

**ULUSOY UN SANAYİ VE TİCARET A.Ş.  
AND ITS SUBSIDIARIES**

JANUARY 1 – JUNE 30, 2020  
CONSOLIDATED FINANCIAL STATEMENTS  
AND REVIEW REPORT

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

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION To the Board of Ulusoy Un Sanayi ve Ticaret A.Ş.

### Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Ulusoy Un Sanayi ve Ticaret A.Ş. (the "Company") and its subsidiaries ("collectively referred to as the "Group") as at 30 June 2020 and the consolidated interim statements of profit or loss, consolidated other comprehensive income, consolidated changes in equity and consolidated cash flows for the six-month period then ended and summary of significant accounting policies and other explanatory notes. The management of the Group is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with Turkish Accounting Standard 34 ("TAS 34") "Interim Financial Reporting". Our responsibility is to express a conclusion this consolidated interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with the Standard on Review Engagements ("SRE") 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and the objective of which is to express an opinion on the consolidated financial statements. Consequently, a review on the consolidated interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to conclude that the accompanying consolidated interim financial information does not present fairly, in all material respects, the consolidated financial position of Ulusoy Un Sanayi ve Ticaret A.Ş. as at 30 June 2020, and its consolidated financial performance and consolidated cash flows for the six-month period then ended in accordance with TAS 34.

DMR BAĞIMSIZ DENETİM VE DANIŞMANLIK ANONİM ŞİRKETİ  
A member firm of IECnet



Prof. Dr. Ömer LALİK  
Partner, İstanbul, 19.08.2020

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**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY****CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED THEN JUNE 30, 2020***(Amounts expressed in TL, unless otherwise is stated.)*

		Reviewed	Audited
ASSETS	Notes	30.06.2020	31.12.2019
<b>Current Assets</b>		<b>1.316.815.191</b>	<b>1.065.392.461</b>
Cash and Cash Equivalents	4	523.733.518	148.566.399
Financial Investments	5	2.702.937	2.556.735
Trade Receivables	7	494.535.307	542.120.772
- Other Trade Receivables From Related Parties		922.491	3.074.624
- Other Trade Receivables From Not Related Parties		493.612.816	539.046.148
Other Receivables	8	9.639.422	9.638.349
- Other Receivables From Related Parties		-	23.458
- Other Receivables From Not Related Parties		9.639.422	9.614.891
Derivative Financial Instruments	9	33.409.613	4.094.473
Inventories	10	179.367.762	302.969.241
Prepaid Expenses	11	62.534.289	46.484.266
Corporate Tax Assets	14	500.820	-
Other Current Assets	20	10.391.523	8.962.226
(Sub Total)		1.316.815.191	1.065.392.461
Fixed Assets Held for Sale		-	-
<b>Non-Current Assets</b>		<b>273.951.455</b>	<b>215.107.051</b>
Financial Investments	5	-	-
Trade Receivables	7	8.876.033	8.822.866
Other Receivables	8	2.813.822	1.119.854
Derivative Financial Instruments	9	-	-
Investments Valued by Equity Method	12	4.573.371	4.612.490
Investment Properties	13	11.500.000	11.500.000
Tangible Assets	15	236.169.250	179.250.534
Intangible Assets	16	573.684	365.879
- Goodwill		-	-
- Other Intangible Assets		573.684	365.879
Prepaid Expenses	11	3.042.014	3.042.014
Deferred Tax Assets	27	6.403.281	6.393.414
Other Non-Current Assets	20	-	-
<b>TOTAL ASSETS</b>		<b>1.590.766.646</b>	<b>1.280.499.512</b>

Consolidated financial statements for the period ended June 30, 2020 were approved at the board meeting on August 19, 2020 and signed by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol and Kemal Kitaplı on behalf of the Board of Directors.

# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

LIABILITIES	Notes	Reviewed 30.06.2020	Audited 31.12.2019
<b>Short Term Liabilities</b>		<b>952.669.578</b>	<b>798.508.885</b>
Short Term Financial Borrowings	6	221.027.632	101.222.155
Short Term Portions of Long Term Financial Borrowings	6	114.559.240	81.548.763
Trade Payables	7	564.121.533	574.934.836
- Trade Payables of Related Parties		3.058.986	167.724
- Trade Payables of Not Related Parties		561.062.547	574.767.112
Payables Related with Employee Benefits	19	2.249.626	1.444.264
Other Payables	8	15.780.153	3.781.764
- Other Payables of Related Parties		15.609.517	3.540.013
- Other Payables of Not Related Parties		170.636	241.751
Derivative Financial Instruments	9	-	2.244.832
Government Grants		-	-
Deferred Incomes	11	27.024.514	20.809.296
Corporate Tax Liabilities	27	2.266.443	1.572.145
Short Term Provisions	19	393.146	264.463
- Short Term Provisions for Employee Benefits		263.980	10.842
- Other Short Term Provisions		129.166	253.621
Other Short Term Liabilities	20	5.247.291	10.686.367
(Sub Total)		952.669.578	798.508.885
Liabilities of Fixed Assets Held for Sales Purpose		-	-
<b>Long Term Liabilities</b>		<b>299.234.960</b>	<b>208.696.825</b>
Long Term Financial Borrowings	6	275.457.319	198.710.777
Trade Payables	7	-	-
Other Payables	8	-	-
Derivative Financial Instruments	9	-	-
Deferred Incomes	11	-	-
Long Term Provisions	19	2.477.181	2.055.194
- Long Term Provisions for Employee Benefits		2.477.181	2.055.194
- Other Long Term Provisions		-	-
Deferred Tax Liabilities	27	21.300.460	7.930.854
Other Long Term Liabilities	20	-	-
<b>Shareholder's Equity</b>	<b>21</b>	<b>338.862.108</b>	<b>273.293.802</b>
<b>Equity Holders of The Parent Company</b>		<b>338.862.108</b>	<b>273.293.802</b>
Paid in Capital	21	84.500.000	84.500.000
Treasury Shares (-)	21	(3.445.108)	(3.445.108)
Share Premiums on Capital Stock	21	38.607.992	38.607.992
Accumulated Other Comprehensive (Income) Expenses not to be Reclassified in Profit and (Loss)	21	60.777.786	26.601.628
Revaluation and Remeasurement Gains/ ( Losses)		60.777.786	26.601.628
- Tangible Assets Revaluation Increases/(Decreases)		61.299.398	27.202.058
- Defined Benefit Plans Revaluation Gains/(Losses)		(521.612)	(600.430)
Other Accumulated Comprehensive Income or Expenses to be Classified in Profit or (Loss)	21	11.480.428	4.346.131
- Currency Translation Differences		11.480.428	4.346.131
Restricted Reserves	21	11.171.315	11.171.315
Retained Earnings	21	111.532.483	84.516.493
Net Profit/(Loss) for the Period	21	24.237.212	26.995.351
<b>Non-Controlling Interests</b>		-	-
<b>TOTAL LIABILITIES</b>		<b>1.590.766.646</b>	<b>1.280.499.512</b>

# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED THEN JUNE 30, 2020 (Amounts expressed in TL, unless otherwise is stated.)

	Notes	Reviewed 01.01.2020 30.06.2020	Not Reviewed 01.04.2020 30.06.2020	Reviewed 01.01.2019 30.06.2019	Not Reviewed 01.04.2019 30.06.2019
<b>OPERATING ACTIVITIES</b>					
Revenue	22	2.165.124.022	1.106.016.726	1.510.796.915	729.194.727
Cost of Sales (-)	22	(2.065.104.269)	(1.067.818.193)	(1.426.487.161)	(683.702.007)
<b>Gross Profit/Loss From Commercial Activity</b>		<b>100.019.753</b>	<b>38.198.533</b>	<b>84.309.754</b>	<b>45.492.720</b>
<b>GROSS PROFIT/(LOSS)</b>		<b>100.019.753</b>	<b>38.198.533</b>	<b>84.309.754</b>	<b>45.492.720</b>
General Administrative Expenses (-)	23	(8.871.789)	(3.832.761)	(6.246.910)	(3.021.379)
Marketing Expenses (-)	23	(23.963.998)	(10.906.945)	(20.540.210)	(10.556.056)
Research and Development Expenses (-)	23	(46.997)	(1.924)	(54.567)	(27.506)
Other Operating Income	24	89.086.163	40.291.279	90.742.263	41.352.421
Other Operating Expenses (-)	24	(31.309.271)	(15.862.938)	(75.054.568)	(56.599.260)
<b>OPERATING PROFIT/(LOSS)</b>		<b>124.913.861</b>	<b>47.885.244</b>	<b>73.155.762</b>	<b>16.640.940</b>
Income from Investing Activities	24	507.890	117.787	265.209	113.115
Expenses from Investing Activities	24	(102.008)	(102.008)	-	-
The Profit/(Loss) of Decrease in Value Determined in Accordance with TFRS 9 and Cancellations for Decrease in Value of Loss Shares of Investments Evaluated by Equity Method in Profit/(Loss)	24	(165.910)	30.850	81.616	(17.926)
	25	504.221	277.007	275.224	151.576
<b>OPERATING PROFIT/(LOSS) BEFORE FINANCIAL EXPENSE</b>		<b>125.658.054</b>	<b>48.208.880</b>	<b>73.777.811</b>	<b>16.887.705</b>
Financial Income	26	105.692.884	59.871.108	61.539.044	33.230.117
Financial Expenses (-)	26	(201.184.575)	(103.932.746)	(110.058.174)	(41.523.052)
<b>CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAX</b>		<b>30.166.363</b>	<b>4.147.242</b>	<b>25.258.681</b>	<b>8.594.770</b>
<b>Continuing Operations Tax Income/(Expenses)</b>	<b>27</b>	<b>(5.929.151)</b>	<b>657.190</b>	<b>(9.075.844)</b>	<b>613.627</b>
Current Period Tax Income/(Expenses)		(2.209.368)	(186.901)	(1.207.331)	(737.944)
Deferred Tax Income/(Expenses)		(3.719.783)	844.091	(7.868.513)	1.351.571
<b>CONTINUING OPERATIONS PROFIT/(LOSS) FOR THE PERIOD</b>		<b>24.237.212</b>	<b>4.804.432</b>	<b>16.182.837</b>	<b>9.208.397</b>
<b>DISCONTINUED OPERATIONS PROFIT/(LOSS) FOR THE PERIOD</b>		-	-	-	-
The Profit/(Loss) of Discontinued Operations After Tax		-	-	-	-
<b>NET PROFIT/(LOSS) FOR THE PERIOD</b>		<b>24.237.212</b>	<b>4.804.432</b>	<b>16.182.837</b>	<b>9.208.397</b>
<b>Net Profit/(Loss) Attributable To:</b>					
Non-Controlling Interests		-	-	-	-
Equity Holders of The Parent Company		24.237.212	4.804.432	16.182.837	9.208.397
<b>Earnings Per Share</b>	<b>28</b>	<b>0,2938</b>	<b>0,0582</b>	<b>0,1962</b>	<b>0,1116</b>
Earnings Per Share from Continuing Operations		0,2938	0,0582	0,1962	0,1116
Earnings Per Share from Discontinued Operations		-	-	-	-
<b>Diluted Earnings Per Share</b>		-	-	-	-
Diluted Earnings Per Share From Continuing Operations		-	-	-	-
Diluted Earnings Per Share From Discontinued Operations		-	-	-	-

# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

		Reviewed	Not Reviewed	Reviewed	Not Reviewed
	Notes	01.01.2020 30.06.2020	01.04.2020 30.06.2020	01.01.2019 30.06.2019	01.04.2019 30.06.2019
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Not to be Classified in Profit or (Loss)</b>	<b>21</b>	<b>34.196.797</b>	<b>2.412</b>	<b>(90.902)</b>	<b>(109.336)</b>
Tangible Assets Revaluation Increases/(Decreases)		43.735.705	-	-	-
Intangible Assets Revaluation Increases/(Decreases)		-	-	-	-
Defined Benefit Plans Revaluation Increases/(Decreases)		101.048	(2.202)	(116.541)	(140.175)
Shares Not to be Classified to Profit/(Loss) from Other Comprehensive Income of Investment Valued By Equity Method		-	-	-	-
Other Comprehensive Income Items Not to Classify to Other Profit/(Loss)		-	-	-	-
Taxes Related to Other Comprehensive Income Not to Reclassified to Profit/(Loss)		(9.639.956)	4.614	25.639	30.839
<i>Current Period Tax Income / (Expenses)</i>		-	-	-	-
<i>Deferred Tax Income / (Expenses)</i>		(9.639.956)	4.614	25.639	30.839
<b>To be Classified in Profit or (Loss)</b>		<b>7.134.297</b>	<b>1.989.427</b>	<b>1.386.741</b>	<b>397.518</b>
Foreign Currency Conversion Adjustments Revaluation and/or Classification Gains/(Losses) of Available For Sale Financial Assets		7.134.297	1.989.427	1.386.741	397.518
Cash Flow Hedge Gains/(Losses)		-	-	-	-
Investment Hedge Gains/(Losses) Related to Foreign Business		-	-	-	-
Shares to be Classified in Profit/(Loss) from Other Comprehensive Income of Investment Valued By Equity Method		-	-	-	-
Other Comprehensive Income Items to Classify to Other Profit/(Loss)		-	-	-	-
Taxes Related to Other Comprehensive Income to Reclassify to Profit/(Loss)		-	-	-	-
<i>Current Period Tax Income/(Expenses)</i>		-	-	-	-
<i>Deferred Tax Income/(Expenses)</i>		-	-	-	-
<b>OTHER COMPREHENSIVE INCOME</b>		<b>41.331.094</b>	<b>1.991.839</b>	<b>1.295.839</b>	<b>288.182</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>65.568.306</b>	<b>6.796.271</b>	<b>17.478.676</b>	<b>9.496.579</b>
<b>Total Comprehensive Income Attribute To</b>					
Non-Controlling Interests		-	-	-	-
Equity Holders of The Parent Company		65.568.306	6.796.271	17.478.676	9.496.579

# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

					Accumulated Other Comprehensive Income or Expenses Not To Be Reclassified Under Profit Or Loss	Other Comprehensive Income and Expenses Not to Be Reclassified in Profit or Loss			Accumulated Profit/(Loss)		
	Note	Paid in Capital	Treasury Shares	Share Premiums on Capital Stock	Tangible Assets Revaluation Increases/(Decreases)	Defined Benefit Plans Revaluation Gains/(Losses)	Foreign Currency Translation Differences	Restricted Reserves	Retained Earnings	The Profit /(Loss) of Period	Total
<b>December 31, 2018 Balance</b>		84.500.000	(3.445.108)	38.607.992	27.296.800	(517.529)	1.477.307	9.138.328	66.524.884	19.906.171	243.488.845
Transfers	21	-	-	-	-	-	-	2.032.987	17.873.184	(19.906.171)	-
Increase (Decrease) Due to Share Treasury Transactions		-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	21	-	-	-	-	(90.902)	1.386.741	-	-	16.182.837	17.478.676
<b>June 30, 2019 Balance</b>		84.500.000	(3.445.108)	38.607.992	27.296.800	(608.431)	2.864.048	11.171.315	84.398.068	16.182.837	260.967.521
<b>December 31, 2019 Balance</b>	21	84.500.000	(3.445.108)	38.607.992	27.202.058	(600.430)	4.346.131	11.171.315	84.516.493	26.995.351	273.293.802
Transfers	21	-	-	-	(20.639)	-	-	-	27.015.990	(26.995.351)	-
Increase (Decrease) Due to Share Treasury Transactions	21	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	21				34.117.979	78.818	7.134.297			24.237.212	65.568.306
<b>June 30, 2020 Balance</b>	21	84.500.000	(3.445.108)	38.607.992	61.299.398	(521.612)	11.480.428	11.171.315	111.532.483	24.237.212	338.862.108



# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED THEN JUNE 30, 2020 (Amounts expressed in TL, unless otherwise is stated.)

