

**ULUSOY UN SANAYİ VE TİCARET A.Ş.
AND IT'S SUBSIDIARY**

JANUARY 1 – JULY 30, 2019
CONSOLIDATED FINANCIAL STATEMENTS
AND REVIEW REPORT

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

Report Date: 19.08.2019
Report Number: AU/2019/10



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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 2019 and the consolidated interim statements of profit or loss, other comprehensive income, changes in equity and 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 June 30, 2019, 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

Prof.Dr. Ömer LALİK
Partner
İstanbul, 19.08.2019



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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, 2019

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

ASSETS	Note	Reviewed 30.06.2019	Audited 31.12.2018
Current Assets		835.183.223	857.513.399
Cash and Cash Equivalents	4	276.862.716	233.269.456
Financial Investments	5	958.566	820.159
Trade Receivables	7	398.803.008	421.755.175
-Other Trade Receivables From Related Parties		4.088.596	216.003
-Other Trade Receivables From Not Related Parties		394.714.412	421.539.172
Other Receivables	8	11.324.360	1.180.276
-Other Receivables From Related Parties		7.789.404	-
-Other Receivables From Not Related Parties		3.534.956	1.180.276
Derivative Financial Instruments	9	10.085.929	4.580.190
Inventories	10	82.602.595	148.876.878
Prepaid Expenses	11	43.603.439	37.766.646
Corporate Tax Assets	14	569.663	-
Other Current Assets	20	10.372.947	9.264.619
(Sub Total)		835.183.223	857.513.399
Fixed Assets Held for Sale		-	-
Non-Current Assets		183.624.500	178.346.635
Financial Investments	5	-	67.500
Trade Receivables	7	8.839.482	8.822.866
Other Receivables	8	236.149	235.418
Derivative Financial Instruments	9	-	-
Investments Valued by Equity Method	12	4.448.357	4.615.132
Investment Properties	13	9.800.000	9.800.000
Tangible Assets	15	152.387.428	138.747.769
Intangible Assets	16	413.271	414.889
- Goodwill		-	-
- Other Intangible Assets		413.271	414.889
Prepaid Expenses	11	3.042.014	3.042.014
Deferred Tax Assets	27	4.457.799	12.601.047
Other Non-Current Assets	20	-	-
TOTAL ASSETS		1.018.807.723	1.035.860.034

Consolidated financial statements for the period ended June 30, 2019 were approved at the board meeting on August 19, 2019 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

LIABILITIES	Note	Reviewed 30.06.2019	Audited 31.12.2018
Short Term Liabilities		595.796.815	595.776.972
Short Term Financial Borrowings	6	151.369.883	98.238.325
Short Term Portions of Long Term Financial Borrowings	6	65.899.057	68.339.260
Trade Payables	7	365.766.760	379.799.207
-Trade Payables to Related Parties		69.307	7.276.056
-Trade Payables to Other Parties		365.697.453	372.523.151
Payables Related with Employee Benefits	19	1.663.948	977.037
Other Payables	8	52.419	32.117
-Other Payables to Related Parties		-	-
-Other Payables to Other Parties		52.419	32.117
Derivative Financial Instruments	9	-	34.210.890
Government Grants		-	-
Deferred Incomes	11	7.935.452	6.543.756
Corporate Tax Liabilities	27	1.207.331	5.918.271
Short Term Provisions	19	236.797	210.574
- Short Term Provisions for Employee Benefits		140.073	8.740
- Other Short Term Provisions		96.724	201.834
Other Short Term Liabilities	20	1.665.168	1.507.535
(Sub Total)		595.796.815	595.776.972
Liabilities of Fixed Assets Held for Sales Purpose		-	-
Long Term Liabilities		162.043.387	196.594.217
Long Term Financial Borrowings	6	153.193.403	170.957.065
Trade Payables	7	-	16.482.888
Other Payables	8	-	-
Derivative Financial Instruments	9	-	-
Deferred Incomes	11	78.864	291.915
Long Term Provisions	19	1.492.306	1.283.161
- Long Term Provisions for Employee Benefits		1.492.306	1.283.161
- Other Long Term Provisions		-	-
Deferred Tax Liabilities	27	7.278.814	7.579.188
Other Long Term Liabilities	20	-	-
Shareholder's Equity	21	260.967.521	243.488.845
Equity Holders of The Parent Company		260.967.521	243.488.845
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	26.688.369	26.779.271
Revaluation and Remeasurement Gains/ (Losses)		26.688.369	26.779.271
- Tangible Assets Revaluation Increases/(Decreases)		27.296.800	27.296.800
- Defined Benefit Plans Revaluation Gains/(Losses)		(608.431)	(517.529)
Other Accumulated Comprehensive Income or Expenses to be Classified in Profit or (Loss)	21	2.864.048	1.477.307
- Foreign Currency Translation Differences		2.864.048	1.477.307
Restricted Reserves	21	11.171.315	9.138.328
Retained Earnings	21	84.398.068	66.524.884
Net Profit/(Loss) for the Period	21	16.182.837	19.906.171
Non-Controlling Interests		-	-
TOTAL LIABILITIES		1.018.807.723	1.035.860.034

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

	Note	Reviewed 01.01.2019 30.06.2019	Not Reviewed 01.04.2019 30.06.2019	Reviewed 01.01.2018 30.06.2018	Not Reviewed 01.04.2018 30.06.2018
OPERATING ACTIVITIES					
Revenue	22	1.510.796.915	729.194.727	1.299.163.139	691.912.607
Cost of Sales (-)	22	(1.426.487.161)	(683.702.007)	(1.261.103.577)	(670.558.894)
Gross Profit/Loss From Commercial Activity		84.309.754	45.492.720	38.059.562	21.353.713
GROSS PROFIT/(LOSS)		84.309.754	45.492.720	38.059.562	21.353.713
General Administrative Expenses (-)	23	(6.246.910)	(3.021.379)	(4.743.942)	(2.583.980)
Marketing Expenses (-)	23	(20.540.210)	(10.556.056)	(15.961.561)	(7.444.941)
Research and Development Expenses (-)	23	(54.567)	(27.506)	(63.984)	(32.948)
Other Operating Income	24	90.742.263	41.352.421	106.281.641	76.000.708
Other Operating Expenses (-)	24	(75.054.568)	(56.599.260)	(37.113.879)	(23.643.029)
OPERATING PROFIT/(LOSS)		73.155.762	16.640.940	86.457.837	63.649.523
Income from Investing Activities	24	265.209	113.115	621.227	467.114
Expenses from Investing Activities	24	-	-	-	-
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	81.616	(17.926)	-	-
	25	275.224	151.576	375.803	229.708
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL EXPENSE		73.777.811	16.887.705	87.454.867	64.346.345
Financial Income	26	61.539.044	33.230.117	50.630.493	35.880.615
Financial Expenses (-)	26	(110.058.174)	(41.523.052)	(123.590.761)	(88.646.500)
CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAX		25.258.681	8.594.770	14.494.599	11.580.460
Continuing Operations Tax Income/(Expenses)	27	(9.075.844)	613.627	(2.067.706)	(801.846)
Current Period Tax Income/(Expenses)		(1.207.331)	(737.944)	(1.586.782)	(1.586.782)
Deferred Tax Income/(Expenses)		(7.868.513)	1.351.571	(480.924)	784.936
CONTINUING OPERATIONS PROFIT/(LOSS) FOR THE PERIOD		16.182.837	9.208.397	12.426.893	10.778.614
DISCONTINUED OPERATIONS PROFIT/(LOSS) FOR THE PERIOD		-	-	-	-
The Profit/(Loss) of Discontinued Operations After Tax		-	-	-	-
NET PROFIT/(LOSS) FOR THE PERIOD		16.182.837	9.208.397	12.426.893	10.778.614
Net Profit/(Loss) Attributable To:					
Non-Controlling Interests		-	-	-	-
Equity Holders of The Parent Company		16.182.837	9.208.397	12.426.893	10.778.614
Earnings Per Share	28	0,1962	0,1116	0,1506	0,131
Earnings Per Share from Continuing Operations		0,1962	0,1116	0,1506	0,131
Earnings Per Share from Discontinued Operations		-	-	-	-
Diluted Earnings Per Share		-	-	-	-
Diluted Earnings Per Share From Continuing Operations		-	-	-	-
Diluted Earnings Per Share From Discontinued Operations		-	-	-	-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

