risk	Nomination Committee	Remuneration Committee
Chairman	Fatih Yılmaz	Ali Ender Çolak	Ali Ender Çolak	Umran Bedük	Ali Ender Çolak
Member	Umran Bedük	Fatih Yılmaz	Umran Bedük	Mustafa İlgen	Mustafa İlgen
Member		Doğuş Barkın Basa	Fatih Yılmaz		
Member					

The amendments regarding the committees were made at the Board of Directors meeting on April 26, 2024.

7-	Top Executives	:	Y. Kemal Gençer İpek Seviye Gençer Yağcı Konur Alp Aracı	Chief Executive Officer Deputy General Manager Deputy General Manager
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8- Financial Rights Provided to Board Members and Senior Executives

During the period the total amount of financial benefits provided to the members of the Board of Directors and senior managers, such as attendance fee, bonus, bonus dividend, allowances, travel, accommodation and representation expenses, in kind and cash facilities, insurances and similar guarantees, is 11.875.735 TL.

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9- Capital Structure

Paid-in Capital : 135.000.000 TL

The paid-in capital of Bagfaş is divided into 13.500.000.000 (Thirteen billion five hundred million) shares, including 600 (Six hundred) pieces of Grup A and 13.499.999.400 (Thirteen billion four hundredninetynine million nine hundred ninety-nine thousand four hundred) pieces of Group B, each with a nominal value of 1 (one) penny (kuruş). 120 (one hundred twenty) group A shares are registered shares and 480 (four hundred eighty) shares are bearer shares. According to Central Securities Depository and Trade Repository of Türkiye, our partners owning more than 5% of the capital are Recep Gencer and Gencer Holding A.Ş, and their shares in Company's capital are 38.22% and 5.67%, respectively.

10- Dividend Distribution : No dividends were distributed in 2024 and 2025.

11- Stock Price : Bagfaş's shares are traded on Borsa Istanbul A.Ş.The weighted average price of shares on September 30, 2025 is 32,78 TL.

12- Affiliates and Subsidiaries

Badetaş Bandırma Deniz Taş. A.Ş

Paid Capital	: 400.000-TL	Activity Type	: Marine Transportation, tugboat services
Interest Share	: 186.800-TL	Share Ratio	: %46,70

Bagasan Bagfaş Ambalaj San. A.Ş

Paid Capital	: 100.000-TL	Activity Type	: Heavy-Duty Bag Production
Interest Share	: 3.325-TL	Share Ratio	: %3,33

Bagfaş Servis Pazarlama Ltd. Şti.

Paid Capital	: 100.000-TL	Activity Type	: Marketing, Logistics and Other Services
Interest Share	: 55.000-TL	Share Ratio	: %55,00

Bagfaş Teknik Mühendislik Ltd. Şti.

Paid Capital	: 10.000-TL	Activity Type	: Mechanical Maintenance Services
Interest Share	: 4.000-TL	Share Ratio	: %40,00

T Gübre Dış Ticaret A.Ş

Paid Capital	: 50.000-TL	Activity Type	: Mineral Fertilizer Production
Interest Share	: 50.000-TL	Share Ratio	: %100,00

On July 29, 2019 Bagfaş established T Gübre Dış Ticaret A.Ş (T Gübre) with a 100% partnership ratio, with a total capital of 50,000 Turkish Lira divided into 50,000 shares of 1 Turkish Lira each. Address of T Gübre; Kılıçlı Paşa Mahallesi Susam Str. Nu: 22/3 Beyoğlu/İstanbul. Purpose of the company;To import, export and wholesale domestic trade of all kinds of fertilizers and fertilizer raw materials, chemicals, petrochemical products and plastic raw materials, pesticides, minerals, seeds and agricultural products, machinery and equipment, to establish and operate industrial, commercial, chemical and agricultural facilities, trading organizations, wholesale and retail stores, dealerships, liaison offices, all kinds of imports, export and mand representation works and other commercial activities and to have subcontracted manufacturing, to carry out transportation and agency work, to establish and operate storage facilities, to provide chandlery for domestic and foreign flagged ships, to operate ports, to load and unload, to operate warehousing, storage, terminal management, to trade and dealership all kinds of fuel, petroleum derivatives and mineral oil, to operate all kinds of businesses related to the subject of work through ownership, lease partnership and other forms, to cooperate with producer and consumer cooperatives related to the subject of the company's activity and to establish partnerships when necessary, in addition to branches in the country and abroad, to establish sales offices and agencies, representatives and correspondents.T Gübre is consolidated with the financial statements of the parent company, Bagfaş, as of 31.12.2019

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B-ACTIVITIES AND FINANCIAL INFORMATION