		Reviewed 01.01.2020 30.06.2020	Reviewed 01.01.2019 30.06.2019
	Notes		
<b>A. Cash Flow From Operating Activities</b>		<b>183.425.735</b>	<b>64.575.846</b>
<b>Net Profit/(Loss) For The Period</b>	<b>21</b>	<b>24.237.212</b>	<b>16.182.837</b>
<b>Adjustment Related to Period Profit/Loss Agreement</b>		<b>4.269.039</b>	<b>10.025.558</b>
Adjustments Related to Depreciation and Amortization Expense	23	5.553.847	2.834.528
Adjustments Related to Interest Income/Expense		(5.656.309)	(796.310)
Adjustments Related to Provisions		651.718	118.827
Adjustments Related to Tax Income/Expense		3.719.783	7.868.513
<b>Changes in Working Capital</b>		<b>154.919.484</b>	<b>38.367.451</b>
Adjustments Related to Increase/Decrease in Inventories	10	123.601.479	66.274.283
Adjustments Related to Increase/Decrease in Trade Receivables	7	47.532.298	22.935.551
Adjustments Related to Increase/Decrease in Other Receivables	8	(1.695.041)	(10.144.815)
Adjustments Related to Increase/Decrease in Trade Payables	7	(10.813.303)	(30.515.335)
Adjustments Related to Increase/Decrease in Other Payables	8	11.998.389	20.302
Adjustments Related to Other Increase/Decrease in Working Capital		(15.704.338)	(10.202.535)
<b>Cash Flow From Operating Activities</b>		<b>183.425.735</b>	<b>64.575.846</b>
<b>B. Cash Flows From Investing Activities</b>		<b>(50.611.718)</b>	<b>(56.093.330)</b>
Purchase of Tangible and Intangible Asset	15/16	(19.225.782)	(16.533.017)
Disposal of Tangible and Intangible Asset	15/16	281.119	60.448
Cash Inflows from Investment Property Sales	5/13	(107.083)	-
Cash Outflows for Debt Instruments or Shares of Other Companies or Funds	5/13	-	95.868
Cash Inflows for Debt Instruments or Shares of Other Companies or Funds	9	-	-
Derivative Instruments Cash Inflows	9	(31.559.972)	(39.716.629)
<b>C. Cash Flows From Financing Activities</b>		<b>235.218.805</b>	<b>33.724.003</b>
Cash Outflows From Stock Repurchases Or Other Equity Instruments		-	-
Cash Inflows from Financial Borrowings		444.606.602	212.984.566
Cash Outflows from Financial Payments		(185.493.534)	(159.929.038)
Interest Incomes	26	4.987.458	5.808.577
Interest Expenses	26	(28.881.721)	(25.140.102)
Dividends Paid		-	-
<b>Net Increase/(Decrease) in Cash and Cash Equivalents Before The Effect Of Foreign Currency Exchange Differences (A+B+C)</b>		<b>368.032.822</b>	<b>42.206.519</b>
<b>D. Effect of Foreign Currency Exchange Adjustments on Cash and Cash Equivalents</b>	<b>21</b>	<b>7.134.297</b>	<b>1.386.741</b>
<b>Net Increase/Decrease in Cash and Cash Equivalents (A+B+C+D)</b>		<b>375.167.119</b>	<b>43.593.260</b>
<b>E. Cash and Cash Equivalents at the Beginning of the Period</b>	<b>4</b>	<b>148.566.399</b>	<b>233.269.456</b>
<b>Cash and Cash Equivalents at the End of the Period (A+B+C+D+E)</b>	<b>4</b>	<b>523.733.518</b>	<b>276.862.716</b>

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

### 1. ORGANIZATION AND OPERATIONS OF THE COMPANY

Ulusoy Un Sanayi ve Ticaret Anonim Şirketi ("The Company") was established in 1989 to produce, trade, export and import all kinds of food products from cereals and legumes.

The Company's registered head office address is Hançerli Mahallesi Necipbey Caddesi No:107 İlkadım / Samsun. The address of the company's Samsun production facilities is Şabanoğlu Mahallesi Atatürk Bulvarı No: 180/1 Tekkeköy / Samsun. The address of Çorlu production facilities is Hıdırağa Mahallesi İstasyon Caddesi No: 20 Çorlu/ Tekirdağ.

Partnership structure of The Company is as follows:

Shareholder	Number of Shares	Group	Rate (%)	Amount
Fahrettin Ulusoy	4.550.000	A	5,38	4.550.000
	1.950.000	B	2,31	1.950.000
	-	C	-	-
	<b>6.500.000</b>		<b>7,69</b>	<b>6.500.000</b>
Nevin Ulusoy	650.000	A	0,77	650.000
	1.300.000	B	1,54	1.300.000
	12.207.627	C	14,45	12.207.627
	<b>14.157.627</b>		<b>16,76</b>	<b>14.157.627</b>
Onur Erhan Ulusoy	650.000	A	0,77	650.000
	1.950.000	B	2,31	1.950.000
	15.638.791	C	18,50	15.638.791
	<b>18.238.791</b>		<b>21,58</b>	<b>18.238.791</b>
Eren Günhan Ulusoy	3.900.000	A	4,62	3.900.000
	1.300.000	B	1,54	1.300.000
	16.781.279	C	19,86	16.781.279
	<b>21.981.279</b>		<b>26,02</b>	<b>21.981.279</b>
Kamil Adem	26.941	C	0,03	26.941
	<b>26.941</b>		<b>0,03</b>	<b>26.941</b>
Mithat Denizcigil	95.362	C	0,11	95.362
	<b>95.362</b>		<b>0,11</b>	<b>95.362</b>
Public Share	23.500.000	C	27,81	23.500.000
	<b>84.500.000</b>		<b>100,00</b>	<b>84.500.000</b>

The Company has 261 employees as of June 30, 2020 (December 31, 2019:243 employees).

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

The Company has three subsidiaries as of reporting date. The shares of the subsidiaries are as follows:

Subsidiaries	June 30, 2020 (Rate)	December 31, 2019 (Ratio)
Uludaş Tarım Ürünleri Lisanslı Depoculuk A.Ş.	% 100	% 100
Rolweg SA	% 100	% 100
Alfaway Gıda Sanayi ve Ticaret A.Ş.	%100	%100

### **Uludaş Tarım Ürünleri Lisanslı Depoculuk A.Ş. (“Uludaş”)**

Ulidas was established on February 27, 2015 in order to operate as licensed warehouse by stocking and retaining “agricultural commodity in scope of license” for commercial purpose in healthy conditions.

Ulidas’s registered head office address is Şabanoğlu Mahallesi Atatürk Bulvarı No:180-1 Tekkeköy / Samsun. Ulidas has 17 employees as of December 31, 2019. (December 31, 2018: 9 employees).

The Capital as of June 30, 2020 is 20.000.000 TL and the unpaid capital amounts to 15.000.000- TL..

### **Rolweg SA (“Rolweg”)**

Rolweg SA was established on March 15, 2018 with the capital of 1,000,000 Swiss Francs (CHF) to make grain commercial. 100% of the capital of Rolweg belongs to Ulusoy Un Sanayi ve Ticaret A.Ş. The official address of Rolweg SA is Rue du Nant6, 1207 Geneva Switzerland.

Rolweg’s capital was increased by 2,000,000 Swiss francs (CHF) with the decision taken on 23.07.2019. As of June 30, 2020, the capital of Rolweg SA is 3,000,000 Swiss francs.

### **Alfawaf Gıda Sanayi ve Ticaret A.Ş. (Alfaway)**

It was established on 24.09.2019 to manufacture, wholesale and retail purchase, sale and distribution, import and export of all kinds of foodstuffs. The head office address of Alfaway is Şabanoğlu Mahallesi Atatürk Boulevard N180 / 1 Tekkeköy Samsun. As of June 30, 2020, its capital is 5.000.000 TL. Ulusoy Un Sanayi ve Ticaret A.Ş. holds 100% of Alfaway's capital.

As of June 30, 2020 the company has 45 employees.

The Company, Alfaway, Uludaş and Rolweg will all be referred to as “the Group”.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

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### 2. BASIS OF THE FINANCIAL STATEMENTS

#### 2.1. Basis of Presentation

##### 2.1.1. Statement of Compliance

The Group prepares its accounting records in accordance with the accounting principles of Turkish Commercial Code and Turkish Tax Law and prepares legal financial statements in Turkish Lira (TL). The accompanying financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS") / Turkish Financial Reporting Standards ("TFRS"), which are endorsed by the Public Oversight Accounting and Auditing Standard Authority according to Communiqué No:II, 14.1 "Communiqué on Financial Reporting Standards in Capital Markets" ("the Communiqué") promulgated by CMB, which is published in the Official Gazette dated June 13, 2013 and numbered 28676.

Consolidated financial statements for the period ended June 30, 2020 were approved at the board meeting on August 19, 2020 and signed by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol and Kemal Kitaplı on behalf of the Board of Directors.

The Company's General Assembly and/or legal authorities have the authority to change the accompanying consolidated financial statements.

##### 2.1.2. Basis of Financial Statements Preparation

The consolidated financial statements and notes dated as of June 30, 2020 are prepared in accordance with the requirements of Capital Markets Board ("CMB") Communiqué Serial II, No: 14.1 "Basis of Financial Reporting in Capital Markets", which was published in the Official Gazette nb. 28676 on June 13, 2013. The consolidated financial statements are presented in accordance with "Announcement regarding with TAS/TFRS Taxonomy".

Interim summary financial statements are prepared in accordance with TAS 34. The interim condensed consolidated financial statements of the Group do not include all of the disclosures and footnotes required to be included in the year-end consolidated financial statements and should therefore be read together with the financial statements of the Group as of 31 December 2019.

The accompanying consolidated financial statements are prepared regarding the amendments and classifications made to the legal records of the Group in accordance with the communiqué published by the CMB. The Group presents the consolidated financial statements and notes in accordance with the formats required to be applied in accordance with the communiqués and notices issued by the CMB.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

The Group's consolidated financial statements are prepared in accordance with The Group's sustainability under the assumption of The Group will meet its liabilities and benefit from its assets in the following year.

Coronavirus (Covid-19) pandemic, a virus that originated in China and spread around the world causing deadly respiratory infections negatively affects the economic conditions in the countries of exposure, regionally and globally. The disease was confirmed in Turkey on March 10, 2020. According to the data of the World Health Organization, it took the third month of 2020 to be declared as a pandemic. While the duration of the pandemic remains uncertain, its effects are expected to become apparent in the medium and long term. The Group management monitors all developments regarding the effects of the Covid-19 outbreak on the financial statements and takes the necessary measures. While preparing the consolidated financial statements dated June 30, 2020, the Group management evaluated all the possible effects and the estimates and assumptions used in the preparation of the consolidated financial statements were reviewed. However, as the impact of the Coronavirus outbreak remains uncertain at the relevant date, its impact on the Group's operations cannot be reasonably estimated while there is no expectation that it will have a negative impact on revenues and sales volumes of the food sector.

### 2.1.3. Reporting Currency

The accompanying consolidated financial statements are presented in TL and all financial information is rounded to the nearest digit.

### 2.1.4. Adjustment of Financial Statements in Hyperinflation Period

TAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy should be stated in terms of the measuring unit current at the reporting date. Hyperinflation period ceased and also the criteria related to hyperinflation are not valid anymore according to CMB's March 17, 2005 dated and 11/367 numbered decree. Moreover, preparation of financial statements according to inflation accounting has been ceased on January 1, 2005.

### 2.1.5. Basis of Consolidation

Financial statements as of June 30, 2020 and December 31, 2019 are presented as consolidated financial statements.

The Company's subsidiary details as of June 30, 2020 and December 31, 2019 are as follows:

Subsidiary	June 30, 2020 (Rate)	December, 31 2019 (Rate)
Uludaş Tarım Ürünleri Lisanslı Depoculuk A.Ş.	% 100	% 100
Rolweg SA	%100	%100
Alfaway Gıda Sanayi ve Ticaret A.Ş.	%100	%100

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

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The accompanying consolidated financial statements reflect the accounts of The Group and its subsidiaries in the way which is mentioned in the “subsidiaries” note. Necessary adjustments and reclassifications are made in the sense of accordance with legal records, reporting standards, accounting policies of The Group and presentation styles by preparing the financial statements of subsidiaries.

### 2.1.5.1. Subsidiaries

Subsidiaries are the companies that The Group has control on the activities directly or indirectly. The Group takes a share from operating results of subsidiaries depending on its managing authority on the financial and operational policies of its subsidiaries. Existing and transposable vote rights are considered in determination of control power. Financial statements of subsidiaries are presented in the consolidated financial statements as long as the control power exists.

The Group owns 100% of Ulidas and Rolweg SA as of June 30, 2019. Considering The Company has full control authority on the activities of Alfaway, Rolweg SA and Ulidas, financial statements of Alfaway, Rolweg SA and Ulidas are included in the accompanying consolidated financial statements with full consolidation method.