		Reviewed	Not Reviewed	Reviewed	Not Reviewed
	Note	01.01.2019 30.06.2019	01.04.2019 30.06.2019	01.01.2018 30.06.2018	01.04.2018 30.06.2018
OTHER COMPREHENSIVE INCOME					
Not to be Classified in Profit or (Loss)	21	(90.902)	(109.336)	(5.726)	(27.500)
Tangible Assets Revaluation		-	-	-	-
Increases/(Decreases)					
Intangible Assets Revaluation		-	-	-	-
Increases/(Decreases)					
Defined Benefit Plans Revaluation		(116.541)	(140.175)	(10.108)	(34.627)
Increases/(Decreases)					
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		25.639	30.839	4.382	7.127
Not to Reclassified to Profit/(Loss)					
Current Period Tax Income /(Expenses)		-	-	-	-
Deferred Tax Income / (Expenses)		25.639	30.839	4.382	7.127
To be Classified in Profit or (Loss)		1.386.741	397.518	545.387	437.816
Foreign Currency Conversion Adjustments		1.386.741	397.518	545.387	437.816
Revaluation and/or Classification Gains/(Losses)					
of Available For Sale Financial Assets		-	-	-	-
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)					
Current Period Tax Income/(Expenses)		-	-	-	-
Deferred Tax Income/(Expenses)		-	-	-	-
OTHER COMPREHENSIVE INCOME		1.295.839	288.182	539.661	410.316
TOTAL COMPREHENSIVE INCOME		17.478.676	9.496.579	12.966.554	11.188.930
Total Comprehensive Income Attribute To					
Non-Controlling Interests		-	-	-	-
Equity Holders of The Parent Company		17.478.676	9.496.579	12.966.554	11.188.930

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

(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 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
December 31, 2017 Balance		84.500.000	(3.445.108)	38.607.992	562.159	(489.899)	-	7.444.207	51.899.755	16.595.085	195.674.191
Transfers	21	-	-	-	(10.800)	-	-	1.694.121	14.911.764	(16.595.085)	-
Increase (Decrease) Due to Share Treasury Transactions		-	-	-	-	-	-	-	-	-	-
Increase (Decrease) Due to Share Treasury Transactions	21				2.159	(7.885)	545.387	-	-	12.426.893	12.966.554
June 30, 2018 Balance		84.500.000	(3.445.108)	38.607.992	553.518	(497.784)	545.387	9.138.328	66.811.519	12.426.893	208.640.745
December 31, 2018 Balance	21	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	21	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	21	-	-	-	-	(90.902)	1.386.741	-	-	16.182.837	17.478.676
June 30, 2019 Balance	21	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

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

		Reviewed 01.01.2019 30.06.2019	Reviewed 01.01.2018 30.06.2018
	Note		
A. Cash Flow From Operating Activities		64.575.846	66.133.570
Net Profit/(Loss) For The Period	21	16.182.837	12.426.893
Adjustment Related to Period Profit/Loss Agreement		10.025.558	1.758.957
Adjustments Related to Depreciation and Amortisation Expense	23	2.834.528	1.715.252
Adjustments Related to Interest Income/Expense		(796.310)	(700.089)
Adjustments Related to Provisions		118.827	262.871
Adjustments Related to Tax Income/Expense		7.868.513	480.923
Changes in Working Capital		38.367.451	51.947.720
Adjustments Related to Increase/Decrease in Inventories	10	66.274.283	137.527.099
Adjustments Related to Increase/Decrease in Trade Receivables	7	22.935.551	(163.364.544)
Adjustments Related to Increase/Decrease in Other Receivables	8	(10.144.815)	461.342
Adjustments Related to Increase/Decrease in Trade Payables	7	(30.515.335)	72.077.015
Adjustments Related to Increase/Decrease in Other Payables	8	20.302	80.943
Adjustments Related to Other Increase/Decrease in Working Capital		(10.202.535)	5.165.865
Cash Flow From Operating Activities		64.575.846	66.133.570
B. Cash Flows From Investing Activities		(56.093.330)	(32.939.034)
Purchase of Tangible and Intangible Asset	15/16	(16.533.017)	(22.539.206)
Disposal of Tangible and Intangible Asset	15/16	60.448	18.558
Cash Outflows for Debt Instruments or Shares of Other Companies or Funds	5/13	-	(1.330.719)
Cash Inflows for Debt Instruments or Shares of Other Companies or Funds	5/13	95.868	-
Derivative Instruments Cash Inflows	9	-	-
Derivative Instruments Cash Outflows	9	(39.716.629)	(9.087.667)
C. Cash Flows From Financing Activities		33.724.003	(7.818.121)
Cash Outflow Arising from Buying Its Own Shares and Other Equity Instruments		-	-
Cash Inflows from Financial Borrowings		212.984.566	259.652.590
Cash Outflows from Financial Payments		(159.929.038)	(257.622.859)
Received Interest	26	5.808.577	4.871.633
Interest Paid	26	(25.140.102)	(14.719.485)
Dividends Paid		-	-
Net Increase/(Decrease) in Cash and Cash Equivalents Before The Effect Of Foreign Currency Exchange Differences (A+B+C)		42.206.519	25.376.415
D. Effect of Foreign Currency Exchange Adjustments on Cash and Cash Equivalents	21	1.386.741	545.387
Net Increase/Decrease in Cash and Cash Equivalents (A+B+C+D)		43.593.260	25.921.802
E. Cash and Cash Equivalents at the Beginning of the Period	4	233.269.456	140.562.922
Cash and Cash Equivalents at the End of the Period (A+B+C+D+E)	4	276.862.716	166.484.724

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

(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 Company's Samsun manufacturing plant address is Şabanoğlu Mahallesi Atatürk Bulvarı No:180/1 Tekkeköy / Samsun. Çorlu manufacturing plant address is Hıdırağa Mahallesi İstasyon Caddesi No: 20 Çorlu Tekirdağ.

The Company's registered capital ceiling is 250.000.000-TL. The permission of registered capital ceiling given by Capital Market Board ("CMB") is valid between 2018 – 2022 (for 5 Years).

In the meeting dated November 7, 2014 and numbered 32/1095, CMB has allowed The Company to public offer on November 12-13-14, 2014 by book building (demand gathering) method. Total of 23.500.000 TL nominal value shares, which were offered to public by capital increase and sales of shareholders, were sold. 27, 81% of The Company shares have been traded in Borsa İstanbul since November 20, 2014. The issued capital of The Company is 84.500.000 TL (Eightyfourmillion and fivehundredthousand Turkish Lira). This capital consists of 9.750.000 Group A shares, 6.500.000 Group B shares and 68.250.000 Group C shares and each worth 1,00TL that makes a total of 84.500.000 TL. Group A and B shares are registered to the name and Group C shares which are traded in Borsa Istanbul are registered to the bearer, other Group C shares are registered to the name. Group A shares have privilege to vote in the election of Board of Directors, Group A and B shares have privilege to vote in General Assembly and not considering independent members, in case the Board of Directors consist of five members, at least two members, in case it consists of six or seven members, at least three members, in case it consists of eight or nine members, at least four members, in case it consists of ten or eleven members, at least five members must be chosen among the candidates who are nominated by the majority of Group A shareholders. Group A shareholders or representatives have 15 votes, Group B shareholders or representatives have 10 votes, Group C shareholders or representatives have 1 vote for each share in the ordinary or extraordinary General Assembly.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

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	-	-
	6.500.000		7,69	6.500.000
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
	14.157.627		16,76	14.157.627
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
	18.238.791		21,58	18.238.791
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
	21.981.279		26,02	21.981.279
Kamil Adem	26.941	C	0,03	26.941
	26.941		0,03	26.941
Mithat Denizcigil	95.362	C	0,11	95.362
	95.362		0,11	95.362
Public Shares	23.500.000	C	27,81	23.500.000
	84.500.000		100,00	84.500.000

The Company has 280 employees as of June 30, 2019 (December 31, 2018:246 employees).

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

Subsidiaries	June 30, 2019 (Rate)	December 31, 2018 (Rate)
Uludaş Tarım Ürünleri Lisanslı Depoculuk A.Ş.	% 100	% 100
Rolweg SA	% 100	% 100

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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 employee as of June 30, 2019. (December 31, 2018:9 employee)

The Capital as of June 30, 2019 is 5.000.000 TL and there isn’t unpaid capital.

Rolweg SA (“Rolweg”)

Rolweg SA was founded on March 15, 2018 with a capital of 1,000,000 Swiss francs (CHF). 100% of Rolweg’s capital belongs to Ulusoy Un Sanayi ve Ticaret A.Ş. The address of Rolweg SA is Rue du Nant6, 1207 Geneva Switzerland.

The Company, Ulidas and Rolweg all together, will be referred as the “Group”.

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 Communique No:II, 14.1 “Communique on Financial Reporting Standards in Capital Markets” (“the Communique”) 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, 2019 were approved at the board meeting on August 28, 2018 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.

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2.1.2. Basis of Financial Statements Preparation

June 30, 2019 financial statements and footnotes are prepared in accordance with the Communiqué Serial II, No:14,1, “Basis for Financial Reporting in Capital Markets” (“the Communiqué”) published in the Official Gazette numbered 28676 on 13 June 2013 and basis determined TAS Taxonomy (“the Communiqué”) published by CMB. The condensed interim financial statements are prepared in accordance with TAS 34. The Group’s condensed interim consolidated financial statements is not contained all explanations and footnotes that are required to be contained in the year-end consolidated financial statements and should therefore be read in conjunction with the Group’s financial statements as of 31 December 2018.

The accompanying consolidated financial statements contain adjustments and classifications of The Group’s legal records according to the Communiqué promulgated by CMB.

The consolidated financial statements and notes were prepared in accordance with the formats required by CMB’s communiques and decrees.

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.

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, 2019 and December 31, 2018 are presented as **consolidated financial statements**.