- 1- Investments:** During the operating period, 112.550.104 TL (2.706.410 USD) of fix assets investment were maden to our assets.
- 2- Research and Development:** There was not conducted any research and development work during the period.
- 3- Important Lawsuits Filed Against the Group:** None
- 4- Donations Made During the Period:.** There was not any donation or aid payment during the 01.01.2025-30.09.2025 period.
- 5- Compliance with Legislation and Social Responsibility:**
Environmental Permit Process:
“Environmental Permit Certificate” was obtained on 05.01.2024 .
- 6- Changes Made to the Articles of Association During the Period:** None
- 7- Rights and Benefits Provided to Our Employees:** The average number of employee working during the period is 225. There was no conflict or labor movement observed in terms of activities during the period.The terms of the second year of the Collective Bargaining Agreement covering the period 01.07.2024 - 31.12.2026 with the Petrol-İş Union, authorized by the letter dated 01.07.2021 and numbered 15624 of the Ministry of Labor and Social Security General Directorate of Labor, entered into force on 23.08.2024.
- 8- Dividend Distribution Policy:** The Dividend Distribution Policy is published on our Company's website in the Investor Relations Company Information section.
- 9- Legislative Changes:** As of the relevant reporting period, there are no legislative changes that could significantly affect the Group's activities.
- 10- Market Outlook:** As in 2024, our Group has become a price setter throughout the country with its 702 dealers by making the sales program in line with its strategies without making any concessions to the principle of “offering the highest quality fertilizer to Turkish farmers at the most affordable price”, which is identified with the name BAGFAŞ in the fertilizer market during the third quarter of 2025.

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11- Production and Sales

11.1- Productions

A) Acid Plants:

PRODUCTION (TONS)	01.01-30.09.2025	01.01-30.09.2024
SULFURIC ACID	307.880	100.573
NITRIC ASID	114.152	33.137

B) Chemical Fertilizer Plants:

PRODUCTION (TONS)	01.01-30.09.2025	01.01-30.09.2024
AS	8.726	1.039
CAN	207.540	54.292
TOTAL	216.266	55.331

C) Energy Plants:

PRODUCTION (kWh)	01.01-30.09.2025	01.01-30.09.2024
ELECTRICAL ENERGY	34.244.164	3.492.379

11.2- Sales

11.2.1 Domestic Sales

DOMESTIC FERTILIZER SALES (TONS)	01.01-30.09.2025	01.01-30.09.2024
AS	1.547	2.107
CAN	45.251	35.749
TOTAL	46.798	37.856

DOMESTIC FERTILIZER SALES (TONS)	01.01-30.09.2025	01.01-30.09.2024
DISTRIBUTERS	36.785	37.808
TOTAL SALES	10.014	47

DOMESTIC ASID SALES (TONS)	01.01-30.09.2025	01.01-30.09.2024
SULFURIC ASID (%100)	171.145	101.371
NITRIC ASID	162	1.404

SALES (kWh)	01.01-30.09.2025	01.01-30.09.2024
ELECTRICAL ENERGY	3.715.110	301.530

11.2.2 EXPORTS

EXPORTS (TONS)	01.01-30.09.2025	01.01-30.09.2024
CAN	198.280	57.520
SULFURIC ASID	126.000	0
TOTAL	324.280	57.520

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11.2.3 Total Sales

TOTAL SALES (TONS)	01.01-30.09.2025	01.01-30.09.2024
AS	1.547	2.107
CAN	243.531	93.269
TOTAL	245.078	95.375

TOTAL SALES (TONS)	01.01-30.09.2025	01.01-30.09.2024
SULFURIC ASID (%100)	297.145	101.371
NITRIC ASID	162	1.404

SALES (kWh)	01.01-30.09.2025	01.01-30.09.2024
ELECTRICAL ENERGY	3.715.110	301.530

12- Summary of Financial Figures

12.2.1 Summary Balance Sheet (TL)

(TL)	01.01-30.09.2025	01.01-30.09.2024
CURRENT ASSETS	2.285.416.574	2.231.494.588
NON-CURRENT ASSETS	10.452.343.574	10.534.522.617
TOTAL ASSETS	12.737.760.148	12.766.017.205

CURRENT LIABILITIES	4.461.001.139	3.530.887.935
NON-CURRENT LIABILITIES	1.368.999.039	2.487.542.151
EQUITY	6.907.759.970	6.747.587.119
TOTAL LIABILITIES AND EQUITY	12.737.760.148	12.766.017.206

12.2 Summary Income Stataement(TL)

(TL)	01.01-30.09.2025	01.01-30.09.2024
REVENUES	4.067.446.571	1.488.356.061
PROFIT FROM OPERATING ACTIVITIES	201.943.366	-1.225.929.709
PROFIT/LOSS BEFORE TAX	-465.025.002	-1.533.060.538
NET INCOME/LOSS	25.912.078	-1.766.895.529

13- Financial Ratios

	30.09.2025	30.09.2024
CURRENT RATIO	0,51	0,63
LIQUIDITY RATIO	0,36	0,32
TOTAL DEBT/TOTAL ASSET RATIO	0,46	0,47
EQUITY/TOTAL DEBT RATIO	1,18	1,12

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During the first nine months of 2025, the Company produced a total of 216.266 tons of chemical fertilizer, 307.880 tons of sulfuric acid, and 114.152 tons of nitric acid, as a result a total production expense of 788.224.198 TL was made. In addition, a total of 3.488.948.759 TL in principal and interest was paid for other outstanding investment and operating loans.