### 2.1.5.2. Elimination by Consolidation

Statement of financial position and profit or loss statement of Alfaway, Ulidas and Rolweg are consolidated with full consolidation method and recorded values of Alfaway, Ulidas and Rolweg which are presented as subsidiaries in The Group’s books and equity of Alfaway, Ulidas and Rolweg are offset reciprocally. Consolidated financial statements are purified from all balances, transactions and all sorts of unrealized income and expenses arising from transactions between The Group and Alfaway, Ulidas and Rolweg. When necessary, adjustments are made in financial statements of subsidiaries in order to follow same accounting policies with The Company. All transactions, balances, income and expenses within The Group are eliminated by consolidation.

### 2.1.5.3. Non-controlling Interests

Non-controlling interests in net assets of consolidated subsidiaries are expressed separately in shareholders’ equity of The Group. Non-controlling interests consist of amount of these interests which realized in the beginning of merger and amount of non-controlling interests in the changes in equity since merging date.

### 2.1.6. Comparative Information and Prior Period Financial Statement Correction

Consolidated financial statements are presented comparatively. Comparative information is reclassified in order to be in conformity with the presentation of the current period consolidated financial statements if necessary.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

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### 2.1.7. Offsetting

Financial assets and liabilities are reported on net basis in the consolidated statement of financial position; if there is legal offsetting right, they are paid on net basis or collection is possible or acquisition and payment are realized simultaneously.

### 2.1.8. Changes in Accounting Policies

Changes in accounting policies are applied retroactively and the financial statements of the prior period are prepared accordingly.

### 2.1.9. Changes in Accounting Estimates and Errors

If estimated changes in accounting policies are for only one period, changes are applied in the current period but if the estimated changes continue for the following periods, changes are applied both in the current and following periods prospectively. Determined accounting errors are applied retroactively and the financial statements of the prior periods are reprepared accordingly.

The preparation of financial statements; Group management makes judgments, estimates and assumptions. The estimates are used particularly in the following notes: determining the useful lives of tangible and intangible assets, determining the actuarial assumptions used in the retirement pay account, provisions to be set aside for lawsuits and enforcement proceedings against the Group, and determination of inventory impairment.

### *Significant Accounting Evaluations, Estimates and Assumptions*

The preparation of financial statements, management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The assumptions made by the Group as of the reporting period are as follows:

- ❖ Termination indemnity liability is determined by using actuarial assumptions (discount rates, future salary increase rates, employees' probability of leaving work).
- ❖ Tangible and intangible assets are amortized on a straight-line basis over their useful lives. Useful life, residual value and amortization method are reviewed annually for possible effects of changes in estimates.
- ❖ In case of doubt (uncertainty) in the collection of receivables, the Group reserves provision for these receivables irrespective of the circumstances of the case (unfolding).
- ❖ Inventories are presented in the financial statements over the lower of cost or fair value.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

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### 2.1.10. Summary of Significant Accounting Policies

#### 2.1.10.1. Revenue

The Group adopted TFRS 15, “Revenue From Contracts with Customers” from 1 January 2018 which proposes a five step model framework mentioned below for recognizing the revenue.

1. Identify the contact with customers
2. Identify separate performance obligations in the contract
3. Determine the transaction price in contract
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue

The revenue of the Group consists of wheat, corn, flour, dandruff and spike sales.

#### 2.1.10.2. Tangible Assets

Tangible assets such as underground and overland plants, furniture and fixture, plants machinery and equipment of The Group are presented by their cost, including expenses incurred to make it ready for use, after deducting accumulated depreciation and accumulated impairment loss As of June 30, 2020; lands, buildings and vehicles are reported due to revaluation model in the consolidated financial statements and the realised difference is reported in equity in tangible assets revaluation surplus and in the statement of other comprehensive income in the related period When tangible assets are sold, realised profit or loss is presented in profit or loss statement after their cost and accumulated depreciation are deducted from the related accounts. Assets except lands are depreciated by considering the rates which are determined according to their useful lives.

	Useful Life
Underground and Overland Plant	25-40-50 Years
Buildings	25-50 Years
Furniture and Fixture	3-4-5-6-9-10-15-16-50 Years
Vehicles	2-4-5-10-15 Years
Plants Machinery and Equipment	4-5-6-8-10-13-15-16 Years
	17-20-25-40-50 Years

#### 2.1.10.3. Intangible Assets

Intangible assets are recognized by acquisition cost and are amortized by the rates that are determined due to their useful lives.

	Useful Life
Rights	3-4-5-10-15 Years



## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

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### 2.1.10.4. Impairment of Assets

All assets other than financial assets are tested for whether there is an indicator of impairment or not all reporting dates. If such an indicator exists, recoverable amount of that asset is estimated. Recoverable amount of an asset is the higher one of net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its life.

### 2.1.10.5. Borrowing Costs

All borrowing costs are recognized in consolidated profit or loss statement in the period in which they are incurred because The Group has no qualifying assets.

### 2.1.10.6. Inventories

Inventories shall be measured at the lower of cost and net realizable value. The cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.1.10.7. Financial Assets

#### 2.1.10.7.1. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments of which maturities are three months or less from the date of acquisition and that are easily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### 2.1.10.7.2. Trade and Other Receivables

Trade and other receivables are recorded by their fair values at the initial recognition, and are subsequently presented by amortized cost by using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss when there is objective evidence that the asset is impaired.

When trade receivables are not impaired for certain reasons (except for realized impairment losses), the Company measures the loss allowance for trade receivables at an amount equal to "lifetime expected credit losses". Expected credit losses are a probability weighted estimate of credit losses over the expected life of a financial instrument. In the calculation of expected credit losses, the Company takes into account estimates for the future as well as past credit loss experience.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

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### 2.1.10.7.3. Derivative Financial Instruments

Derivative financial instruments are held for trading or hedging. The Group holds all derivative financial instruments for trading. The difference between the cost value and the fair value of the financial derivative is recognized in profit/ (loss).

### 2.1.10.8. Financial Liabilities

#### 2.1.10.8.1. Financial Borrowings

Interest-bearing financial borrowings are initially recognized by fair value, and are subsequently revaluated by using effective interest rate method.

#### 2.1.10.8.2. Trade and Other Payables

Trade and other payables are initially recognized by fair value, and are subsequently evaluated by amortized cost by using effective interest rate method.

#### *Credit Risk:*

The Group's credit risk primarily arises from its trade receivables. Trade receivables are evaluated by The Group's management based on prior experiences and the current economic environment, and are presented in the consolidated statement of financial position on net basis after deducting allowances for doubtful receivables.

#### *Market Risk:*

Market risk arises from the probable changes in the level of interest rates, currency exchange rates or the price of securities and other financial contracts that might have an adverse financial impact.

#### *Liquidity Risk:*

The Group is generally raising funds by liquidating its short-term financial instruments. The proceedings from these instruments are presented by their fair values.

### 2.1.10.9. Foreign Currency Transactions

Transactions in foreign currencies are exchanged to TL by the rates on the date of transactions. Assets and liabilities denominated in foreign currencies are translated by the exchange rates on the reporting date. Gains and losses arising from settlement and translation of foreign currency items are presented in consolidated profit or loss statement.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

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### 2.1.10.10. Earnings Per Share

According to TAS 33; earnings per share presented in the accompanying consolidated profit or loss statement are calculated by dividing net income by the weighted average ordinary number of shares.

### 2.1.10.11. Subsequent Events

Describe the events that occurred between the reporting date and the authorization date for publishing the consolidated statement of financial position in favour of or against The Group. If there are new proofs showing that such events really exist as of reporting date or the related events reveal following reporting date, The Group states such issues in the related notes.

If some events that require adjustments revealed after reporting date, The Group should adjust the amounts in the consolidated financial statements according to the new situation.

### 2.1.10.12. Related Parties

For the purpose of accompanying consolidated financial statements, shareholders of The Group and other companies owned by the shareholders, their directors and key management personnel and any other related person or company are considered and referred as related parties. Related parties expression refers to the control of The Group directly or indirectly, to have right to provide significant impact on The Group or The Group's subsidiaries, members of the board, directors like chief executive officer.

### 2.1.10.13. Taxes Calculated On the Basis Of The Company's Earnings

In Turkey, corporation tax rate is 22% for 2020 (on December 31, 2019: %22). This rate is implemented to the tax base which is calculated by adding non-deductible expenses according to the tax laws and deducting tax exemptions and discounts. Unless the profit is distributed, there is not further tax to be paid. 5520 numbered corporation tax rate is amended to 22% for the fiscal taxation periods of 2018, 2019 and 2020, with provisional Clause 10 added to the Article 91 of the Law numbered 7061.

The Group is required to pay temporary corporate tax based on their quarterly profits at the rate of 22%. Temporary Corporate tax must be submitted by the 14th of the second month following the quarterly period and the tax should be paid until the 17th of the same month. Temporary corporate tax payments are going to be offset against the final corporate tax liability of The Group, which is determined in the annual return. According to the Turkish Tax Laws, stated financial loss can be deducted from profit for five years.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

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### 2.1.10.14. Employee Termination Benefits

According to the laws in force, The Group is responsible for making a specific amount of payment to personnel due to rescind reasons except the ones stated in the Labour Law and retirement. Due to TAS 19 'Employee Benefits', employee termination benefits are presented in consolidated financial statements by estimating present value, of the total liability that should be paid to all employees who have right to get severance pay on reporting date.

### 2.1.10.15. Investment Properties

The Group chooses fair value method or cost method as an accounting policy and applies it to all investment properties.

A company which choose cost method after the first recognition, measures all investment properties by cost method according to TAS 16.

The Group choses fair value method therefore, profit/loss which appeared by the change in fair value of an investment property, is added to profit/loss of regarding period. Explanations about the Group's investment properties are presented in the note 19.

## 2.2. Significant Accounting Evaluation, Estimates and Judgments

The preparation of consolidated financial statements in accordance with TFRS, requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. If adjustment is necessary, it is reported in consolidated profit or loss statement of the period that adjustment is revealed.

## 2.3. New and Revised International Financial Reporting Standards

The Group applied all standards ü promulgated by Public Oversight Accounting and Auditing Standard Authority, which are valid and mandatory as of 30 June 2020 in accordance with the financial statements of 31 December 2019.

New standards effective as of January 1, 2020, and changes and interpretations to existing previous standards:

TAS 1 and TAS 8- Materiality Definition

TFRS 3 - Business Combinations (Amendments)

Amendments to TFRS 9, TAS 39 and TFRS 7 - Benchmark interest rate reform

TFRS 16 - Leasing Transactions

Standards and changes that have been published as of 30 June 2020 but have not yet come into force:

TAS 1 - Presentation of financial statements

TFRS 17 - Insurance Contracts

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

TFRS 3 Business Combinations (Amendments)

TMS 16 Tangible Fixed Assets (Amendments)

TAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments)

TFRS Annual Improvements; Amendments to TFRS 1, TFRS 9, TAS 41 and TFRS 16

### 3.SEGMENTAL REPORTING

June 30, 2020	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Revenue	2.292.685.916	2.762.628	(130.324.522)	2.165.124.022
Cost of Sales (-)	(2.192.529.266)	(1.030.733)	128.455.730	(2.065.104.269)
<b>Gross Profit/Loss From Commercial Activity</b>	<b>100.156.650</b>	<b>1.731.895</b>	<b>(1.868.792)</b>	<b>100.019.753</b>
Research and Development Expenses (-)	(46.997)	-	-	(46.997)
Marketing Expenses (-)	(25.852.791)	-	1.888.793	(23.963.998)
General Administrative Expenses (-)	(8.522.442)	(699.095)	349.748	(8.871.789)
Other Operating Income	88.948.064	682.659	(544.560)	89.086.163
Other Operating Expenses (-)	(31.276.755)	(202.816)	170.300	(31.309.271)
<b>Operating Profit/(Loss)</b>	<b>123.405.729</b>	<b>1.512.643</b>	<b>(4.511)</b>	<b>124.913.861</b>
Income from Investing Activities	507.890	-	-	507.890
Expenses from Investing Activities	-	(102.008)	-	(102.008)
The Profit/(Loss) of Decrease in Value Determined in Accordance with TFRS 9 and Cancellations for Decrease in Value of Loss	(165.910)	-	-	(165.910)
Shares of Investments Evaluated by Equity Method in Profit/(Loss)	504.221	-	-	504.221
<b>Operating Profit/(Loss) Before Financial Expenses</b>	<b>124.251.930</b>	<b>1.410.635</b>	<b>(4.511)</b>	<b>125.658.054</b>
Financial Income	106.471.390	4.203	(782.709)	105.692.884
Financial Expenses (-)	(201.627.524)	(344.271)	787.220	(201.184.575)
<b>Continuing Operations Profit/(Loss) Before Tax</b>	<b>29.095.796</b>	<b>1.070.567</b>	<b>-</b>	<b>30.166.363</b>
Continuing Operations Tax Income/(Expenses)	(6.032.150)	102.999	-	(5.929.151)
<b>Net Profit/(Loss) For The Period</b>	<b>23.063.646</b>	<b>1.173.566</b>	<b>-</b>	<b>24.237.212</b>

# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

June 30, 2019	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Revenue	1.509.323.939	1.836.286	(363.310)	1.510.796.915
Cost of Sales (-)	(1.426.053.608)	(514.552)	80.999	(1.426.487.161)
<b>Gross Profit/Loss From Commercial Activity</b>	<b>83.270.331</b>	<b>1.321.734</b>	<b>(282.311)</b>	<b>84.309.754</b>
Research and Development Expenses (-)	(54.567)	-	-	(54.567)
General Administrative Expenses (-)	(5.958.143)	(416.985)	128.218	(6.246.910)
Marketing Expenses (-)	(20.540.210)	-	-	(20.540.210)
Other Operating Income	90.481.966	320.485	(60.188)	90.742.263
Other Operating Expenses (-)	(75.061.669)	(196.651)	203.752	(75.054.568)
<b>Operating Profit/(Loss)</b>	<b>72.137.708</b>	<b>1.028.583</b>	<b>(10.529)</b>	<b>73.155.762</b>
Income from Investing Activities	265.209	-	-	265.209
Expenses from Investing Activities	-	-	-	-
The Profit/(Loss) of Decrease in Value Determined in Accordance with TFRS 9 and Cancellations for Decrease in Value of Loss	81.616	-	-	81.616
Shares of Investments Evaluated by Equity Method in Profit/(Loss)	275.224	-	-	275.224
<b>Operating Profit/(Loss) Before Financial Expenses</b>	<b>72.759.757</b>	<b>1.028.583</b>	<b>(10.529)</b>	<b>73.777.811</b>
Financial Income	62.471.131	14	(932.101)	61.539.044
Financial Expenses (-)	(110.255.585)	(745.219)	942.630	(110.058.174)
<b>Continuing Operations Profit/(Loss) Before Tax</b>	<b>24.975.303</b>	<b>283.378</b>	<b>-</b>	<b>25.258.681</b>
Continuing Operations Tax Income/(Expenses)	(9.089.620)	13.776	-	(9.075.844)
<b>Net Profit/(Loss) For The Period</b>	<b>15.885.683</b>	<b>297.154</b>	<b>-</b>	<b>16.182.837</b>