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The Company's subsidiary details as of June 30, 2019 and December 31, 2018 are as follows:

Subsidiaries	June 30, 2019 (Rate)	December 31, 2018 (Rate)
Uludaş Tarım Ürünleri Lisanslı Depoculuk A.Ş.	% 100	% 100
Rolweg SA	%100	%100

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 Ulidas, financial statements of 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 Ulidas are consolidated with full consolidation method and recorded values of Ulidas which are presented as subsidiaries in The Group's books and equity of Ulidas 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 Ulidas. 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 realised in the beginning of merger and amount of non-controlling interests in the changes in equity since merging date.

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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.

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 realised 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.

TFRS 16 Leasing Operations

TFRS is effective for reporting periods beginning on or after January 1, 2019. The standard is replace existing TAS 17 Leasing Operations. In accordance with TAS 17, the time they become a leasing party, lessees are required to make a financial leasing or operating leasing distinction for the transaction. In accordance with TFRS 16, for the all leasing contracts, lessees will be have to write the lease obligations and a right of asset use to financial statements. Short term lease agreements with a lease term of 12 months or less are considered as contracts of decrease in value, will be able to continue to write expense for the contracts in the period of evaluated within the scope of the exemption defined in TFRS 16.

The Group recognizes its leasing obligation on the financial statements by measuring the remaining leasing payments at the present value dicounted at the borrowing interest rate of the leasee at the date of initial application. In the recognition of the right of use asset, the option to include in the financial statements at an amount equal to the lease obligation is preferred as stated. In accordance with the initial recognition, no adjustments were made to retained earnings or comparative figures in the financial statements (balance sheet and income statement for 2018).

As of 30 June 2019 and 1 January 2019, the rights of use and lease obligations in the financial statements are as follows:

Statement of Financial Position	01.01.2019	30.06.2019
Right of Use	1.502.723	1.591.101
Rent Liability	1.502.723	1.189.473

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As of 30 June 2019, 35.863 TL of usage rights is reported in buildings and 1.555.238 TL in vehicles. The amortization expenses of the right of use assets for the period ended 30 June 2019 is 405.876 TL. The Group, by measuring lease payables, discounted its lease payments using the alternative borrowing rate on 1 January 2019. The alternative borrowing rates used for TL, USD and EURO are 19,32%, 4,4800% and 4,1900% respectively.

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.

2.1.10. Summary of Significant Accounting Policies

2.1.10.1. Revenue

TFRS 15 As of January 1, 2018, the standard and related interpretations of TAS 18 Revenue and TAS 11 Construction Contracts, which provide for the receipt of the revenue from the financial

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statements, have been abolished. It introduces a new 5-step model for the receipt of standardized financial statements.

1. Identification of Customers' Contracts
2. Identification of Acquisition Commitments in the Convention
3. Determination of the Transaction Price
4. Distribution of Transaction Cost in Contrants to Acquisition Obligations
5. Acquisition of financial statements in accordance with acquisition obligations

Production of the Group; wheat, corn, flour, bran, razmol 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, 2019; 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.

	<u>Useful Life</u>
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 17-20-25-40-50 Years

2.1.10.3. Intangible Assets

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

	<u>Useful Life</u>
Rights	3-4-5-10-15 Years

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

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asset and from its disposal at the end of its life.

2.1.10.5. Borrowing Costs

All borrowing costs are recognised 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 realisable 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 realisable 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. There are not significant differences between their book values and fair values.

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 recognised in profit or loss when there is objective evidence that the asset is impaired. Trade receivables and other receivables balances in the consolidated statement of financial position are assumed to be their fair values.

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 recognised in profit/ (loss).

2.1.10.8. Financial Liabilities

2.1.10.8.1. Financial Borrowings

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

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2.1.10.8.2. Trade and Other Payables

Trade and other payables are initially recognised by fair value, and are subsequently evaluated by amortized cost by using effective interest rate method. It is assumed that there are not significant differences between book values and fair values of trade and other payables.

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.

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. Events after the Reporting Period

It refers to the events occurring in favor or against the Group between the reporting date and the authorization date for the publication of the consolidated statement of financial position. If there is new evidence that these incidents exist as of the reporting date or if the related events occur after the reporting date, the Group discloses these matters in the related notes.

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The Group corrects the amounts received in the Consolidated Financial Statements in accordance with this new situation in the case of events that need to be corrected after the reporting date.

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 2019.(31 December, 2018:%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.

Companies are 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.

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. Government Grants and Incentives

Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that:

- a) The Group will comply with the conditions attaching to them; and
- b) The grants will be received.

The manner in which a grant is received does not affect the accounting method to be adopted in regard to the grant. Thus a grant is accounted for in the same manner whether it is received in cash or as a reduction of a liability to the government.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan shall be recognised and measured in accordance with TAS 39 Financial Instruments: Recognition and Measurement. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with TAS 39 and the proceeds received. The benefit is accounted for in accordance with this Standard. The Group shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.

There are two broad approaches to the accounting for government grants: the capital approach, under which a grant is recognised outside profit or loss, and the income approach, under which a grant is recognised in profit or loss over one or more periods.

Considering income tax and other taxes are kinds of expense, as a part of financial policies the government grants, are recognised in profit or loss.

2.1.10.16. 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 of the relevant and required standards promulgated by Public Oversight Accounting and Auditing Standard Authority as of June 30, 2019.

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New standards in valid as of June 30, 2019 and amendments to prior standards;

TFRS 9 is effective for reporting periods beginning on or after January 1, 2019. This amendment results in the recognition of profit or loss directly in profit / loss when the financial liability measured at amortized cost is changed without leaving the financial statement. The k/z is calculated as the difference between the contractual cash outflows and the effective interest rate amortized cash outflows.

TFRS 16 Leasing Operations

It will effective after January 1, 2019. This standard will take the place of TAS 17 standard and will bring about a wide change especially in terms of leaseholders.

TFRS Comment 23 Uncertainties in Tax Applications

It will effective from 1 January 2019 and from the reporting periods beginning after that date. It clarifies some of the uncertainties in the application of TMS 12 standard.

2015-2017 annual improvements; Effective for annual periods beginning on or after 1 January 2019. These improvements contain the following changes:

- TFRS 3, "Business Combinations"; Control is provided, the previously acquired share in joint activity is re-measured by the entity.

TFRS 11, "Joint Agreements "; Joint control is provided,the previously acquired share in joint activity is not re-measured by the entity.

- TAS 12, "Income Taxes"; The income tax effects of dividends in the same way is recognized by the entity.

- TAS 23, "Borrowing Costs"; Any borrowing to make a qualifying asset ready for its intended use or sale and considers as a part of general borrowing.

Standards and amendments issued as of June 30, 2019, but not yet in force:

Amendments to TFRS 3; Is effective for annual periods beginning on or after 1 January 2020. With this amendment, the definition of entity was revised.

TFRS 17, "Insurance Contracts"; Is effective for annual periods beginning on or after 1 January 2021. This standard take the place of TFRS 4, currently allows a wide range of applications.

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3. SEGMENTAL REPORTING

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)
Gross Profit/Loss From Commercial Activity	83.270.331	1.321.734	(282.311)	84.309.754
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)
Operating Profit/(Loss)	72.137.708	1.028.583	(10.529)	73.155.762
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
Operating Profit/(Loss) Before Financial Expenses	72.759.757	1.028.583	(10.529)	73.777.811
Financial Income	62.471.131	14	(932.101)	61.539.044
Financial Expenses (-)	(110.255.585)	(745.219)	942.630	(110.058.174)
Continuing Operations Profit/(Loss) Before Tax	24.975.303	283.378	-	25.258.681
Continuing Operations Tax Income/(Expenses)	(9.089.620)	13.776	-	(9.075.844)
Net Profit/(Loss) For The Period	15.885.683	297.154	-	16.182.837

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June 30, 2018	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Revenue	1.298.983.308	282.363	(102.532)	1.299.163.139
Cost of Sales (-)	(1.260.810.647)	(392.614)	99.684	(1.261.103.577)
Gross Profit/Loss From Commercial Activity	38.172.661	(110.251)	(2.848)	38.059.562
Research and Development Expenses (-)	(63.984)	-	-	(63.984)
General Administrative Expenses (-)	(4.597.001)	(201.829)	54.888	(4.743.942)
Marketing Expenses (-)	(15.961.561)	-	-	(15.961.561)
Other Operating Income	105.923.269	410.412	(52.040)	106.281.641
Other Operating Expenses (-)	(37.012.397)	(101.482)	-	(37.113.879)
Operating Profit/(Loss)	86.460.987	(3.150)	-	86.457.837
Income from Investing Activities	621.227	-	-	621.227
Expenses from Investing Activities	-	-	-	-
Shares of Investments Evaluated by Equity Method in Profit/(Loss)	375.803	-	-	375.803
Operating Profit/(Loss) Before Financial Expenses	87.458.017	(3.150)	-	87.454.867
Financial Income	51.049.234	14	(418.755)	50.630.493
Financial Expenses (-)	(123.574.976)	(434.540)	418.755	(123.590.761)
Continuing Operations Profit/(Loss) Before Tax	14.932.275	(437.676)	-	14.494.599
Continuing Operations Tax Income/(Expenses)	(2.070.563)	2.857	-	(2.067.706)
Net Profit/(Loss) For The Period	12.861.712	(434.819)	-	12.426.893