As a result, a total of TL 4.067.446.571 sales revenue was obtained from the sale of 245.078 tons of 2 types of chemical fertilizers, 297.145 tons of sulfuric acid, 162 tons of nitric acid and 3,715,110 kWh of electrical energy. As a result of these production and marketing activities, Bagfaş's revenues as of the end of the third quarter of 2025 was 4.067.646.571 TL excluding VAT. From sales revenues of 4.067.646.571 TL, after deducting the cost of offering the chemical fertilizers and acids for sale, which are produced, supplied and marketed, and our other expenses from the main activities, a main operating profit of 201.943.366 TL was generated. As a result of adding the total of financial expenses of TL 1.194.824.172 to our main operating profit, a pre-tax loss of 465.025.002 TL was realized; a deferred tax income of 490.937.080 TL and a net profit of 25.912.078 TL was realized.

Board of Directors

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15- Positions of Board Members Held Outside the Company

<u>Yahya Kemal GENÇER</u>	:	-
<u>İpek Seviye GENÇER</u>	:	-
<u>Erdal DUMANLI</u>	:	Partner of Insurance Limited Company
<u>Hayrullah Nur AKSU</u>	:	-
<u>Mustafa İLGEN</u>	:	Board Member of Marmarabirlik
<u>Recep Serkan ÖRDEKÇİ</u>	:	Serkan Ördekçi Agricultural Product
<u>Ali Ender ÇOLAK</u>	:	-
<u>Umrhan BEDÜK</u>	:	Instructor/Consultant at Management Centre Türkiye (MCT)
<u>Fatih YILMAZ</u>	:	-

16- Statement of Compliance with Governance Principles:

This statement has been prepared within the scope of Article 8 of the Capital Markets Board's (CMB) Corporate Governance Communiqué (KYT) No. II-17.1. Bagfaş Bandırma Fertilizer Factories Inc. ("BAGFAŞ" or the "Company") all our activities are carried out in compliance with legal regulations and the Corporate Governance Principles described in Corporate Governance Communiqué No. II-17.1 published by the Capital Markets Board (CMB), and we have maintained compliance with these principles during the operating period from January 1, 2025, June 30, 2025. The Company believes in the importance of full compliance with Corporate Governance Principles. Our company complies with the mandatory Corporate Governance Principles numbered (1.3.1.), (1.3.5.), (1.3.6.), (1.3.9.), (4.2.6.), (4.3.1.), (4.3.2.), (4.3.3.), (4.3.4.), (4.3.5.), (4.3.6.), (4.3.7.), (4.3.8.), (4.5.1.), (4.5.2.), (4.5.3.), (4.5.4.), (4.5.9.), (4.5.10.), (4.5.11.), (4.5.12.), (4.5.13.), (4.6.2.) ve (4.6.3.) has been achieved, and compliance is also being demonstrated with other principles that are not mandatory, and the aim is to comply with the principles that are not complied with. Principles with partial or no compliance and their related explanations are provided below. However, there are no conflicts of interest arising from principles with which full compliance has not yet been achieved, the implementation of which is not mandatory. Additionally, within the scope of Article 8 of the communiqué, states that sustainability principles can be implemented on a voluntary basis. Our company is highly compliant with the Sustainability Principles Compliance Framework announced by the Capital Markets Board of Turkey. The Environmental Principles, Social Principles, and Corporate Governance Principles of the relevant framework are implemented to a high degree by our Company and are not prepared as separate reporting. In accordance with the Capital Markets Board's decision dated January 10, 2019, and numbered 2/49, the Corporate Governance Information Form (KYBF) and Corporate Governance Compliance Report (URF) are announced by filling out the templates available on the Public Disclosure Platform (KAP). The templates can be accessed through the Corporate Governance Principles Compliance Report and Corporate Governance links at <https://www.kap.org.tr/tr/sirket-bilgileri/ozet/874-bagfas-bandirma-gubre-fabrikalari-a-s>. When there is a significant change in the URF or KYBF during period, information will be provided through a special situation announcement on the Public Disclosure Platform (KAP) and the necessary explanation will be provided in the interim activity report.