**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

<b>June 30, 2020</b>	<b>Wheat and Flour Trade</b>	<b>Licensed Warehouse</b>	<b>Elimination</b>	<b>Total</b>
Total Assets	1.658.685.804	23.001.342	(90.920.500)	1.590.766.646
Total Liabilities	1.306.670.890	5.501.614	(60.267.966)	1.251.904.538
Equity Holders of The Parent Company	352.014.914	17.499.728	(30.652.534)	338.862.108
Non-Controlling Interests	-	-	-	-

<b>December 31, 2019</b>	<b>Wheat and Flour Trade</b>	<b>Licensed Warehouse</b>	<b>Elimination</b>	<b>Total</b>
Total Assets	1.327.812.521	14.334.318	(61.647.327)	1.280.499.512
Total Liabilities	1.033.898.237	9.464.505	(36.157.032)	1.007.205.710
Equity Holders of The Parent Company	293.914.284	4.869.813	(25.490.295)	273.293.802
Non-Controlling Interests	-	-	-	-

<b>June 30, 2020</b>	<b>Wheat and Flour Trade</b>	<b>Licensed Warehouse</b>	<b>Total</b>
Investment Expenditures	17.225.291	1.709.573	18.934.864
Depreciation	5.211.744	342.103	5.553.847

<b>December 31, 2019</b>	<b>Wheat and Flour Trade</b>	<b>Licensed Warehouse</b>	<b>Total</b>
Investment Expenditures	46.321.573	201.308	46.522.881
Depreciation	5.507.679	394.713	5.902.392

**4. CASH AND CASH EQUIVALENTS**

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Demand Deposits	63.842	59.065
Deposit Accounts	62.315.261	25.005.286
POS Accounts	434.292.302	92.473.701
Fund Accounts	125.199	161.035
Expected Credit Loss	27.191.189	30.955.677
Demand Deposits	(254.275)	(88.365)
	<b>523.733.518</b>	<b>148.566.399</b>

Expected credit loss is consisted of provisions calculated in accordance with TFRS 9.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

### 5. FINANCIAL INVESTMENTS

#### Short Term Financial Investments

Short-term financial assets are classified as financial assets at fair value through profit or loss.

	June 30, 2020	December 31, 2019
Bonds	924.786	1.012.995
Blocked Accounts	1.778.151	1.543.740
	<b>2.702.937</b>	<b>2.556.735</b>

#### Long Term Financial Investments

None.

### 6. FINANCIAL BORROWINGS

#### Short Term Financial Borrowings

	June 30, 2020	December 31, 2019
Short Term Borrowings	221.027.632	101.222.155
Short Term Portions of Long Term Borrowings (net)	114.559.240	81.548.763
	<b>335.586.872</b>	<b>182.770.918</b>

#### Short Term Borrowings

	June 30, 2020	December 31, 2019
Short Term Loans	<b>221.027.632</b>	<b>101.222.155</b>

#### Short Term Loans

	June 30, 2020	December 31, 2019
Short Term Loans	223.303.216	102.321.509
Deferred Interest Expenses (-)	(2.275.584)	(1.099.354)
<b>Short Term Loans (Net)</b>	<b>221.027.632</b>	<b>101.222.155</b>

Detail of the short term loans (net) as of June 30, 2020 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USD	%1,64-%3,00 Interest Corridor	26.724.321-Usd	182.853.150
TL		-	38.174.482
			<b>221.027.632</b>

Detail of the short term loans (net) as of December 31, 2019 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USD	%1,84-%5,70 Interest Corridor	17.040.193-Usd	101.222.155
TL		-	-
			<b>101.222.155</b>



**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

**Short Term Portions of Long Term Borrowings**

	June 30, 2020	December 31, 2019
Short Term Portions of Long Term Loans (net)	108.923.995	74.479.261
Short Term Portions of Long Term Leasing Payables (net)	5.635.245	7.069.502
	<b>114.559.240</b>	<b>81.548.763</b>

**Short Term Portions of Long Term Loans**

	June 30, 2020	December 31, 2019
Short Term Portions of Long Term Loans	130.973.224	91.360.923
Deferred Interest Expenses (-)	(22.049.229)	(16.881.662)
<b>Short Term Portions of Long Term Borrowings (net)</b>	<b>108.923.995</b>	<b>74.479.261</b>

Detail of the short term portions of long term loans as of June 30, 2020 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USD	% 4 - %7 Interest Corridor	3.211.798-Usd	21.975.762
EUR	%3- %5 Interest Corridor	3.060.144-Euro	23.588.206
TL	%8 - %18 Interest Corridor		63.360.027
			<b>108.923.995</b>

Detail of the short term portions of long term loans as of December 31, 2019 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USD	% 4,12 - %7,57 Interest Corridor	2.388.236-Usd	14.186.601
EUR	%3,59- %5,11 Interest Corridor	4.906.923-Euro	32.633.983
TL	%12 - %24,55 Interest Corridor		27.658.677
			<b>74.479.261</b>

**Short Term Portions of Long Term Leasing Payables**

	June 30, 2020	December 31, 2019
Short Term Portions of Long Term Leasing Payables	6.111.542	7.622.919
Deferred Interest Expenses (-)	(476.297)	(553.417)
<b>Short Term Portions of Long Term Leasing Payables (net)</b>	<b>5.635.245</b>	<b>7.069.502</b>

Detail of the short term portions of long term leasing payables (net) as of June 30, 2020 is as follows:

Currency	Currency Amount	TL Amount
USD	754.079-Usd	5.159.562
TL		475.683
		<b>5.635.245</b>

Detail of the short term portions of long term leasing payables (net) as of December 31, 2019 is as follows:

Currency	Currency Amount	TL Amount
USD	1.169.802-Usd	6.948.859
EUR		-
TL		120.643
		<b>7.069.502</b>

**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

**Long Term Financial Borrowings**

	June 30, 2020	December 31, 2019
Long Term Loans (net)	268.897.788	190.728.621
Long Term Leasing Payables (net)	6.559.531	7.982.156
<b>Long Term Financial Borrowings (net)</b>	<b>275.457.319</b>	<b>198.710.777</b>

**Long Term Loans**

	June 30, 2020	December 31, 2019
Long Term Loans	312.201.623	228.494.500
Deferred Interest Expenses (-)	(43.303.835)	(37.765.879)
<b>Long Term Loans (net)</b>	<b>268.897.788</b>	<b>190.728.621</b>

Detail of the long term loans (net) as of June 30, 2020 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USD	% 4 -%7 Interest Corridor	16.272.810-Usd	111.341.821
EUR	%3- %5 Interest Corridor	750.000-Euro	5.781.150
TL	%8 - %18 Interest Corridor		151.774.817
			<b>268.897.788</b>

Detail of the long term loans (net) as of December 31, 2019 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USD	% 4,12 -%7,57 Interest Corridor	17.128.571-Usd	101.747.140
EUR	%3,59- %5,11 Interest Corridor	2.250.000-Euro	14.963.850
TL	%12 - %24,55 Interest Corridor		74.017.631
			<b>190.728.621</b>

**Long Term Leasing Payables**

	June 30, 2020	December 31, 2019
Long Term Leasing Payables	6.876.164	8.432.749
Deferred Interest Expenses (-)	(316.633)	(450.593)
<b>Long Term Leasing Payables (net)</b>	<b>6.559.531</b>	<b>7.982.156</b>

Detail of the long term leasing payables (net) as of June 30, 2020 is as follows:

Currency	Currency Amount	TL Amount
USD	958.687-Usd	6.559.531
EUR	-	-
TL	-	-
		<b>6.559.531</b>

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

Detail of the long term leasing payables (net) as of December 31, 2019 is as follows:

Currency	Currency Amount	TL Amount
USD	1.228.283-Usd	7.296.245
Euro	-	-
TL	-	685.911
		<b>7.982.156</b>

### 7. TRADE RECEIVABLES AND PAYABLES

#### Short Term Trade Receivables

	June 30, 2020	December 31, 2019
Trade Receivables from Related Parties	131.267	711.701
Trade Receivables from Other Parties	477.421.982	518.836.838
Notes Receivable from Related Parties	791.224	2.362.923
Notes Receivable from Other Parties	17.361.361	21.244.946
Deferred Maturity Difference Income (-)	(1.170.527)	(1.035.636)
Doubtful Trade Receivables	7.740.146	7.588.747
Provision for Doubtful Trade Receivables (-)	(7.740.146)	(7.588.747)
<b>Short Term Trade Receivables (net)</b>	<b>494.535.307</b>	<b>542.120.772</b>

Changes in doubtful trade receivables as of June 30, 2020 and December 31, 2019 are as follows:

	June 30, 2020
Opening Balance	7.588.747
Provisions for the Period	641.900
Provisions Cancelled* (-)	(490.501)
<b>Closing Balance</b>	<b>7.740.146</b>

\* Consists of collected doubtful trade receivables.

The Company made various estimates according to TFRS 9. After the confirmation of Covid-19 in Turkey, the Company revised the estimations according to the current economic indicators and the expected credit loss /Risk Exposure Ratio was determined as 0.14%. The determined loss rates and provisions made according to TFRS 9 are as follows:

	June 30, 2020
Opening Balance	293.950
Provisions for the Period according to TFRS 9	162.268
<b>Expected Credit Loss for the Period</b>	<b>456.218</b>

#### Long Term Trade Receivables

	June 30, 2020	December 31, 2019
Trade Receivables from Related Parties	-	-
Trade Receivables from Other Parties*	8.876.033	8.822.866
<b>Long Term Trade Receivables (net)</b>	<b>8.876.033</b>	<b>8.822.866</b>

\*Vide note 18.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

### Short Term Trade Payables

	June 30, 2020	December 31, 2019
Trade Payables to Related Parties	3.058.986	167.724
Trade Payables to Other Parties*	562.144.775	576.432.408
Notes Payable to Other Parties	868.975	360.212
Deferred Maturity Difference Expense (-)	(1.951.203)	(2.025.508)
<b>Trade Payables (net)</b>	<b>564.121.533</b>	<b>574.934.836</b>

\* As of June 30, 2020; 526.563.811 TL of trade payables to other parties consist of letters of credit payables (December 31, 2019: 483.259.024-TL).

### Long Term Trade Payables

None.

## 8. OTHER RECEIVABLES AND PAYABLES

### Other Short Term Receivables

	June 30, 2020	December 31, 2019
Deposits and Guarantees Given	3.472	11.910
Other Receivables from Other Parties	-	23.458
Licensed Warehousing Incentive Receivables	165.750	-
Receivables From Public Authority	9.470.200	9.602.981
	<b>9.639.422</b>	<b>9.638.349</b>

### Other Long Term Receivables

	June 30, 2020	December 31, 2019
Deposits and Guarantees Given	2.813.822	1.119.854
	<b>2.813.822</b>	<b>1.119.854</b>

### Other Short Term Payables

	June 30, 2020	December 31, 2019
Other Payables to Other Parties	170.636	241.751
Other Payables to Related Parties	15.609.517	3.540.013
	<b>15.780.153</b>	<b>3.781.764</b>

### Other Long Term Payables

None.

## 9. DERIVATIVE INSTRUMENTS

### Derivative Financial Assets

	June 30, 2020	December 31, 2019
Futures Market Collaterals	15.226.999	4.094.473
Derivative Financial Instruments	18.182.614	-
	<b>33.409.613</b>	<b>4.094.473</b>

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

### **Derivative Financial Liabilities**

	June 30, 2020	December 31, 2019
Futures Market Collaterals	-	-
Derivative Financial Instruments	-	2.244.832
	-	<b>2.244.832</b>

Collaterals that are given to make transactions in futures market are classified as futures market collaterals where as fair values of forward agreements and options are classified as derivative financial instruments. Profit or losses resulted from the transactions within the period are reported in profit/loss statement as derivative financial instruments gain/loss in financial income/expenses. Also, fair value differences of open positions as of reporting date are reported in financial income Fair Value of Financial Instruments

The Group classifies the fair value measurement of each class of financial instruments according to the source using the three level hierarchy as follows:

- Level 1 : Valuation methods which uses quoted prices (unadjusted) in active markets for identical assets or liabilities that The Group can access at the measurement date
- Level 2 : Valuation methods which include inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : Valuation methods which include inputs that are unobservable inputs for the asset or liability.

June 30, 2020	Level 1	Level 2	Level 3
Foreign Exchange Forward Contracts (Held for Trading)		33.409.613	
		<b>33.409.613</b>	
December 31, 2019	Level 1	Level 2	Level 3
Foreign Exchange Forward Contracts (Held for Trading)	-	1.849.641	-
	-	<b>1.849.641</b>	-

Foreign exchange forward contracts (Level 2) are valued by; discounting foreign exchange forward contracts' fair value to present day and using foreign exchange rate.

### **10. INVENTORIES**

	June 30, 2020	December 31, 2019
Raw Material and Supplies	58.245.278	140.283.127
Goods	8.328.258	20.567.208
Goods in transit*	4.394.427	2.595.956
Trade Goods	107.907.818	141.168.506
Other Inventories	717.268	434.424
Provision for Impairment of Inventories (-)	(225.287)	(2.079.980)
	<b>179.367.762</b>	<b>302.969.241</b>

There are not any collaterals, pledges and mortgages upon inventories, and they are all insured.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

### 11. PREPAID EXPENSES AND DEFERRED INCOME

#### Short Term Prepaid Expenses

	June 30, 2020	December 31, 2019
Advances Given to Related Parties	-	-
Advances Given to Other Parties	60.980.433	44.847.059
Insurance Expenses and Other Expenses	1.553.856	1.637.207
	<b>62.534.289</b>	<b>46.484.266</b>

#### Long Term Prepaid Expenses

	June 30, 2020	December 31, 2019
Insurance Expenses	-	-
Advances Given to Other Parties*	3.042.014	3.042.014
	<b>3.042.014</b>	<b>3.042.014</b>

\*Vide note 18.