June 30, 2019	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Total Assets	1.031.960.243	14.013.601	(27.166.121)	1.018.807.723
Total Liabilities	770.448.662	9.543.659	(22.152.119)	757.840.202
Equity Holders of The Parent Company	261.511.581	4.469.942	(5.014.002)	260.967.521
Non-Controlling Interests	-	-	-	-

December 31, 2018	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Total Assets	1.051.504.035	14.322.469	(29.966.470)	1.035.860.034
Total Liabilities	788.888.842	10.137.617	(6.655.270)	792.371.189
Equity Holders of The Parent Company	248.329.393	4.184.852	(9.025.400)	243.488.845
Non-Controlling Interests	-	-	-	-

June 30, 2019	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Investment Expenditures*	16.381.390	-	151.627	16.533.017
Amortization Charge for Period	2.640.471	-	194.057	2.834.528

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

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

December 31, 2018	Wheat and Flour Trade	Licensed Warehouse	Total
Investment Expenditures	43.728.096	153.521	43.881.617
Amortization Charge for Period	2.549.173	356.499	2.905.672

4. CASH AND CASH EQUIVALENTS

	Interest Rate (June 30, 2019)	June 30, 2019	December 31, 2018
Cash		48.751	35.006
Demand Deposits		39.253.419	53.402.311
Deposit Accounts	USD: %3,25 - %3,75 Interest Corridor TL: %23 - %23,75 Interest Corridor	237.684.777	179.774.361
POS Accounts		21.737	184.450
Expected Credit Loss		(145.968)	(126.672)
		276.862.716	233.269.456

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

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, 2019	December 31, 2018
Bonds	958.566	820.159
	958.566	820.159

Long Term Financial Investments

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

Details of the cost of a financial asset and the fair value difference are as follows:

Fair value difference reflected in profit / (loss)	%	June 30, 2019	%	December 31, 2018
Samsun Teknolojik Geliştirme Bölgesi Yönetici A.Ş.	-	-	0,5	22.500
				22.500
Unpaid Capital Commitments (-)				
Samsun Teknolojik Geliştirme Bölgesi Yönetici A.Ş.				3.750
		-		3.750
Cost Value		-		18.750
Fair Value Difference		-		48.750
Fair Value		-		67.500

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

At the Board of Directors meeting dated 4 February 2019, the Company's board of directors decided to sale of the shares of Samsun Teknoloji Geliştirme Bölgesi Yönetici AŞ, which was classified in financial fixed assets. Financial assets at fair value through profit or loss amounting to 67,500-TL were sold to Fahrettin Ulusoy who one of the shareholders of the company.

As of 31.12.2018, the sale price is determined as the fair value of the financial asset and the 48.750 TL difference between the cost value is reported in the income account from investment activities.

6. FINANCIAL BORROWINGS

Short Term Financial Borrowings

	June 30, 2019	December 31, 2018
Short Term Borrowings	151.369.883	98.238.325
Short Term Portions of Long Term Borrowings (net)	65.899.057	68.339.260
	217.268.940	166.577.585

Short Term Borrowings

	June 30, 2019	December 31, 2018
Short Term Loans	151.369.883	98.238.325

Short Term Loans

	June 30, 2019	December 31, 2018
Short Term Loans	154.258.257	100.412.624
Deferred Interest Expenses (-)	(2.888.374)	(2.174.299)
Short Term Loans (Net)	151.369.883	98.238.325

Detail of the short term loans (net) as of June 30, 2019 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	%1,66-%6,64 Interest Corridor	26.301.868-Usd	151.369.883
TL			-
			151.369.883

Detail of the short term loans (net) as of December 31, 2018 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	%1,66-%3,85 Interest Corridor	15.822.069-Usd	83.238.325
TL			15.000.000
			98.238.325

Short Term Portions of Long Term Borrowings

	June 30, 2019	December 31, 2018
Short Term Portions of Long Term Loans (net)	57.367.315	60.980.766
Short Term Portions of Long Term Leasing Payables (net)	8.531.742	7.358.494
	65.899.057	68.339.260

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

Short Term Portions of Long Term Loans

	June 30, 2019	December 31, 2018
Short Term Portions of Long Term Loans	69.237.319	74.711.042
Deferred Interest Expenses (-)	(11.870.004)	(13.730.276)
Short Term Portions of Long Term Borrowings (net)	57.367.315	60.980.766

Detail of the short term portions of long term loans as of June 30, 2019 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	% 4,12 - %4,44 Interest Corridor	2.400.331-Usd	13.814.146
Euro	%2,46- %5,11 Interest Corridor	2.528.263-Euro	16.561.890
TL	%14,80 - %17,77 Interest Corridor		26.991.279
			57.367.315

Detail of the short term portions of long term loans as of December 31, 2018 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	% 4,12 - %4,44 Interest Corridor	2.294.353-Usd	12.070.359
Euro	%2,46- %5,11 Interest Corridor	3.293.822-Euro	19.855.158
TL	%14,80 - %17,77 Interest Corridor		29.055.249
			60.980.766

Short Term Portions of Long Term Leasing Payables

	June 30, 2019	December 31, 2018
Short Term Portions of Long Term Leasing Payables	8.531.742	7.358.494

Detail of the short term portions of long term leasing payables (net) as of June 30, 2019 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	1.394.968-Usd	8.028.180
Euro	65.937-Euro	431.933
TL		71.629
		8.531.742

Detail of the short term portions of long term leasing payables (net) as of December 31, 2018 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	1.398.714-Usd	7.358.494
Euro		-
TL		-
		7.358.494

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

Long Term Financial Borrowings

	June 30, 2019	December 31, 2018
Long Term Loans (net)	142.676.625	158.376.270
Long Term Leasing Payables (net)	10.516.778	12.580.795
Long Term Leasing Payables (net)	153.193.403	170.957.065

Long Term Loans

	June 30, 2019	December 31, 2018
Long Term Loans	167.332.244	186.245.464
Deferred Interest Expenses (-)	(24.655.619)	(27.869.194)
Long Term Loans (net)	142.676.625	158.376.270

Detail of the long term loans (net) as of June 30, 2019 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	% 4,12 - %4,44 Interest Corridor	18.119.762-Usd	104.281.042
Euro	%2,46- %5,11 Interest Corridor	625.000-Euro	4.094.187
TL	%14,80 - %17,77 Interest Corridor		34.301.396
			142.676.625

Detail of the long term loans (net) as of December 31, 2018 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	% 4,12 - %4,44 Interest Corridor	19.110.952-Usd	100.540.809
Euro	%2,46- %5,11 Interest Corridor	1.875.000-Euro	11.302.500
TL	%14,80 - %17,77 Interest Corridor		46.532.967
			158.376.276

Long Term Leasing Payables

	June 30, 2019	December 31, 2018
Long Term Leasing Payables	10.516.778	12.580.795
Long Term Leasing Payables (net)	10.516.778	12.580.795

Detail of the long term leasing payables (net) as of June 30, 2019 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	1.708.201-Usd	9.830.867
Euro	104.708-Euro	685.911
TL	-	-
		10.516.778

Detail of the long term leasing payables (net) as of December 31, 2018 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	2.391.377-Usd	12.580.795
Euro	-	-
TL	-	-
		12.580.795

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

7. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

	June 30, 2019	December 31, 2018
Trade Receivables from Related Parties	39.954	216.003
Trade Receivables from Other Parties	365.709.191	390.708.473
Notes Receivable from Related Parties	4.048.642	-
Notes Receivable from Other Parties	30.319.876	33.204.859
Deferred Maturity Difference Income (-)	(1.314.655)	(2.374.160)
Doubtful Trade Receivables	6.309.362	6.301.918
Provision for Doubtful Trade Receivables (-)	(6.309.362)	(6.301.918)
Trade Receivables (net)	398.803.008	421.755.175

Changes in doubtful trade receivables as of June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
Opening Balance	6.301.918	5.427.384
Provisions for the Period	211.880	876.364
Change in Accounting Policy	-	273.613
Provisions Cancelled* (-)	(204.436)	(275.443)
Closing Balance	6.309.362	6.301.918

* Consists of collected doubtful trade receivables.

Long Term Trade Receivables

	June 30, 2019	December 31, 2018
Trade Receivables from Related Parties	-	-
Trade Receivables from Other Parties*	8.839.482	8.822.866
Long Term Trade Receivables (net)	8.839.482	8.822.866

*Vide note 24.

Short Term Trade Payables

	June 30, 2019	December 31, 2018
Trade Payables to Related Parties	69.307	86.172
Trade Payables to Other Parties*	366.915.828	376.250.338
Notes Payable to Related Parties	-	7.189.884
Notes Payable to Other Parties	1.084.201	1.394.282
Deferred Maturity Difference Expense (-)	(2.302.576)	(5.121.469)
Trade Payables (net)	365.766.760	379.799.207

Long Term Trade Payables

	June 30, 2019	December 31, 2018
Trade Payables to Unrelated Parties*	-	16.482.888
Long Term Trade Payables (net)	-	16.482.888

*As of June 30, 2019, 339.141.668 TL of trade payables to related parties consist of letter of credit payables (31 December 2018: 358.217.657 TL).