#### Short Term Deferred Income

	June 30, 2020	December 31, 2019
Advances Received from Related Parties	-	-
Advances Received from Other Parties	26.946.826	20.409.090
Deferred Income	77.688	400.206
	<b>27.024.514</b>	<b>20.809.296</b>

#### Long Term Deferred Income

None.

### 12. INVESTMENTS VALUED BY EQUITY METHOD

Associate	%	June 30, 2020	%	December 31, 2019
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	17	4.573.371	17	4.612.490

The detail of the change in Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.'s value for the period of June 30, 2020 is as follows:

	January 1- June 30, 2020
Value as of December 31, 2019	4.612.490
The Share from Associate's Profit/Loss as of June 30 ,2020	504.222
Accrued Dividend Yield	(543.341)
	<b>4.573.371</b>

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

According to TFRS 12 “Disclosure of Interests in Other Entities” B12 (a) and (b) matters; disclosure requirements for summarized financial information of Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. as of June 30, 2020 and December 31, 2019 are as follows\*:

	June 30, 2020	December 31, 2019
Current Assets	4.071.735	3.504.360
Non-Current Assets	10.632.364	4.998.894
Short Term Liabilities	1.567.070	549.523
Long Term Liabilities	5.710.850	778.340
Revenue	6.073.009	8.944.214
Continuing Profit/(Loss) for the Period	2.966.009	3.540.141
The Period Profit/(Loss) After Tax for Discontinued Operations	-	-
Other Comprehensive Income	2.966.009	3.540.141
Total Comprehensive Income	2.966.009	3.540.141

\* According to B15 (b) matter of TFRS 12 “Disclosure of Interests in Other Entities”; financial information is obtained from associate’s legal accounting records.

### 13. INVESTMENT PROPERTIES

	June 30, 2020	December 31, 2019
Lands	7.515.000	7.515.000
Buildings	3.985.000	3.985.000
	<b>11.500.000</b>	<b>11.500.000</b>

### 14. CORPORATE TAX ASSETS

	June 30, 2020	December 31, 2019
Prepaid Taxes and Funds	500.820	-

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

#### 15. TANGIBLE ASSETS

Detail of the tangible assets as of June 30, 2020 is as follows:

Acquisition Cost	Plant Machinery And Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions Progress	Total
January 1, 2020 Opening Balance	87.651.386	3.369.822	21.938.350	72.384.788	2.497.858	9.270.006	43.995		197.156.205
Additions	2.497.252	1.011.630	449.530	1.481.040	1.086.558	1.085.957	23.838	11.299.059	18.934.864
Disposals	-	-	-	-	(413.459)	(532.094)	-	-	(945.553)
Reclassification	-	-	-	-	-	-	-	-	-
Revaluation	43.735.705	-	-	-	-	-	-	-	43.735.705
June 30, 2020 Closing Balance	<b>133.884.343</b>	<b>4.381.452</b>	<b>22.387.880</b>	<b>73.865.828</b>	<b>3.170.957</b>	<b>9.823.869</b>	<b>67.833</b>	<b>11.299.059</b>	<b>258.881.221</b>

  

Accumulated Depreciation	Plant Machinery And Equipment	Underground and Overland Plants	Land Arsalar	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions Progress	Toplam
January 1, 2020 Opening Balance	9.011.706	30.639		3.937.636	1.022.160	3.903.409	121		17.905.671
Charge for the Period	3.370.902	37.401	-	1.115.384	244.983	697.004	5.060	-	5.470.734
Disposals	-	-	-	-	(311.450)	(352.984)	-	-	(664.434)
June 30, 2020 Closing Balance	<b>12.382.608</b>	<b>68.040</b>	<b>-</b>	<b>5.053.020</b>	<b>955.693</b>	<b>4.247.429</b>	<b>5.181</b>	<b>-</b>	<b>22.711.971</b>

  

<b>Net Book Value (As of June 30, 2020)</b>	<b>121.501.735</b>	<b>4.313.412</b>	<b>22.387.880</b>	<b>68.812.808</b>	<b>2.215.264</b>	<b>5.576.440</b>	<b>62.652</b>	<b>11.299.059</b>	<b>236.169.250</b>
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Bank hypothecs exist on fixed assets amounting 41.400.000-USD (283.267.080, -TL). As of June 30, 2020, the net book value of right-of-use assets classified under tangible fixed assets is 334.312- TL. The depreciation expenses of right-of-use assets for the period ending on June 30, 2020 are amounting 467.177-TL. As of June 30, 2020, the Company uses the revaluation model for the plant machinery and equipment accounts of the tangible fixed assets included in the assets of the Group. Valuation reports related with the machinery, plant and equipment dated June 4, 2020 were prepared Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş., which was authorized by the Capital Markets Board. In the valuation method, market approach, income approach and cost approach methods are used. The total value of machinery, plant and equipment at the reporting date are amounted as 121.175.000 TL. The difference between the book value and the fair value at the revaluation date is amounted 43.735.705-TL.



## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

Detail of the tangible assets as of December 31, 2019 is as follows:

Acquisition Cost	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2019 Opening Balance	46.175.028	1.315.000	21.938.350	44.077.729	1.980.239	7.593.199	-	29.479.681	152.559.226
Additions	1.371.593	15.000	-	35.863	529.698	2.744.800	43.995	41.737.267	46.478.216
Disposals	(658.459)	-	-	-	(154.785)	(1.067.993)	-	-	(1.881.237)
Reclassification	40.763.224	2.039.822	-	28.271.196	142.706	-	-	(71.216.948)	-
December 31, 2019 Closing Balance	<b>87.651.386</b>	<b>3.369.822</b>	<b>21.938.350</b>	<b>72.384.788</b>	<b>2.497.858</b>	<b>9.270.006</b>	<b>43.995</b>	<b>-</b>	<b>197.156.205</b>

  

Accumulated Depreciation	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2019 Opening Balance	6.853.860	72	-	2.593.189	790.286	3.574.050	-	-	13.811.457
Charge for the Period	2.809.409	30.567	-	1.344.447	385.032	1.243.338	121	-	5.812.914
Disposals	(651.563)	-	-	-	(153.158)	(913.979)	-	-	(1.718.700)
December 31, 2019 Closing Balance	<b>9.011.706</b>	<b>30.639</b>	<b>-</b>	<b>3.937.636</b>	<b>1.022.160</b>	<b>3.903.409</b>	<b>121</b>	<b>-</b>	<b>17.905.671</b>

  

<b>December 31, 2019 Closing Balance</b>	<b>78.639.680</b>	<b>3.339.183</b>	<b>21.938.350</b>	<b>68.447.152</b>	<b>1.475.698</b>	<b>5.366.597</b>	<b>43.874</b>	<b>-</b>	<b>179.250.534</b>
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Bank hypothecs exist on the fixed assets amounting 41.400.000-USD (245.924.280-TL).

As of December 31, 2019, the net book value of right-of-use assets classified under tangible fixed assets is 801,489-TL. The depreciation expense of right-of-use assets for the period ending on December 31, 2019 is 789.612-TL. Right-of-use assets are reported within the additions and period expenses.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI

30 HAZİRAN 2020 TARİHİNDE SONA EREN ARA DÖNEME AİT KONSOLİDE FİNANSAL TABLOLARA İLİŞKİN DİPNOTLAR

(Tutarlar aksi belirtilmedikçe TL olarak ifade edilmektedir.)

### 16. INTANGIBLE ASSETS

#### Goodwill

None.

#### Other Intangible Assets

Acquisition Cost	Rights (Computer Programs)	Trademark and Royalty	Total
January 1, 2020 Opening Balance	227.370	324.724	552.094
Additions	290.918	-	290.918
Disposals	(115.000)	-	(115.000)
Reclassification	-	-	-
June 30, 2020 Closing Balance	<b>403.288</b>	<b>324.724</b>	<b>728.012</b>

  

Accumulated Depreciation	Rights (Computer Programs)	Trademark and Royalty	Total
January 1, 2020 Opening Balance	68.207	118.008	186.215
Charge for the Period	66.921	16.192	83.113
Disposals	(115.000)		(115.000)
Reclassification	-		-
June 30, 2020 Closing Balance	<b>20.128</b>	<b>134.200</b>	<b>154.328</b>

  

<b>Net Book Value (As of June 30, 2020)</b>	<b>383.160</b>	<b>190.524</b>	<b>573.684</b>
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**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

<b>Acquisition Cost</b>	<b>Rights (Computer Programs)</b>	<b>Trademark and Royalty</b>	<b>Total</b>
January 1, 2019 Opening Balance	362.686	324.724	687.410
Additions	44.666	-	44.666
Disposals	(179.982)	-	(179.982)
Reclassification	-	-	-
December 31, 2019 Closing Balance	<b>227.370</b>	<b>324.724</b>	<b>552.094</b>

  

<b>Accumulated Depreciation</b>	<b>Rights (Computer Programs)</b>	<b>Trademark and Royalty</b>	<b>Total</b>
January 1, 2019 Opening Balance	186.985	85.536	272.521
Charge for the Period	61.204	32.472	93.676
Disposals	(179.982)	-	(179.982)
Reclassification	-	-	-
December 31, 2019 Closing Balance	<b>68.207</b>	<b>118.008</b>	<b>186.215</b>

  

<b>Net Book Value (As of December 31, 2019)</b>	<b>159.163</b>	<b>206.716</b>	<b>365.879</b>
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**17. GOVERNMENT GRANTS AND INCENTIVES**

Government incentives consist of Insurance Premium Support, Freight support, Licensed warehouse rental incentives and fair supports, which are benefited by Law No. 5510.

**18. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES****Short Term Provisions**

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Short Term Provisions for Employee Benefits*	263.980	10.842
Other Short Term Provisions**	129.166	253.621
	<b>393.146</b>	<b>264.463</b>

\*Vide note 19.

\*\* Other provisions consist of the provisions set aside under TFRS 15.

**Long Term Provisions**

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Long Term Provisions for Employee Benefits*	2.477.181	2.055.194
Other Long Term Provisions	-	-
	<b>2.477.181</b>	<b>2.055.194</b>

\*Vide note 19.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

### Lawsuits

There is not any provision because there is not any possible cash outflow from The Group's liabilities as a result of previous events as of reporting date.

### Collaterals, Pledges and Mortgages ("CPM") Given by The Group

	June 30, 2020	December 31, 2019
A. Total Amount of CPM Given by The Group's Own Legal Personality	310.386.263	273.222.059
B. Total Amount of CPM Given In Favour of Fully Consolidated Companies	15.075.000	15.075.000
C. Total Amount of CPM Given For Continuation of Its Economic Activities on Behalf of Third Parties	-	-
D. Total Amount of Other CPM	-	-
i. Total Amount of CPM Given in Favour of Majority Shareholder	-	-
ii. Total Amount of CPM Is Given in Favour of Other Group Companies Which Are Not In the Scope of B and C	-	-
iii. Total Amount of CPM is Given in Favour of Third Parties Which Are Not In the Scope of C	-	-
<b>Total</b>	<b>325.461.263</b>	<b>288.297.059</b>

The details of receivables from Samsun Yem Sanayi ve Ticaret A.Ş. ("Samsun Yem"), Yemsel Tavukçuluk Hayvancılık Yem Hammaddeleri Sanayi ve Ticaret A.Ş. ("Yemsel") and Çakıroğlu Gıda Tarım Ürünleri Hayvancılık ve Yem Tavukçuluk Nakliyat Ticaret ve Sanayi A.Ş. ("Çakıroğlu") as of June 30, 2020 are as follows:

Company Title*	Trade Receivable	Advances Given	Total	Mortgage Amount
Samsun Yem	1.205.080	-	1.205.080	700.000
Yemsel	-	3.042.014	3.042.014	6.000.000
Çakıroğlu	7.670.953	-	7.670.953	10.000.000
<b>Total</b>	<b>8.876.033</b>	<b>3.042.014</b>	<b>11.918.047</b>	<b>16.700.000</b>

\* All together will be referred as the "Çakıroğlu Group".

Samsun Yem, Yemsel and Çakıroğlu applied to Samsun Commercial Court with a request for postponement of bankruptcy. Trade receivables and order advances given from Samsun Yem, Yemsel and Çakıroğlu are classified as long term due to the request for postponement of bankruptcy. Since the fair value of the hypothecs and real estates placed for the receivables in the valuation reports are sufficient to cover the entire receivable, no provision has been made..

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

### 19. EMPLOYEE BENEFITS

#### Payables Related with Employee Benefits

Detail of payables related with employee benefits as of June 30, 2020 and December 31, 2019:

	June 30, 2020	December 31, 2019
Social Security Institution Premiums	988.919	428.516
Due to Personnel	1.260.707	1.015.748
	<b>2.249.626</b>	<b>1.444.264</b>

#### Short Term Employee Benefits

Short term employee benefits are consisting of provision for unused vacation. Detail of short term employee benefits as of June 30, 2020 and December 31, 2019 is as follows:

	June 30, 2020	December 31, 2019
Provision for Unused Vacation	<b>263.980</b>	<b>10.842</b>

#### Long Term Employee Benefits

Long term employee benefits consist of provision for employee termination benefits. Provisions for employee termination is calculated by the discount rate of 4,16%, which is determined by 6,35% inflation rate and 10,77% interest rate. The release rate is 96%.

Detail of the provision for employee termination benefits as of June 30, 2020 and December 31, 2019 is as follows:

	June 30, 2020	December 31, 2019
Provision for Employee Termination Benefits	<b>2.477.181</b>	<b>2.055.194</b>

Details of provision for employee termination benefits are as follows:

	June 30, 2020	December 31, 2019
Opening Balance	2.055.194	1.283.161
Interest Cost	33.253	96.050
Service Cost	579.740	880.163
Payments (-)	(89.958)	(310.463)
Actuarial Differences	(101.048)	106.283
Closing Balance	<b>2.477.181</b>	<b>2.055.194</b>

### 20. OTHER ASSETS AND OTHER LIABILITIES

	June 30, 2020	December 31, 2019
Deferred VAT	10.387.673	8.364.408
Income Accruals	-	594.468
Business Advances	500	-
Other VAT	3.350	3.350
	<b>10.391.523</b>	<b>8.962.226</b>

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

### Other Short Term Liabilities

	June 30, 2020	December 31, 2019
Taxes and Funds Payables	1.330.036	1.176.758
Other Short Term Liabilities	1.105.115	
Expense Accruals	2.812.140	9.509.609
	<b>5.247.291</b>	<b>10.686.367</b>

### Other Non-Current Assets

None.

### Other Long Term Liabilities

None.

## 21. EQUITY

### Capital and Reserves

Shareholder structure of The Company as of June 30, 2020 is as follows:

Shareholders	Number Of Shares	Group	Rate (%)	Amount
Fahrettin Ulusoy	4.550.000	A	5,38	4.550.000
	1.950.000	B	2,31	1.950.000
	-	C	-	-
	<b>6.500.000</b>		<b>7,69</b>	<b>6.500.000</b>
Nevin Ulusoy	650.000	A	0,77	650.000
	1.300.000	B	1,54	1.300.000
	12.207.627	C	14,45	12.207.627
	<b>14.157.627</b>		<b>16,76</b>	<b>14.157.627</b>
Onur Erhan Ulusoy	650.000	A	0,77	650.000
	1.950.000	B	2,31	1.950.000
	15.638.791	C	18,50	15.638.791
	<b>18.238.791</b>		<b>21,58</b>	<b>18.238.791</b>
Eren Günhan Ulusoy	3.900.000	A	4,62	3.900.000
	1.300.000	B	1,54	1.300.000
	16.781.279	C	19,86	16.781.279
	<b>21.981.279</b>		<b>26,02</b>	<b>21.981.279</b>
Kamil Adem	26.941	C	0,03	26.941
	<b>26.941</b>		<b>0,03</b>	<b>26.941</b>
Mithat Denizcigil	95.362	C	0,11	95.362
	<b>95.362</b>		<b>0,11</b>	<b>95.362</b>
Public Share	23.500.000	C	27,81	23.500.000
	<b>84.500.000</b>		<b>100,00</b>	<b>84.500.000</b>

**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

Shareholder structure of The Company as of December 31, 2019 is as follows:

Shareholders	Number Of Shares	Group	Rate (%)	Amount
Fahrettin Ulusoy	4.550.000	A	5,38	4.550.000
	1.950.000	B	2,31	1.950.000
	-	C	-	-
	<b>6.500.000</b>		<b>7,69</b>	<b>6.500.000</b>
Nevin Ulusoy	650.000	A	0,77	650.000
	1.300.000	B	1,54	1.300.000
	12.207.627	C	14,45	12.207.627
	<b>14.157.627</b>		<b>16,76</b>	<b>14.157.627</b>
Onur Erhan Ulusoy	650.000	A	0,77	650.000
	1.950.000	B	2,31	1.950.000
	15.638.791	C	18,50	15.638.791
	<b>18.238.791</b>		<b>21,58</b>	<b>18.238.791</b>
Eren Günhan Ulusoy	3.900.000	A	4,62	3.900.000
	1.300.000	B	1,54	1.300.000
	16.781.279	C	19,86	16.781.279
	<b>21.981.279</b>		<b>26,02</b>	<b>21.981.279</b>
Kamil Adem	26.941	C	0,03	26.941
	<b>26.941</b>		<b>0,03</b>	<b>26.941</b>
Mithat Denizcigil	95.362	C	0,11	95.362
	<b>95.362</b>		<b>0,11</b>	<b>95.362</b>
Public Share	23.500.000	C	27,81	23.500.000
	<b>84.500.000</b>		<b>100,00</b>	<b>84.500.000</b>

**Share Premiums/ Discounts on Capital Stock**

	June 30, 2020	December 31, 2019
Share Premiums on Capital Stock	41.925.000	41.925.000
Expenses of Share Premiums on Capital Stock Expenses (-)	(3.317.008)	(3.317.008)
	<b>38.607.992</b>	<b>38.607.992</b>

**Treasury Shares**

	June 30, 2020	December 31, 2019
Treasury Shares (-)	<b>3.445.108</b>	<b>3.445.108</b>

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

### Other Equity Items

Other accumulated comprehensive income and expenses which are not classified in profit/loss as of June 30, 2020 and December 31, 2019 are as follows:

	June 30, 2020	December 31, 2019
Tangible Assets Revaluation Differences(net)	61.299.398	27.202.058
Actuarial Profit/Loss Related with the Employee Benefits*	(521.612)	(600.430)
	<b>60.777.786</b>	<b>26.601.628</b>

Detail of the actuarial differences as of June 30, 2020 and December 31, 2019:

	June 30, 2020	December 31, 2019
Actuarial Gains/(Losses) Related with the Employee Benefits	(653.032)	(754.080)
Deferred Tax	131.420	153.650
<b>Actuarial Gains/(Losses) Related to Employee Benefits (net)</b>	<b>(521.612)</b>	<b>(600.430)</b>

Details of tangible assets revaluation surplus as of June 30, 20120 and December 31, 2019:

	June 30, 2020	December 31, 2019
Revaluation Differences of Buildings and Lands (net)	27.053.177	27.053.177
Revaluation Differences of Vehicles (net)	132.371	148.881
Revaluation Differences of Equipments (net)	34.113.850	-
	<b>61.299.398</b>	<b>27.202.058</b>

Detail of the revaluation differences of lands and buildings as of June 30, 2020 and December 31, 2019:

	June 30, 2020	December 31, 2019
Total Lands and Buildings Revaluation Difference	30.396.828	30.396.828
Deferred Tax ***	(3.343.651)	(3.343.651)
<b>Revaluation Differences of Buildings and Lands (net)</b>	<b>27.053.177</b>	<b>27.053.177</b>

Detail of the vehicles revaluation surplus as of June 30, 2020 and December 31, 2019:

	June 30, 2020	December 31, 2019
Vehicles Revaluation Differences (net)	<b>132.371</b>	<b>148.881</b>

  

	June 30, 2020	December 31, 2019
Vehicles Revaluation Differences (net)	165.464	186.103
Deferred Tax	(33.093)	(37.222)
	<b>132.371</b>	<b>148.881</b>



**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

Detail of the equipment revaluation surplus as of June 30, 2020 and December 31, 2019:

	June 30, 2020	December 31, 2019
Equipment Revaluation Differences (net)	34.113.850	-

  

	June 30, 2020	December 31, 2019
Equipment Revaluation Differences (net)	43.735.705	-
Deferred Tax	(9.621.855)	-
	34.113.850	-

Other comprehensive income and expenses to be reclassified to profit / loss as of June 30, 2020 and December 31, 2019 are as follows:

	June 30, 2020	December 31, 2019
Foreign Currency Exchange Differences	11.480.428	4.346.131
	11.480.428	4.346.131

Restricted reserves as of June 30, 2020 and December 31, 2019 are as follows:

	June 30, 2020	December 31, 2019
Legal Reserves	7.726.207	7.726.207
Reserves of Treasury Shares	3.445.108	3.445.108
	11.171.315	11.171.315

Accumulated profit or loss as of June 30, 2020 and December 31, 2019 is as follows:

	June 30, 2020	December 31, 2019
Accumulated Profit/(Loss)	111.532.483	84.516.493

Detail of Accumulated Profit/ (Loss) is as follows:

	June 30, 2020	December 31, 2019
Accumulated Profit/(Loss)	84.516.493	66.524.884
Transfer of Previous Year to the Accumulated Profit/(Loss)	26.995.351	19.906.171
Transfers to Legal Reserves	-	(2.032.987)
Change in Accounting Policy	-	-
Tangible Assets Revaluation Transfer	20.639	118.425
	111.532.483	84.516.493

Net profit/ (loss) for the period as of June 30, 2020 and December 31, 2019 are as follow:

	June 30, 2020	December 31, 2019
Net Profit/(Loss) For The Period	24.237.212	26.995.351

**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

**22. REVENUE AND COST OF SALES**

Detail of revenue as of June 30, 2020 and June 30, 2019 is as follows:

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Domestic Sales	479.555.076	275.779.170	378.667.859	140.755.982
Foreign Sales	1.687.285.114	830.963.041	1.133.808.524	589.584.260
Sales Returns (-)	(1.621.616)	(698.373)	(1.425.810)	(947.839)
Sales Discounts (-)	(94.552)	(27.112)	(253.658)	(197.676)
	<b>2.165.124.022</b>	<b>1.106.016.726</b>	<b>1.510.796.915</b>	<b>729.194.727</b>

The Company generated 1.156.905.896-TL (178.724.396-USD) of revenue from its subsidiary, Rolweg SA.

Detail of cost of sales as of June 30, 2020 and June 30, 2019 is as follows:

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Cost of Goods Sold	318.159.510	129.916.007	285.242.289	137.039.155
Cost of Merchandise Sold	1.742.904.882	935.937.331	1.138.263.515	545.139.515
Cost of Service Sold	4.039.877	1.964.855	2.981.357	1.523.337
	<b>2.065.104.269</b>	<b>1.067.818.193</b>	<b>1.426.487.161</b>	<b>683.702.007</b>

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Depreciation Expenses	783.569	422.335	169.627	83.339
Outsourced Benefits and Services	1.907.186	887.809	1.628.200	827.937
Other Expenses	33.044	18.429	40.170	8.733
Personnel Expenses	1.190.448	596.982	911.468	475.244
Insurance Expenses	125.588	39.271	124.874	73.076
Transportation Expenses	-	-	67.982	35.490
Tax and Funds	42	29	39.036	19.518
<b>Cost Of Service Sold</b>	<b>4.039.877</b>	<b>1.964.855</b>	<b>2.981.357</b>	<b>1.523.337</b>

**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

**23. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES**

Detail of total operating expenses as of June 30, 2020 and June 30, 2019 is as follows:

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
General Administrative Expenses	8.871.789	3.832.761	6.246.910	3.021.379
Marketing Expenses	23.963.998	10.906.945	20.540.210	10.556.056
Research and Development Expenses	46.997	1.924	54.567	27.506
	<b>32.882.784</b>	<b>14.741.630</b>	<b>26.841.687</b>	<b>13.604.941</b>

Detail of General Administrative Expenses as of June 30, 2020 and June 30, 2019 is as follows:

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Depreciation Expenses	229.731	180.096	234.126	119.521
Grants and Aid	342.660	244.674	167.631	120.081
Maintenance and Repair Expenses	-	-	43.453	25.453
Bank Transfer and Collectible Expenses	-	-	116.313	88.265
Outsourced Benefits and Services	2.613.869	976.823	2.175.599	990.843
Other Expenses	332.589	212.872	389.197	76.180
Education and Publication Expenses	58.090	12.859	110.843	46.716
Fair Expenses	224.001	-	1.530	30
Late Fees and Charges	8.308	8.308	38.345	36.302
Rent Expenses	79.908	24.220	182.338	61.693
Brand, Apl. and Ren. of Patent Expenses	16.588	16.588	-	-
Notary Expenses	12.672	12.672	4.103	1.453
Personnel Expenses	4.221.148	1.906.791	2.042.367	1.017.475
Advertising Expenses	26.800	6.000	-	-
Insurance Expenses	162.639	51.370	405.825	266.093
Registration and Announcement Expenses	-	-	10.257	4.357
Transportation Expenses	422.571	154.359	164.459	79.016
Taxes and Funds	120.215	25.129	160.524	87.901
<b>General Administrative Expenses</b>	<b>8.871.789</b>	<b>3.832.761</b>	<b>6.246.910</b>	<b>3.021.379</b>

**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

Details of Marketing Expenses as of June 30, 2020 and June 30, 2019 are as follows:

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Depreciation Expenses	349.379	195.959	683.308	544.406
Vehicle Expenses	243.132	138.830	395.604	46.152
Bank Transfer and Collectible Expenses	-	-	427.094	234.652
Consultancy Expenses	8.478	3.612	31.519	20.487
Outsourced Benefits and Services	615.024	213.508	258.593	138.489
Other Expenses	87.252	16.054	491.286	229.281
Fair Expenses	145.837	-	314.657	177.701
Late Fees and Charges	110	110	5.650	1.492
Export Expenses	3.867.190	942.552	3.332.656	1.202.040
Rent Expenses	192.030	192.030	14.063	7.500
Sales Commissions Expenses	692.387	211.142	475.013	355.257
Freight Expenses	13.953.001	7.037.123	11.983.026	6.549.178
Personnel Expenses	2.429.758	1.252.528	1.741.288	886.748
Insurance Expenses	351.581	185.307	125.225	13.458
Transportation Expenses	14.459	242	37.614	25.957
Taxes and Funds	891.378	461.658	103.740	63.194
Food Expenses	123.002	56.290	119.874	60.064
<b>Marketing Expenses</b>	<b>23.963.998</b>	<b>10.906.945</b>	<b>20.540.210</b>	<b>10.556.056</b>

**24. OTHER INCOME AND OTHER EXPENSES****Other Income**

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Income Due to the Law No 5510	587.321	292.792	464.702	253.508
Balance Allocation Income	258.195	78.985	4.224	3.738
Other Income	559.097	222.947	50.240	26.456
Service Reflection Income*	3.605.444	2.975.179	1.899.258	449.430
Maturity Difference Income	5.547.365	2.439.111	15.264.134	7.974.318
Price Difference Income	474.692	365.623	1.498.067	1.179.983
Indemnity Income	603.942	(26.374)	260.079	-
Foreign Currency Income	73.803.041	32.582.252	69.211.913	30.687.275
Licenced Warehouse Rental Grant	1.228.529	439.439	306.551	52.843
Income from Grants and Supports**	116.925	92.547	92.076	92.076
Provisions no Longer Required	490.501	134.656	204.436	126.924
Income From Returned Expenses	1.811.111	694.122	1.486.583	505.870
	<b>89.086.163</b>	<b>40.291.279</b>	<b>90.742.263</b>	<b>41.352.421</b>

\* Service reflection income consists of reflection revenues of fiduciary services and reflection revenues of service expenses.

**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

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(Amounts expressed in TL, unless otherwise is stated.)