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

8. OTHER RECEIVABLES AND PAYABLES

Other Short Term Receivables

	June 30, 2019	December 31, 2018
Deposits and Guarantees Given	8.438	8.438
Receivables From Public Authority	3.502.154	1.171.838
Other Receivables from Other Parties	24.364	-
Other Receivables from Related Parties	7.789.404	-
	11.324.360	1.180.276

Changes in doubtful other receivables as of June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
Opening Balance	-	678.942
Provisions for the Period	-	-
Exchange Rate Valuation	-	-
Provisions Cancelled* (-)	-	(678.942)
Closing Balance	-	-

Other Long Term Receivables

	June 30, 2019	December 31, 2018
Deposits and Guarantees Given	236.149	235.418

Other Short Term Payables

	June 30, 2019	December 31, 2018
Other Payables to Other Parties	52.419	32.117

Other Long Term Payables

None.

9. DERIVATIVE INSTRUMENTS

Derivative Financial Assets

	June 30, 2019	December 31, 2018
Futures Market Collaterals	8.459.953	4.580.190
Derivative Financial Instruments	1.625.976	-
	10.085.929	4.580.190

Derivative Financial Liabilities

	June 30, 2019	December 31, 2018
Futures Market Collaterals	-	-
Derivative Financial Instruments	-	34.210.890
	-	34.210.890

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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, 2019	Level 1	Level 2	Level 3
Foreign Exchange Forward Contracts (Held for Trading)		10.085.929	
		10.085.929	

December 31, 2018	Level 1	Level 2	Level 3
Foreign Exchange Forward Contracts (Held for Trading)		(29.630.700)	
		(29.630.700)	

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, 2019	December 31, 2018
Raw Material and Supplies	44.205.327	56.403.692
Goods	4.297.337	22.825.892
Goods in transit*	1.119.356	2.575.042
Trade Goods	33.076.283	67.274.817
Other Inventories	264.831	346.060
Provision for Impairment of Inventories (-)	(360.539)	(548.625)
	82.602.595	148.876.878

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

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11. PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses

	June 30, 2019	December 31, 2018
Advances Given to Related Parties	-	-
Advances Given to Other Parties	42.619.905	37.010.236
Insurance Expenses and Other Expenses	983.534	756.410
	43.603.439	37.766.646

Long Term Prepaid Expenses

	June 30, 2019	December 31, 2018
Insurance Expenses	-	-
Advances Given to Other Parties*	3.042.014	3.042.014
	3.042.014	3.042.014

*Vide note 24.

Short Term Deferred Income

	June 30, 2019	December 31, 2018
Advances Received from Related Parties	-	-
Advances Received from Other Parties	7.505.819	6.114.123
Deferred Income**	429.633	429.633
	7.935.452	6.543.756

** Vide note 19.

Long Term Deferred Income

	June 30, 2019	December 31, 2018
Deferred Income**	78.864	291.915
	78.864	291.915

** Vide note 21.

12. INVESTMENTS VALUED BY EQUITY METHOD

Associates	%	June 30, 2019	%	December 31, 2018
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	17	4.448.357	17	4.615.132

According to thirtysecond matter of TAS 28 “Investments in Associates”, an investment in an associate is accounted for using the equity method from the date on which it becomes an associate. Goodwill related to an associate is added to book value of associate investment According to equity method, investments in associates are recorded by acquisition cost in the beginning. After acquisition, book value of the investment is increased or decreased in order to recognise the share of the investor in the invested company’s profit/loss. The share which investor will get from invested company’s profit/loss is recognised as investor’s profit/loss.

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The detail of the change in Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.'s value for the period of June 30, 2019 is as follows:

	January 1- June 30, 2019
Value as of December 31, 2018	4.615.132
The Share from Associate's Profit/Loss as of June 30, 2019	275.224
Accrued Dividend Yield	(441.999)
	4.448.357

According to TFRS 12 "Disclosure of Interests in Other Entities" B12 (a) and (b) matters; disclosure requirements for summarised financial information of Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. as of June 30, 2019 and December 31, 2018 are as follows:*

	June 30, 2019	December 31, 2018
Current Assets	2.363.037	2.530.139
Non-Current Assets	5.187.304	5.559.383
Short Term Liabilities	786.523	385.370
Long Term Liabilities	573.713	542.000
Revenue	3.921.709	6.864.761
Continuing Profit/(Loss) for the Period	1.618.962	3.919.858
The Period Profit/(Loss) After Tax for Discontinued Operations	-	-
Other Comprehensive Income	1.618.962	3.919.858
Total Comprehensive Income	1.618.962	3.919.858

* 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

Acquisition Cost	Land	Buildings	Total
January 1, 2018 Opening Balance	5.610.000	3.830.000	9.440.000
Fair Value Difference	86.555	273.445	360.000
December 31, 2018 Closing Balance	5.696.555	4.103.445	9.800.000

Acquisition Cost	Land	Buildings	Total
January 1, 2019 Opening Balance	5.696.555	4.103.445	9.800.000
June 30, 2019 Closing Balance	5.696.555	4.103.445	9.800.000

Investment properties are reported in the financial statements based on their fair values. On 29.06.2018, the Capital Market Board authorized Harmoni Gayrimenkul Değerleme ve Danışmanlık A.Ş. has been prepared a valuation report for investment properties. In the valuation of real properties subject to appraisal, cost formations analysis method is used. In order to determine the

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land values of the immovable properties, the market value of the land was searched and the land value appraisal was made with the peer comparison method. The costs of the buildings are calculated by taking into consideration the related communiqué of the Ministry of Environment and Urbanization. Due to the use of a single method at the final value appraisal of the immovable property, the values reached with the cost formation analysis method have been rounded and the fair values of the land and buildings as of 30 June 2018 are valued at TL 9.800.000. As of the reporting date, the difference between the fair values of investment properties and the fair value of the investment property is associated with the profit and loss account.

14. CORPORATE TAX ASSETS

	June 30, 2019	December 31, 2018
Prepaid Taxes and Funds	569.663	-

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30 HAZİRAN 2019 TARİHİNDE SONA EREN ARA DÖNEME AİT KONSOLİDE FİNANSAL TABLOLARA İLİŞKİN DİPNOTLAR
(Tutarlar aksi belirtilmedikçe TL olarak ifade edilmektedir.)

15. TANGIBLE ASSETS

Detail of the tangible assets as of June 30, 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	851.429	8.000	-	35.863	266.759	2.063.533	-	13.262.768	16.488.352
Disposals	(553.377)	-	-	-	(90.415)	(403.548)	-	-	(1.047.340)
June 30, 2019 Closing Balance	46.473.080	1.323.000	21.938.350	44.113.592	2.156.583	9.253.184	-	42.742.449	168.000.238

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	1.277.357	13.170	-	643.978	182.490	671.250	-	-	2.788.245
Disposals	(553.377)	-	-	-	(88.788)	(344.727)	-	-	(986.892)
June 30, 2019 Closing Balance	7.577.840	13.242	-	3.237.167	883.988	3.900.573	-	-	15.612.810

Net Book Value (As of June 30, 2019)	38.895.240	1.309.758	21.938.350	40.876.425	1.272.595	5.352.611	-	42.742.449	152.387.428
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There is a mortgage on the fixed assets amounting to 41.400.000-USD (238.261.140-TL).

As of June 30, 2019, net book value of the right of use assets classified under property, plant and equipment is TL 1.185.225. For the period ended 30 June 2019, depreciation expenses of the usage rights are TL 405.876. Exercise of rights are reported in the inflows and expenses of period.

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Detail of the tangible assets as of December 31, 2018 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, 2018 Opening Balance	30.822.895	304.427	9.294.898	17.070.235	2.247.195	7.716.880	467.566	14.735.272	82.659.368
Additions	11.804.792	-	-	535.887	329.335	991.598	-	30.140.810	43.802.422
Disposals	(1.952.320)	-	-	-	(700.500)	(1.115.279)	-	-	(3.768.099)
Reclassification	5.499.661	1.010.573	-	9.249.524	104.209	-	(467.566)	(15.396.401)	-
Revaluation	-	-	12.643.452	17.222.083	-	-	-	-	29.865.535
December 31, 2018 Closing 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

Accumulated Depreciation	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2018 Opening Balance	7.660.114	62.660	-	1.486.077	1.167.531	4.034.006	246.088	-	14.656.476
Charge for the Period	1.191.070	5.300	-	688.190	323.255	537.475	59.942	-	2.805.232
Disposals	(1.952.320)	-	-	-	(700.500)	(997.431)	-	-	(3.650.251)
Reclassification	(45.004)	(67.888)	-	418.922	-	-	(306.030)	-	-
December 31, 2018 Closing Balance	6.853.860	72	-	2.593.189	790.286	3.574.050	-	-	13.811.457

Net Book Value (As of December 31, 2018)	39.321.168	1.314.928	21.938.350	41.484.540	1.189.953	4.019.149	-	29.479.681	138.747.769
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* The Group uses the revaluation model for the land and buildings account classes of its tangible fixed assets. Varlık Taşınmaz Değerleme ve Danışmanlık A.Ş. who is Authorized by the CMB were prepared real estate valuation reports for valuation reports dated 28 september 2018 and buildings in group assets Cost method and market approach methods are used in the valuation method. The total value of the real estates at the reporting date is determined as 56.053.654 TL. The difference between the carrying amount and the fair value at the date of revaluation is gross revaluation difference amounting to 30.146.334 TL and revaluation expense amounting to 280.799 TL.