**Other Expenses**

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Other Expenses	268.573	104.961	73.773	(1.167)
Balance Allocation Expenses	563.681	168.367	8.414	(2.754)
Price Difference Expenses	641.899	(180.206)	-	-
Provision Expenses	194.169	10.768	211.880	(61.526)
Foreign Currency Expenses	20.144.116	10.083.003	56.733.432	47.018.424
Maturity Difference Expenses	6.262.808	3.007.512	16.624.429	9.208.134
Returned Expenses	1.064.526	499.034	1.113.879	149.388
Contract Requirement Compensation Expenses	-	-	288.761	288.761
Tax Penalty Expenses**	2.169.499	2.169.499	-	-
	<b>31.309.271</b>	<b>15.862.938</b>	<b>75.054.568</b>	<b>56.599.260</b>

\*\* The Company has exercised the right of settlement request as a result of the tax inspection regarding the periods of 2017 and 2018 conducted by tax inspectors of Ministry of Treasury and Finance Tax Inspection Board which was also declared on Public Disclosure Platform (KAP) on 09.03.2019. The Company renounced the corporate tax returns amounting 1.053.607,76 TL of taxes and penalties related with the years 2017 and 2018 which were detected and registered by tax inspectors of Ministry of Treasury and Finance Tax Inspection Board in tax inspection report on 06.23.2020 and agreed on the original tax amount of 800.000.00 TL in total and default interest amounting 307.890,85 TL was calculated. Thus, a settlement was reached between the Company and the Tax Reconciliation Commission to pay a total of 2.161.498,61-TL public debt.

**Income from Investing Activities**

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Fixed Assets Sales Revenue	185.371	10.673	52.158	6.001
Sell and Back Lease Transaction Income	322.519	107.114	213.051	107.114
Sell and Back Lease Transaction Income	-	-	-	-
	<b>507.890</b>	<b>117.787</b>	<b>265.209</b>	<b>113.115</b>

**Expenses from Investing Activities**

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Fixed Assets Sales Expenses	102.008	102.008	-	-
	<b>102.008</b>	<b>102.008</b>	<b>-</b>	<b>-</b>

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

### Cancellations for Decrease in Value of Loss Determined in Accordance with TFRS 9

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Expected Credit Loss and Other Provisions	165.910	(30.850)	81.616	(17.926)
	<b>165.910</b>	<b>(30.850)</b>	<b>81.616</b>	<b>(17.926)</b>

### 25. SHARES OF INVESTMENTS EVALUATED BY EQUITY METHOD IN PROFIT/LOSS

Detail of profit/loss shares of investments evaluated by equity method as of June 30, 2020 and June 30, 2019 is as follows:

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.*	504.221	277.007	275.224	151.576

\*(Vide note 12)

### 26. FINANCIAL INCOME AND EXPENSES

#### Financial Income

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Interest Income	4.987.458	2.925.749	5.808.577	3.089.165
Foreign Exchange Profits	67.536.137	44.139.712	45.068.089	31.692.905
Profit on Sale of Marketables	367.363	246.793	29.315	10.972
Derivative Financial Instruments Income	14.619.312	12.791.115	9.007.087	7.248.774
Derivative Financial Instruments Fair Value Difference	18.182.614	(232.261)	1.625.976	(8.811.699)
	<b>105.692.884</b>	<b>59.871.108</b>	<b>61.539.044</b>	<b>33.230.117</b>

#### Financial Expenses

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Financial Expenses	28.881.721	16.724.756	25.140.102	12.624.886
Foreign Exchange Losses	161.105.247	79.096.162	75.355.103	23.100.631
Marketable Securities Sales Loss	103.117	103.117	-	-
Derivative Financial Instruments Expenses	11.094.490	8.008.711	9.562.969	5.797.535
Derivative Financial Instruments Fair Value Difference	-	-	-	-
	<b>201.184.575</b>	<b>103.932.746</b>	<b>110.058.174</b>	<b>41.523.052</b>

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

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### 27. TAX ASSETS AND TAX LIABILITIES

Corporation tax is charged from taxable corporate income, which is calculated from the statutory accounting profit by adding non-deductible expenses, and by deducting dividends received from resident companies, other exempt income and investment incentives utilized.

In 2020 corporate tax rate is 22% (2019: 22%). 5520 numbered corporation tax rate is determined as 22% for the fiscal taxation periods of 2018, 2019 and 2020, with provisional Article 10 added to Article 91 of Law No. 7061.

In Turkey pre-paid corporate tax is calculated and accrued quarterly. In 2020, pre-paid corporate tax rate is 22% of the corporation income for the quarterly taxation periods (2019: 22%).

The Company's subsidiary, Rolweg, operates in Switzerland. The Swiss income tax rate is 12.5%.

Losses can be carried forward to offset from future taxable income for up to 5 years. Losses cannot be carried back to offset from profit of the previous periods.

A consolidated tax return of the parent and its subsidiaries is not permitted by Tax legislation in Turkey. Therefore, provisions for taxes, as reflected in the financial statements, are calculated on a company-by-entity basis.

#### Deferred Tax Assets / Liability:

The Group recognises deferred tax assets and liabilities based upon temporary differences arising from differences between its consolidated financial statements as reported based on the "Financial Reporting Standards in capital market" and its statutory tax financial statements. These differences are set out below. Deferred tax asset is only provided to the extent if it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Provision is provided for the deferred tax asset of which the realisation is not likely. Deferred tax rate is 22% for all temporary differences since there is investment incentive of The Group (December 31, 2019: 22%).

Deferred tax liabilities are recognised for all taxable temporary differences.

**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

Temporary difference and deferred tax as of June 30, 2020 are as follows:

<b>Deferred Tax Assets</b>	<b>Temporary Difference</b>	<b>Deferred Tax</b>
Doubtful Receivables	1.465.748	322.465
Adjustment on Receivables from Personnel	68.895	15.157
Adjustment on Advances Given	316.600	69.652
Adjustment on Tangible and Intangible Assets	6.311.329	1.385.183
Impairment of Inventories Expenses	5.180.691	1.139.752
Adjustment on Amortized Cost of Receivables	4.833.091	1.063.280
Adjustment on Interest Accrual	65.084	14.318
Adjustment on Deferred Income of Sell and Leaseback	77.687	17.091
Adjustment on Letter of Credit Interest	361.153	79.454
Other Adjustments	937.865	161.490
Adjustment on Loans	9.109.179	2.004.019
Actuarial Difference of Employee Termination Benefits	653.032	131.420
	<b>29.380.354</b>	<b>6.403.281</b>

<b>Deferred Tax Liabilities</b>	<b>Temporary Difference</b>	<b>Deferred Tax</b>
Vehicles Revaluation Difference (Related with Equity)	165.467	33.093
Lands and Buildings Revaluation Difference (Related with Equity)	30.396.828	3.343.651
Equipment Revaluation Difference (Related with Equity)	43.735.705	9.621.855
Derivative Instruments Fair Value Adjustments	18.015.563	3.963.424
Amortized Cost of Debt Adjustment	1.951.204	429.265
Tangible and Intangible Assets Depreciation Difference	13.466.025	2.962.525
Employee Termination Benefits Actuarial Difference	4.359.883	946.647
	<b>112.090.675</b>	<b>21.300.460</b>



**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

Temporary difference and deferred tax as of December 31, 2019 are as follows:

<b>Deferred Tax Assets</b>	<b>Temporary Difference</b>	<b>Deferred Tax</b>
Doubtful Receivables	1.164.728	256.240
Adjustment on Receivables from Personnel	68.895	15.157
Adjustment on Advances Given	79.424	17.473
Adjustment on Tangible and Intangible Assets	5.939.718	1.306.738
Impairment of Inventories Expenses	6.109.630	1.344.119
Adjustment on Amortized Cost of Receivables	4.580.802	1.007.776
Adjustment on Interest Accrual	23.014	5.063
Adjustment on Deferred Income of Sell and Leaseback	400.206	88.045
Adjustment on Loans	6.815.472	1.499.404
Adjustment on Letter of Credit Interest	593.859	130.649
Changes in Accounting Policies	341.986	75.237
Derivative Instruments Fair Value Adjustments	2.244.832	493.863
Actuarial Difference of Employee Termination Benefits	754.080	153.650
	<b>29.116.646</b>	<b>6.393.414</b>

<b>Deferred Tax Liabilities</b>	<b>Temporary Difference</b>	<b>Deferred Tax</b>
Vehicles Revaluation Difference (Related with Equity)	186.103	37.222
Lands and Buildings Revaluation Difference (Related with Equity)	30.396.828	3.343.651
Other Adjustments	23.123	5.087
Amortized Cost of Debt Adjustment	2.025.508	445.612
Depreciation difference of tangible and intangible assets	13.704.068	3.014.895
Employee Termination Benefits Actuarial Difference	4.984.702	1.084.387
	<b>51.320.332</b>	<b>7.930.854</b>

Detail of deferred tax as of June 30, 2020 and Decemeber 31, 2019:

	<b>June 30, 2020</b>	<b>December 31, 2019</b>
Opening Balance	1.689.783	8.296.147
Deferred Tax Income /(Expenses) for The Period	(3.719.783)	(6.606.364)
Tangible Assets Revaluation Surplus and Actuarial Difference Deferred Tax Effect *	(12.867.179)	(3.227.223)
<b>Closing Balance</b>	<b>(14.897.179)</b>	<b>(1.537.440)</b>

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

Tax expenses as of June 30, 2020 and June 30, 2019 are as follows:

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Current Period Tax				
Income/(Expenses)	2.209.368	186.901	1.207.331	737.944
Deferred Tax(Profit)/ Loss	3.719.783	(844.091)	7.868.513	(1.351.571)
	<b>5.929.151</b>	<b>(657.190)</b>	<b>9.075.844</b>	<b>(613.627)</b>

Tax provisions as of June 30, 2020 and December 31, 2019 are as follows:

	January 1- June 30, 2020	1 Ocak- 31 Aralık January 1- December 31, 2019
Corporate Tax Liabilities	2.266.443	1.572.145

## 28. EARNINGS PER SHARE

Detail of earning per share as of June 30, 2020 and June 30, 2019:

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- December 31, 2019	April 1- June 30, 2019
Net Profit/(Loss) for the Period	24.237.212	4.804.432	16.182.837	9.208.397
Weighted Average Number of Ordinary Shares	82.497.848	82.497.848	82.497.848	82.497.848
<b>Earnings Per Share</b>	<b>0,2938</b>	<b>0,0582</b>	<b>0,1962</b>	<b>0,1116</b>

## 29. RELATED PARTY DISCLOSURES

	June 30, 2020	December 31, 2019
GFC Denizcilik ve Ticaret A.Ş.	89.618	416.134
Unay Un San. ve Tic. A.Ş.	6.548	249.770
Ulusoy Çay Gıda San. ve Tic. A.Ş.	35.101	34.634
Ulusoy Petrol Ürünleri Tic. A.Ş.	-	11.163
<b>Trade Receivables from Related Parties</b>	<b>131.267</b>	<b>711.701</b>

  

	June 30, 2020	December 31, 2019
Unay Un San. ve Tic. A.Ş.	791.224	2.362.923
<b>Notes Receivables from Related Parties</b>	<b>791.224</b>	<b>2.362.923</b>

# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

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(Amounts expressed in TL, unless otherwise is stated.)

	June 30, 2020	December 31, 2019
Unay Un San. ve Tic. A.Ş.	2.885.879	12.117
Ulusoy Petrol Ürünleri Tic. A.Ş.	114.684	49.142
GK Tarım Ürünleri Depoculuk A.Ş.	58.423	106.465
<b>Trade Receivables to Related Parties</b>	<b>3.058.986</b>	<b>167.724</b>

  

	June 30, 2020	December 31, 2019
Unay Un San. ve Tic. A.Ş.	15.609.517	3.540.013
<b>Other Receivables to Related Parties</b>	<b>15.609.517</b>	<b>3.540.013</b>

  

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Unay Un San. ve Tic. A.Ş.	20.801.199	18.979.855	21.931.064	4.873.677
Ulusoy Çay Gıda San. ve Tic. A.Ş.	9.000	-	9.650	-
GFC Denizcilik ve Ticaret A.Ş.	35.455	35.455	9.342	9.342
<b>Sales Revenue from Related Parties</b>	<b>20.845.654</b>	<b>19.015.310</b>	<b>21.950.056</b>	<b>4.883.019</b>

  

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Ulusoy Çay Gıda San. ve Tic. A.Ş.	7.984	5.202	16.289	7.906
Unay Un San. ve Tic. A.Ş.	17.219.163	10.379.985	46.810.541	35.320.308
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	-	-	-	-
GK Tarım Ürünleri Depoculuk A.Ş.	272.389	120.266	17.988	7.366
Ulusoy Petrol Ürünleri Tic. A.Ş.	893.755	489.548	-	-
GFC Denizcilik Ticaret A.Ş.	-	-	-	-
<b>Purchase of Raw Material and Supplies from Related Parties</b>	<b>18.393.291</b>	<b>10.995.001</b>	<b>46.844.818</b>	<b>35.335.580</b>

  

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Unay Un San. ve Tic. A.Ş.	134.113	63.512	421.944	93.605
GFC Denizcilik ve Ticaret A.Ş.	68.422	68.422	9.118	4.059
<b>Other Income from Related Parties</b>	<b>202.535</b>	<b>131.934</b>	<b>431.062</b>	<b>97.664</b>

  

	January 1- June 30, 2020	April 1- June 30, 2020	January 1- June 30, 2019	April 1- June 30, 2019
Unay Un San. ve Tic. A.Ş.	10.734	3.528	294.385	3.618
Ulusoy Petrol Ürünleri Tic. A.Ş.	16.692	5.127	2.737	2.655
<b>Cost of Service to Related Parties</b>	<b>27.426</b>	<b>8.655</b>	<b>297.122</b>	<b>6.273</b>

# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

	January 1- June 30, 2020	April 1 - June 30, 2020	January 1- June 30, 2019	April 1 - June 30, 2019
Unay Un San. ve Tic. A.Ş.	62.629	35.236	90.472	49.970
Ulusoy Petrol Ürünleri Tic. A.Ş.	164.273	64.294	238.636	134.039
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	-	-	5.539	5.539
GFC Denizcilik Ticaret A.Ş.	2.134	-	11.717	11.717
<b>Marketing Expenses to Related Parties</b>	<b>229.036</b>	<b>99.530</b>	<b>346.364</b>	<b>201.265</b>

	January 1- June 30, 2020	April 1 - June 30, 2020	January 1- June 30, 2019	April 1 - June 30, 2019
Ulusoy Petrol Ürünleri Tic. A.Ş.	41.437	15.065	55.637	31.522
Unay Un San. ve Tic. A.Ş.	-	-	3.773	3.773
GFC Denizcilik Ticaret A.Ş.	358	358		
<b>General Administrative Expenses to Related Parties</b>	<b>41.795</b>	<b>15.423</b>	<b>59.410</b>	<b>35.295</b>

	January 1- June 30, 2020	April 1 - June 30, 2020	January 1- June 30, 2019	April 1 - June 30, 2019
GFC Denizcilik Ticaret A.Ş.	1.777	-	-	-
Unay Un San. ve Tic. A.Ş.	45.306	-	422.986	394.445
<b>Other Expenses to Related Parties</b>	<b>47.083</b>		<b>422.986</b>	<b>394.445</b>

	January 1- 30 Haziran 2020	April 1 - 30 Haziran 2020	January 1- 30 Haziran 2019	April 1 - 30 Haziran 2019
Unay Un San. ve Tic. A.Ş.	1.640.211	390.687	2.393.065	1.322.176
<b>Financial Income from Related Parties</b>	<b>1.640.211</b>	<b>390.687</b>	<b>2.393.065</b>	<b>1.322.176</b>

	January 1- June 30, 2020	April 1 - June 30, 2020	January 1- June 30, 2019	April 1 - June 30, 2019
Unay Un San. ve Tic. A.Ş.	81.933	50.337	-	-
<b>Financial Expenses from Related Parties</b>	<b>81.933</b>	<b>50.337</b>	<b>-</b>	<b>-</b>

Top management of The Group consists of board members, general manager and department managers.

Total wage payments and other utilities to top management as of June 30, 2020 are 914,920-TL

### **30. NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS**

#### **Liquidity Risk Management:**

The principal responsibility related with the liquidity risk management belongs to the Board of Directors. The Board of Directors has created an appropriate liquidity risk management for the short, medium, and long term funding and liquidity requirements of The Group. The Group manages the liquidity risk by monitoring the estimated and actual cash flows on a regular basis and ensuring the continuity of adequate funds and borrowing reserve through matching the maturities of financial assets and liabilities.

#### **Credit Risk:**

The Group's credit risk primarily arises from its trade receivables. Trade receivables are evaluated by The Group's management based on prior experiences and the current economic environment, and presented in the consolidated statement of financial position on net basis after deducting allowances for doubtful receivables.

#### **Market Risk:**

Market risk arises from the probable changes in the level of interest rates, currency exchange rates or the price of securities and other financial contracts that might have an adverse financial impact.

**ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

**31. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND EXPLANATIONS OF HEDGE ACCOUNTING)****Statement of Foreign Currency Position****30.06.2020**

	<b>TL</b>	<b>USD</b>	<b>Euro</b>
1. Trade and Other Receivables	417.974.077	60.938.021	132.839
2a. Monetary Financial Assets	416.287.188	60.711.661	114.925
2b. Non-Monetary Financial Assets	0	0	0
3. Other	32.863.190	4.487.544	280.029
<b>4. CURRENT ASSETS</b>	<b>867.124.455</b>	<b>126.137.226</b>	<b>527.793</b>
5. Trade Receivables	0	0	0
6a. Monetary Financial Assets	0	0	0
6b. Non-Monetary Financial Assets	0	0	0
7. Other	2.560.023	374.152	0
<b>8. NON- CURRENT ASSETS</b>	<b>2.560.023</b>	<b>374.152</b>	<b>0</b>
<b>9. TOTAL ASSETS</b>	<b>869.684.478</b>	<b>126.511.378</b>	<b>527.793</b>
10. Trade Payables	549.905.888	80.350.105	17.436
11. Financial Liabilities	330.990.092	44.927.346	3.060.144
12a. Other Monetary Assets	14.782.535	1.531.958	557.922
12b. Other Non-Monetary Assets	0	0	0
<b>13. SHORT TERM LIABILITIES</b>	<b>895.678.515</b>	<b>126.809.409</b>	<b>3.635.502</b>
14. Trade Payables	0	0	0
15. Financial Liabilities	123.682.502	17.231.497	750.000
16a. Other Monetary Liabilities	0	0	0
16b. Other Non-Monetary Liabilities	0	0	0
<b>17. LONG TERM LIABILITIES</b>	<b>123.682.502</b>	<b>17.231.497</b>	<b>750.000</b>
<b>18. TOTAL LIABILITIES</b>	<b>1.019.361.017</b>	<b>144.040.906</b>	<b>4.385.502</b>
19. Off Balance Sheet Net Asset and Liability			
Positions which are Derivative Instruments (19a-19b)	<b>214.522.479</b>	<b>29.663.000</b>	<b>1.500.000</b>
19a. Amount of Active Off Balance Sheet Foreign Currency Derivative Products	214.522.479	29.663.000	1.500.000
19b. Amount of Passive Off Balance Sheet Foreign Currency Derivative Products			
20. Net Foreign Currency Asset / Liability Position (9-18+19)	<b>64.845.940</b>	<b>12.133.472</b>	<b>(2.357.709)</b>
21. Monetary Items Net Foreign Currency Asset / Liability Position			
(1 + 2a+3+5+6a-10-11 -12a-14-15-16a)	<b>(149.676.539)</b>	<b>(17.529.528)</b>	<b>(3.857.709)</b>

# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

31.12.2019	TL	USD	Euro
1. Trade and Other Receivables	492.658.385	82.796.944	124.496
2a. Monetary Financial Assets	103.477.239	16.673.654	666.466
2b. Non-Monetary Financial Assets	-	-	-
3. Other	39.520.213	5.034.173	1.445.918
4. CURRENT ASSETS	<b>635.655.837</b>	<b>104.504.771</b>	<b>2.236.881</b>
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	2.386.547	401.762	-
8. NON- CURRENT ASSETS	<b>2.386.547</b>	<b>401.762</b>	-
9. TOTAL ASSETS	<b>638.042.384</b>	<b>104.906.533</b>	<b>2.236.881</b>
10. Trade Payables	568.612.508	95.692.575	27.000
11. Financial Liabilities	154.991.598	20.598.231	4.906.923
12a. Other Monetary Assets	25.295.881	4.131.874	113.031
12b. Other Non-Monetary Assets	-	-	-
13. SHORT TERM LIABILITIES	<b>748.899.986</b>	<b>120.422.680</b>	<b>5.046.955</b>
14. Trade Payables	-	-	-
15. Financial Liabilities	124.007.235	18.356.854	2.250.000
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. LONG TERM LIABILITIES	<b>124.007.235</b>	<b>18.356.854</b>	<b>2.250.000</b>
18. TOTAL LIABILITIES	<b>872.907.221</b>	<b>138.779.534</b>	<b>7.296.955</b>
19. Off Balance Sheet Net Asset and Liability			
Positions which are Derivative Instruments (19a-19b)	<b>243.839.150</b>	<b>38.250.000</b>	<b>2.500.000</b>
19a. Amount of Active Off Balance Sheet Foreign Currency Derivative Products	243.839.150	38.250.000	2.500.000
19b. Amount of Passive Off Balance Sheet Foreign Currency Derivative Products			
20. Net Foreign Currency Asset / Liability Position (9-18+19)	<b>8.974.312</b>	<b>4.376.999</b>	<b>(2.560.074)</b>
21. Monetary Items Net Foreign Currency Asset / Liability Position			
(1 +2a+3+5+6a-10-11 -12a-14-15-16a)	<b>(234.864.838)</b>	<b>(33.873.001)</b>	<b>(5.060.074)</b>

# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

Foreign Currency Sensitivity Analysis		
June 30, 2020		
	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
Change in 10% of USD Against TL		
1- Net USD Asset/Liability	(11.994.054)	11.994.054
2- USD Hedging (-)	-	-
<b>3- Net USD Effect (1+2)</b>	<b>(11.994.054)</b>	<b>11.994.054</b>
Change in 10% of EURO Against TL		
4- Net Euro Asset/Liability	(2.973.599)	2.973.599
5- Euro Hedging (-)	-	-
<b>6- Net Euro Effect (4+5)</b>	<b>(2.973.599)</b>	<b>2.973.599</b>

Foreign Currency Sensitivity Analysis		
December 31, 2019		
	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
Change in 10% of USD Against TL		
1- Net USD Asset/Liability	(20.121.240)	20.121.240
2- USD Hedging (-)	-	-
<b>3- Net USD Effect (1+2)</b>	<b>(20.121.240)</b>	<b>20.121.240</b>
Change in 10% of EURO Against TL		
4- Net Euro Asset/Liability	(3.365.253)	3.365.253
5- Euro Hedging (-)	-	-
<b>6- Net Euro Effect (4+5)</b>	<b>(3.365.253)</b>	<b>3.365.253</b>



# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

## Credit Risk

June 30, 2020	Receivables				Deposits	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party			
Maximum credit risk as of reporting dates (A+B+C+D+E)	922.491	502.488.849	-	12.453.244	496.607.563	33.409.613	98.615.143
- The part of maximum is under guarantee with collateral	-	-	-	-	-	-	-
A. Carrying value of financial assets that not past due nor impaired	922.491	502.488.849	-	12.453.244	496.607.563	33.409.613	98.615.143
B. Net book value of financial assets that terms are reassessed, if not accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that past due not impaired	-	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	7.740.146	-	-	-	-	-
- Impairment (-)	-	(7.740.146)	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
E. Off balance sheet items that include credit risk	-	-	-	-	-	-	-

# ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

December 31, 2019	Receivables				Deposits	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Related Party	Other Party	Related Party	Other Party			
Maximum credit risk as of reporting dates (A+B+C+D+E)	3.074.624	547.869.014	-	10.758.203	117.478.987	4.094.473	86.175.010
- The part of maximum is under guarantee with collateral	-	-	-	-	-	-	-
A. Carrying value of financial assets that not past due nor impaired	3.074.624	547.869.014	-	10.758.203	117.478.987	4.094.473	86.175.010
B. Net book value of financial assets that terms are reassessed, if not accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that past due not impaired	-	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	7.588.747	-	-	-	-	-
- Impairment (-)	-	(7.588.747)	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
E. Off balance sheet items that include credit risk	-	-	-	-	-	-	-

## Liquidity Risk

<b>June 30, 2020</b>				
<b>Maturities Based on Agreement</b>				
<b>Non Derivative Financial Liabilities</b>	<b>Cash Outflow According to</b>		<b>0-12 Months</b>	<b>1-10 Years</b>
	<b>Book Value</b>	<b>Contract</b>		
Financial Liabilities	611.044.191	611.044.191	335.586.872	275.457.319
Debt Securities Issuance	-	-	-	-
Trade Payables	564.121.533	564.121.533	564.121.533	-
Other Payables	15.780.153	15.780.153	15.780.153	-

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

(Amounts expressed in TL, unless otherwise is stated.)

December 31, 2019						
Maturities Based on Agreement		Cash Outflow				
Non Derivative Financial Liabilities	Book Value	According to Contract	Less Than 3 Months	3-12 Months	1-5 Year	More Than 5 Years
Financial Liabilities	381.481.695	381.481.695	37.207.850	145.563.068	147.633.151	51.077.626
Debt Securities Issuance	-	-	-	-	-	-
Trade Payables	574.934.836	574.934.836	51.651.605	523.283.231	-	-
Other Payables	3.781.764	3.781.764	-	3.781.764	-	-

### Fair Value of Financial Instruments

The Group classifies financial instruments reflected at fair value in the financial statements using three level hierarchy according to the source of valuation inputs of each class of financial instruments.

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices),

Level 3 : Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Financial Assets (June 30, 2020)	Level 1	Level 2	Level 3
Derivative Assets	-	33.409.613	-
Short Term Financial Investments	2.702.937	-	-

  

Financial Assets (December 31, 2019)	Level 1	Level 2	Level 3
Derivative Assets	-	4.094.473	-
Short Term Financial Investments	2.556.735	-	-

  

Financial Liabilities (December 31, 2019)	Level 1	Level 2	Level 3
Derivative Liabilities	-	2.244.832	-

### 32. SUBSEQUENT EVENTS

As of 02.07.2020, in accordance with the M&A authorization given to Pragma Finansal Danışmanlık AŞ (Pragma) and within the scope of M&A processes carried out by Pragma, the list of potential investor institutions and organizations and the confidentiality agreements signed by these institutions and organizations have been submitted to the Company. In order to share the information and documents requested by the potential investor institutions and organizations in accordance with the relevant process, the confidentiality agreements signed by the institutions and organizations were examined by the Board of Directors, and it was decided by the Board of Directors to initiate the negotiations by signing the agreements by the chairman representing the Company.

## ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2020

*(Amounts expressed in TL, unless otherwise is stated.)*

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As of July 20,2020, the subsidiary of the Company, Uludaş Tarım Ürünleri ve Lisanslı Depoculuk A.Ş., has reached an agreement with the shareholders of the Company to take over 100% of the shares of GK Tarım Ürünleri and Lisanslı Depoculuk A.Ş., operating in the same sector. The Company valuation report regarding the approval transfer was prepared by Finansal Eksen Bağımsız Denetim ve Danışmanlık A.Ş (GGI Independent Member) and the value was determined as 10.999.058,00 TL. As a result of the negotiations, a discount of 1.149.058,00 TL was reached and an agreement was reached on the price of 9.850.000,00 TL. In accordance with the Licensed Warehousing legislation an application was made to the General Directorate of Domestic Trade of the Ministry of Commerce in order to obtain permission for the share transfers and the application was approved.

At the meeting of Ulusoy Un Sanayi ve Ticaret AŞ Board of Directors on 07.16.2020 the Company's net profit amounting 36.041.237,00 TL at total for the fiscal period 01.01.2019 - 31.12.2019 is 26.995.351,00 TL remaining from the tax provision in accordance with the Capital Markets Legislation, Company Articles of Partnership and other legislation provisions of 9.045.886,00 TL in the financial statements that are prepared in accordance with the Communiqué on Principles of Financial Reporting in Capital Markets(II-14.1) and Turkish Accounting Standards / Turkish Financial Reporting Standards and audited by DMR Bağımsız Denetim ve Danışmanlık A.Ş.

The Period Loss in the financial statements prepared in accordance with the provisions of the Corporate Tax Law, Income Tax Law, Tax Procedure Law and other legal regulations for the fiscal period 01.01.2019 - 31.12.2019 is -10.565.048,38 TL. According to the attached 2019 Profit Distribution Table of the Company prepared in accordance with the Capital Markets Board's communiqué numbered (II-19.1); since period loss occurs in the financial statements prepared in accordance with tax laws, 5% primary legal reserve is not allocated within the framework of the provisions of the Turkish Commercial Code numbered 6102 and other relevant legal legislation, it is unanimously decided to offer General Assembly not to distribute and to transfer the profit to excess reserves although net profit amounting 26,995,351.26 TL is calculated in the financial statements prepared in accordance with TFRS.