** There is a mortgage on the fixed assets amounting to 41.400.000-USD (217.801.260).

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ VE BAĞLI ORTAKLIKLARI

30 HAZİRAN 2019 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

Detail of the intangible assets as of June 30, 2019 is as follows:

Acquisition Cost	Rights (Computer Programs)	Trademark and Royalty	Total
January 1, 2019 Opening Balance	362.686	324.724	687.410
Additions	44.665	-	44.665
Disposals	(133.693)	-	(133.693)
Reclassification	-	-	-
June 30, 2019 Closing Balance	273.658	324.724	598.382

Accumulated Depreciation	Rights (Computer Programs)	Trademark and Royalty	Total
January 1, 2019 Opening Balance	186.985	85.536	272.521
Charge for the Period	30.180	16.103	46.283
Disposals	(133.693)	-	(133.693)
Reclassification	-	-	-
June 30, 2019 Closing Balance	83.472	101.639	185.111

Net Book Value (As of June 30, 2019)	190.186	223.085	413.271
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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, 2019

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

Detail of the intangible assets as of December 31, 2018 is as follows:

Acquisition Cost	Rights (Computer Programs)	Trademark and Royalty	Total
January 1, 2018 Opening Balance	477.888	264.974	742.862
Additions	19.445	59.750	79.195
Disposals	(134.647)	-	(134.647)
Reclassification	-	-	-
December 31, 2018 Closing Balance	362.686	324.724	687.410

Accumulated Depreciation	Rights (Computer Programs)	Trademark and Royalty	Total
January 1, 2018 Opening Balance	251.484	55.244	306.728
Charge for the Period	70.148	30.292	100.440
Disposals	(134.647)	-	(134.647)
Reclassification	-	-	-
December 31, 2018 Closing Balance	186.985	85.536	272.521

Net Book Value (As of December 31, 2018)	175.701	239.188	414.889
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17. GOVERNMENT GRANTS AND INCENTIVES

Government grants consist of Social Security Institution Premium Fund due to law numbered 5510 and fair incentives.

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

	June 30, 2019	December 31, 2018
Short Term Provisions for Employee Benefits*	140.073	8.740
Other Short Term Provisions**	96.724	201.834
	236.797	210.574

*Vide note 26.

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

Long Term Provisions

	June 30, 2019	December 31, 2018
Long Term Provisions for Employee Benefits*	1.492.306	1.283.161
Other Long Term Provisions	-	-
	1.492.306	1.283.161

*Vide note 26.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

(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, 2019	December 31, 2018
A. Total Amount of CPM Given by The Group's Own Legal Personality	268.611.776	260.608.359
B. Total Amount of CPM Given In Favour of Fully Consolidated Companies	7.145.000	5.917.000
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	-	-
Total	275.756.776	266.525.359

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, 2019 are as follows:

Company Title*	Trade Receivable	Advances Given	Total	Mortgage Amount
Samsun Yem	1.168.529	-	1.168.529	700.000
Yemsel	-	3.042.014	3.042.014	6.000.000
Çakıroğlu	7.670.953	-	7.670.953	10.000.000
Total	8.839.482	3.042.014	11.881.496	16.700.000

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

Samsun Yem, Yemsel ve Çakıroğlu has requested the postponement of bankruptcy on T.C. Samsun Commercial Court. According to the interlocutory decision given by the court, the prosecution will continue on April 6, 2016 and trustees have been appointed on administration. The decision of T.C. Samsun Commercial Court was issued on December 8, 2015 dated Trade Registry Gazette.

The Company has mortgaged Samsun Yem, Yemsel And Çakıroğlu's real estates for the receivables that are explained in details above. The hypothec that The Company has issued gives The Company right to demand whole receivables from any real estate of Çakıroğlu Group that have been mortgaged.

The Company is in the first place for the mortgage from Çakıroğlu and Samsun Yem. The Company is in the second place for the mortgages issued on Yemsel's real estate. Akbank T.A.Ş. is in the first place. Akbank T.A.Ş.'s total mortgage amount is 6.000.000-TL.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

Real estate revaluation report has been prepared by Standart Gayrimenkul Değerleme Uygulamaları A.Ş. on June 28, 2013 for these real estates. According to revaluation reports, fair value of the mortgaged real estates is 18.867.692-TL.

As of December 31, 2015 a notice has been sent to Çakıroğlu Group for the payment of their debts. On January 8, 2016, property valuation was requested for real estates. On December 29, 2016, the court delegation was invited for the valuation of the property. On January 18, 2017, the court experts presented their reports to the court. According to revaluation reports of court experts, fair value of the mortgaged Çakıroğlu's real estate is 10.858.440,75-TL. According to revaluation reports, fair value of the mortgaged Yemsel's real estate is 11.527.728,25-TL. Also, A total of 263.249,19-TL fair value was appreciated for the real estate with the mortgage of Samsun Yem. Sales of real estate were requested but the court rejected it because they were in the process of bankruptcy postponement.

Trade receivables and advances given to Samsun Yem, Yemsel ve Çakıroğlu are classified as long term because postponement of bankruptcy request.

The Company did not recognised provision because the mortgages issued and fair value of real estates on the revaluation reports can meet total receivable amount.

19. EMPLOYEE BENEFITS

Payables Related with Employee Benefits

Details of payables related with employee benefits as of June 30, 2019 and December 31, 2018 are:

	June 30, 2019	December 31, 2018
Social Security Institution Premiums	768.323	302.240
Due to Personnel	895.625	674.797
	1.663.948	977.037

Short Term Employee Benefits

Short term employee benefits are consisting of provision for unused vacation. Details of short term employee benefits as of June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
Provision for Unused Vacation	140.073	8.740

Long Term Employee Benefits

Long term employee benefits consist of provision for employee termination benefits.

According to Turkish Laws, employer has to pay employee termination benefit to employee who has worked at least a year in local firms, and whose employment is terminated without a legitimate reason, who is called for military obligation, who dies, who works for 25 years for males, 20 years for females, or who is 60-year-old male and 58-year-old female (retirement age).

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

As of June 30, 2019 provision for employee termination benefit ceiling on the respective reporting dates, is subject to a maximum of 6.017,60-TL per month for a working year (December 31, 2018: 5.434,42-TL). Provision for employee termination benefits are not subordinated any fund.

Provision for employee termination benefits is calculated by discounting potential liabilities of retirement to net present value. TFRS requires companies to improve actuarial valuation methods in the scope of retirement plans in order to estimate the termination benefits. Therefore, below mentioned actuarial estimations are used in order to calculate total employee termination benefits.

Provisions for employee termination is calculated by the discount rate of 5,02%, which is determined by 10,5% inflation rate and 16,05% interest rate. The release rate is 96% (December 31, 2018: inflation rate 10,05 % , interest rate 16,05% and discount rate 5,02% , release rate 96%).

Details of the provision for employee termination benefits as of June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
Provision for Employee Termination Benefits	1.492.306	1.283.161

Details of provision for employee termination benefits are as follows:

	June 30, 2019	December 31, 2018
Opening Balance	1.283.161	1.232.972
Interest Cost	48.338	169.771
Service Cost	115.014	391.371
Payments (-)	(70.748)	(546.376)
Actuarial Differences	116.541	35.423
Closing Balance	1.492.306	1.283.161

Changes in interest rates and other rates and severance of personnel who are supposed to get compensation at retirement cause actuarial differences. The Group classifies service cost in general administrative expenses, interest costs in financial expenses, actuarial differences in shareholders' equity.

20. OTHER ASSETS AND OTHER LIABILITIES

Other Current Assets

	June 30, 2019	December 31, 2018
Deferred VAT	10.062.455	8.361.558
Income Accruals	306.551	899.377
Business Advances	591	334
Other VAT	3.350	3.350
	10.372.947	9.264.619

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

Other Short Term Liabilities

	June 30, 2019	December 31, 2018
Taxes and Funds Payables	1.657.427	1.163.922
Expense Accruals	7.741	343.613
	1.665.168	1.507.535

Other Non-Current Assets

None.

Other Long Term Liabilities

None.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

21. EQUITY

Capital and Reserves

In the meeting dated November 7, 2014 and numbered 32/1095, CMB has allowed The Company to public offer on November 12-13-14, 2014 by book building (demand gathering) method. Total of 23.500.000 TL nominal value shares, which were offered to public by capital increase and sales of shareholders, were sold. 27, 81% of The Company shares have been traded in Borsa İstanbul since November 20, 2014. The issued capital of The Company is 84.500.000 TL (Eightyfourmillion and fivehundredthousand Turkish Lira). This capital consists of 9.750.000 Group A shares, 6.500.000 Group B shares and 68.250.000 Group C shares and each worth 1,00TL that makes a total of 84.500.000 TL. Group A and B shares are registered to the name and Group C shares which are traded in Borsa Istanbul are registered to the bearer, other Group C shares are registered to the name. Group A shares have privilege to vote in the election of Board of Directors, Group A and B shares have privilege to vote in General Assembly and not considering independent members, in case the Board of Directors consist of five members, at least two members, in case it consists of six or seven members, at least three members, in case it consists of eight or nine members, at least four members, in case it consists of ten or eleven members, at least five members must be chosen among the candidates who are nominated by the majority of Group A shareholders. Group A shareholders or representatives have 15 votes, Group B shareholders or representatives have 10 votes, Group C shareholders or representatives have 1 vote for each share in the ordinary or extraordinary General Assembly.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

Shareholder structure of The Company as of June 30, 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	-	-
	6.500.000		7,69	6.500.000
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
	14.157.627		16,76	14.157.627
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
	18.238.791		21,58	18.238.791
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
	21.981.279		26,02	21.981.279
Kamil Adem	26.941	C	0,03	26.941
	26.941		0,03	26.941
Mithat Denizcigil	95.362	C	0,11	95.362
	95.362		0,11	95.362
Public Shares	23.500.000	C	27,81	23.500.000
	84.500.000		100,00	84.500.000

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

Shareholder structure of The Company as of December 31, 2018 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	-	-
	6.500.000		7,69	6.500.000
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
	14.157.627		16,76	14.157.627
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
	18.238.791		21,58	18.238.791
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
	21.981.279		26,02	21.981.279
Kamil Adem	26.941	C	0,03	26.941
	26.941		0,03	26.941
Mithat Denizcigil	95.362	C	0,11	95.362
	95.362		0,11	95.362
Public Shares	23.500.000	C	27,81	23.500.000
	84.500.000		100,00	84.500.000

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

According to Turkish Commercial Code, there are two types of legal reserves; primary reserves and secondary reserves. Primary reserves are set up as 5% of the net profit until it reaches 20% of The Company's paid-in-capital due to Turkish Commercial Code. Secondary legal reserves are set up as 1/11 proportion of distribution of dividends by cash which is more than 5% of The Company's capital according to CMB's regulation, and 1/10 proportion of distribution of dividends by cash which is more than 5% of The Company's capital according to official records.

Publicly traded companies distribute dividends according to the II-19.1 numbered Dividend Communique of CMB which is published in January 23, 2014 dated and 28891 numbered Official Gazette.

Companies distribute dividends by a decree of their general assembly in the scope of the determined policy of their general assembly and due to the related regulations. According to the mentioned communique of CMB, minimum distribution ratio has not been determined. Companies distribute dividends according to their articles of association or their dividend policy. Also dividends can be paid by equal or different amounted instalments and dividend advances can be paid by cash due to the profit in interim financial statements.

In case the contingency reserves are not allocated according to Turkish Trade Regulation and profit is not distributed as mentioned in the dividend policy or articles of association; it is not allowed to allocate another contingency reserve to transfer profit to the following year and to distribute dividends to beneficial owners, board members, employees and people other than shareholders, and also dividends cannot be paid to these people unless dividends are not paid to the shareholders by cash.

Share Premiums on Capital Stock

	June 30, 2019	December 31, 2018
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)
	38.607.992	38.607.992

Treasury Shares

	June 30, 2019	December 31, 2018
Treasury Shares (-)	3.445.108	3.445.108

If the company receives its own shares, the purchase proceeds related to these shares are shown in "Treasury Shares (-)" net of equity.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

Details of The Company's bought back shares as of June 30, 2019 are as follows:

Date	Number of Shares Owned	Nominal Amount of Shares Acquired(TL)	Purchase Fees of Owned Shares Total Amount(TL)
30 June 2019	2.002.152	2.002.152	3.445.108

Details of The Company's bought back shares as of December 31, 2018 are as follows:

Date	Number of Shares Owned	Nominal Amount of Shares Acquired(TL)	Purchase Fees of Owned Shares Total Amount(TL)
31 December 2018	2.002.152	2.002.152	3.445.108

Other Equity Items

Other accumulated comprehensive income and expenses which are not classified in profit/loss as of June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
Tangible Assets Revaluation Differences(net)	27.296.800	27.296.800
Actuarial Profit/Loss Related with the Employee Benefits*	(608.431)	(517.529)
	26.688.369	26.779.271

*Actuarial differences have been recognised in equity since January 1, 2013.

Details of the actuarial differences as of June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
Actuarial Gains/(Losses) Related with the Employee Benefits	(764.338)	(647.797)
Deferred Tax***	155.907	130.268
Actuarial Gains/(Losses) Related to Employee Benefits (net)	(608.431)	(517.529)

Details of tangible assets revaluation surplus as of June 30, 2019 and December 31, 2018 are as follows::

	June 30, 2019	December 31, 2018
Revaluation Differences of Buildings and Lands (net)	27.053.177	27.053.177
Revaluation Differences of Vehicles (net)	243.623	243.623
	27.296.800	27.296.800

Detail of the revaluation differences of lands and buildings as of June 30, 2019 and December 31, 2018 is as follows:

	June 30, 2019	December 31, 2018
Total Lands and Buildings Revaluation Difference	30.396.828	30.396.828
Deferred Tax ***	(3.343.651)	(3.343.651)
Revaluation Differences of Buildings and Lands (net)	27.053.177	27.053.177

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019***(Amounts expressed in TL, unless otherwise is stated.)*

Details of the vehicles revaluation surplus as of June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
Vehicles Revaluation Differences (net)	243.623	243.623
<hr/>		
	June 30, 2019	December 31, 2018
Total Vehicle Revaluation Differences **	304.528	304.528
Deferred Tax ***	(60.905)	(60.905)
	243.623	243.623

***According to TAS 12, 61-a, current tax and deferred tax related with the items which are not recognised in profit or loss, are not recognised in profit or loss both in the same or different period. Therefore, current tax and deferred tax that are related with the items that are recognised in the same or different period in other comprehensive income shall be recognised in other comprehensive income. Realised deferred tax is classified in revaluation surplus.

Other comprehensive income and expenses to be reclassified to profit / loss as of June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
Foreign Currency Exchange Differences	2.864.048	1.477.307
	2.864.048	1.477.307

Restricted reserves as of June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
Legal Reserves	7.726.207	5.693.220
Reserves of Treasury Shares	3.445.108	3.445.108
	11.171.315	9.138.328

In accordance with Article 520 of the Law No. 6102, the amount of reserves is allocated to the shares that are acquired for the Treasury shares. These reserves are shown in the line of "reserves on retained earnings " since they are solved only when the reversed shares are transferred or canceled. In other words, reserves amounting to TL 3.445.108 are allocated from retained earnings.

Accumulated profit or loss as of June 30, 2019 and December 31, 2018 is as follows:

	June 30, 2019	December 31, 2018
Accumulated Profit/(Loss)	84.398.068	66.524.884

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

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

	June 30, 2019	December 31, 2018
Accumulated Profit/(Loss)	66.524.884	51.899.755
Transfer of Previous Year to the Accumulated Profit/(Loss)	19.906.171	16.595.085
Transfers to Legal Reserves	(2.032.987)	(1.694.121)
Change in Accounting Policy	-	(423.512)
Tangible Assets Revaluation Transfer**	-	147.677
	84.398.068	66.524.884

**If a revaluated tangible asset is disposed of, the revaluation surplus related with the derecognised asset is directly transferred to related earnings. Therefore the revaluation surplus related with land and buildings which have been disposed of by sell and leaseback transaction were transferred to retained earnings.

Net profit/ (loss) for the period as of June 30, 2019 and December 31, 2018 are as follow:

	June 30, 2019	December 31, 2018
Net Profit/(Loss) For The Period	16.182.837	19.906.171

22. REVENUE AND COST OF SALES

Details of revenue as of June 30, 2019 and June 30, 2018 are as follows:

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Domestic Sales	378.667.859	140.755.982	541.373.480	293.963.855
Foreign Sales	1.133.808.524	589.584.260	764.030.868	400.133.063
Sales Returns (-)	(1.425.810)	(947.839)	(6.147.652)	(2.154.050)
Sales Discounts (-)	(253.658)	(197.676)	(85.319)	(30.261)
Other Discounts (-)	-	-	(8.238)	-
	1.510.796.915	729.194.727	1.299.163.139	691.912.607

The Company generated TL 315.395.322 (56.123.160-USD) of revenue from its subsidiaries, Rolweg SA.

Details of cost of sales as of June 30, 2019 and June 30, 2018 are as follows:

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Cost of Goods Sold	285.242.289	137.039.155	145.640.326	64.448.263
Cost of Merchandise Sold	1.138.263.515	545.139.515	1.113.110.013	604.940.210
Cost of Service Sold	2.981.357	1.523.337	2.353.238	1.170.421
	1.426.487.161	683.702.007	1.261.103.577	670.558.894

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Depreciation Expenses	169.627	83.339	143.155	72.126
Outsourced Benefits and Services	1.628.200	827.937	1.309.975	658.972
Other Expenses	40.170	8.733	12.258	-
Personnel Expenses	911.468	475.244	688.053	336.335
Insurance Expenses	124.874	73.076	110.125	63.746
Transportation Expenses	67.982	35.490	55.582	22.197
Tax and Funds	39.036	19.518	34.090	17.045
Cost Of Service Sold	2.981.357	1.523.337	2.353.238	1.170.421

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

Details of total operating expenses as of June 30, 2019 and June 30, 2018 are as follows:

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
General Administrative Expenses	6.246.910	3.021.379	4.743.942	2.583.980
Marketing Expenses	20.540.210	10.556.056	15.961.561	7.444.941
Research and Development Expenses	54.567	27.506	63.984	32.948
	26.841.687	13.604.941	20.769.487	10.061.869

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

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

Details of General Administrative Expenses as of June 30, 2019 and June 30, 2018 are as follows:

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Depreciation Expenses	234.126	119.521	220.271	113.383
Grants and Aid	167.631	120.081	182.542	132.651
Maintenance and Repair Expenses	43.453	25.453	57.812	31.916
Bank Transfer and Collectible Expenses	116.313	88.265	99.220	73.971
Outsourced Benefits and Services	1.988.287	859.151	1.160.085	638.808
Other Expenses	389.197	76.180	362.286	184.347
Education and Publication Expenses	110.843	46.716	85.442	33.142
Fair Expenses	1.530	30	29.991	6.287
Late Fees and Charges	38.345	36.302	8.347	2.388
Rent Expenses	182.338	61.693	130.210	67.947
Commission Expenses	23.499	21.384	66.135	35.892
Accommodation Expenses	163.813	110.308	74.495	29.088
Brand, Apl. and Ren. of Patent Expenses	-	-	7.390	-
Notary Expenses	4.103	1.453	50.134	50.134
Personnel Expenses	2.042.367	1.017.475	1.830.811	971.282
Advertising Expenses	-	-	16.600	3.600
Insurance Expenses	405.825	266.093	83.249	53.791
Registration and Announcement Expenses	10.257	4.357	1.061	1.061
Transportation Expenses	164.459	79.016	172.112	108.647
Taxes and Funds	160.524	87.901	105.749	45.645
General Administrative Expenses	6.246.910	3.021.379	4.743.942	2.583.980

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019***(Amounts expressed in TL, unless otherwise is stated.)*

Details of Marketing Expenses as of June 30, 2019 and June 30, 2018 are as follows:

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Depreciation Expenses	683.308	544.406	594.646	293.026
Vehicle Expenses	395.604	46.152	677.568	351.969
Bank Transfer and Collectible Expenses	427.094	234.652	274.507	140.938
Consultancy Expenses	31.519	20.487	42.957	24.728
Outsourced Benefits and Services	258.593	138.489	242.910	131.355
Other Expenses	491.286	229.281	500.378	246.879
Fair Expenses	314.657	177.701	254.030	124.169
Late Fees and Charges	5.650	1.492	3.587	3.007
Export Expenses	3.332.656	1.202.040	1.679.780	749.926
Rent Expenses	14.063	7.500	275.013	125.902
Sales Commissions Expenses	475.013	355.257	265.345	145.938
Freight Expenses	11.983.026	6.549.178	8.853.995	3.922.350
Personnel Expenses	1.741.288	886.748	1.690.132	833.521
Insurance Expenses	125.225	13.458	172.376	95.522
Transportation Expenses	37.614	25.957	55.013	34.954
Taxes and Funds	103.740	63.194	252.397	158.890
Food Expenses	119.874	60.064	126.927	61.867
Marketing Expenses	20.540.210	10.556.056	15.961.561	7.444.941

Details of Research and Development Expenses as of June 30, 2019 and June 30, 2018 are as follows:

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Vehicle Expenses	17.245	10.024	17.078	8.347
Outsourced Benefits and Services	926	645	1.005	690
Personnel Expenses	29.639	14.939	29.589	14.889
Insurance Expenses	1.026	517	973	495
Transportation Expenses	5.367	1.199	15.022	8.366
Taxes and Funds	364	182	317	161
	54.567	27.506	63.984	32.948

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

Nature of expenses for the period January 1, 2019- June 30, 2019 is as follows:

	General Administrative Expenses	Marketing Expenses	Research and Development Expenses	Cost of Sales and Service
Personnel Expenses	2.042.367	1.741.288	29.639	5.373.754
Depreciation Expenses	234.126	683.308	-	1.917.094

Nature of expenses for the period April 1, 2019- June 30, 2019 is as follows:

	General Administrative Expenses	Marketing Expenses	Research and Development Expenses	Cost of Sales and Service
Personnel Expenses	1.017.475	886.748	14.939	2.813.726
Depreciation Expenses	119.521	544.406	-	935.775

Nature of expenses for the period January 1, 2018- June 30, 2018 is as follows:

	General Administrative Expenses	Marketing Expenses	Research and Development Expenses	Cost of Sales and Service
Personnel Expenses	1.830.811	1.690.132	29.589	3.493.326
Depreciation Expenses	220.271	594.646	-	900.335

Nature of expenses for the period April 1, 2018- June 30, 2018 is as follows:

	General Administrative Expenses	Marketing Expenses	Research and Development Expenses	Cost of Sales and Service
Personnel Expenses	971.282	833.521	14.889	1.770.982
Depreciation Expenses	113.383	293.026	-	453.242

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

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

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Income Due to the Law No 5510	464.702	253.508	372.677	218.854
Balance Allocation Income	4.224	3.738	9.805	7.066
Other Income	50.240	26.456	353.087	153.009
Service Reflection Income*	1.899.258	449.430	4.826.834	2.483.096
Maturity Difference Income	15.264.134	7.974.318	20.510.519	13.903.447
Price Difference Income	1.498.067	1.179.983	2.172.743	1.231.058
Indemnity Income	260.079	-	19.680	557
Foreign Currency Income	69.211.913	30.687.275	71.366.533	56.897.739
Licenced Warehouse Rental Grant	306.551	52.843	388.848	159.062
Income from Grants and Supports**	92.076	92.076	4.913.824	45.386
Provisions no Longer Required	204.436	126.924	833.422	772.729
Income From Returned Expenses	1.486.583	505.870	513.669	128.705
	90.742.263	41.352.421	106.281.641	76.000.708

*Service reflection income consists of reflection revenues of trust expenses and, reflection revenues of service expenses.

Other Expenses

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Other Expenses	73.773	(1.167)	143.886	102.453
Balance Allocation Expenses	8.414	(2.754)	7.852	6.801
Price Difference Expenses	-	-	1.282.014	-
Provision Expenses	211.880	(61.526)	5.528.116	5.461.501
Foreign Currency Expenses	56.733.432	47.018.424	12.288.560	9.186.217
Maturity Difference Expenses	16.624.429	9.208.134	17.367.609	8.841.086
Returned Expenses	1.113.879	149.388	495.842	44.971
Contract Requirement Compensation Expenses	288.761	288.761	-	-
	75.054.568	56.599.260	37.113.879	23.643.029

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

Income from Investing Activities

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Asset Sales Revenue	52.158	6.001	48.176	-
Sell and Back Lease Transaction Income	213.051	107.114	213.051	107.114
Investment Real Estate Fair Value Difference	-	-	360.000	360.000
	265.209	113.115	621.227	467.114

Expenses from Investing Activities

None.

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

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Expected Credit Loss and Other Provisions	81.616	(17.926)	-	-

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

Details of profit/loss shares of investments evaluated by equity method as of June 30, 2019 and June 30, 2018 are as follows:

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.*	275.224	151.576	375.803	229.708

*(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, 2019

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

26. FINANCIAL INCOME AND EXPENSES

Financial Income

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Interest Income	5.808.577	3.089.165	4.871.633	2.963.455
Foreign Exchange Profits	45.068.089	31.692.905	20.936.681	14.811.726
Profit on Sale of Marketables	29.315	10.972	62.011	12.870
Derivative Financial Instruments Income	9.007.087	7.248.774	18.268.546	14.676.839
Derivative Financial Instruments Fair Value Difference	1.625.976	(8.811.699)	6.491.622	3.415.725
	61.539.044	33.230.117	50.630.493	35.880.615

Financial Expenses

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Financial Expenses	25.140.102	12.624.886	14.719.485	7.967.823
Foreign Exchange Losses	75.355.103	23.100.631	102.216.216	78.815.844
Marketable Securities Sales Loss	-	-	58	58
Derivative Financial Instruments Expenses	9.562.969	5.797.535	6.655.002	1.862.775
Derivative Financial Instruments Fair Value Difference	-	-	-	-
	110.058.174	41.523.052	123.590.761	88.646.500

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 2019 corporate tax rate is 22% (2018: 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 2019, pre-paid corporate tax rate is 22% of the corporation income for the quarterly taxation periods (2018: 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.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

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

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, 2018: 22%).

The tax rate to be applied in 2018, 2019 and 2020 is increased to 22%. Since calculations do not make a significant difference in deferred tax calculation, calculations are made over 20%.

Deferred tax liabilities are recognised for all taxable temporary differences.

Temporary difference and deferred tax as of June 30, 2019 are as follows:

Deferred Tax Assets	Temporary Difference	Deferred Tax
Doubtful Receivables	1.694.252	372.736
Adjustment on Receivables from Personnel	68.895	15.157
Adjustment on Advances Given	80.357	17.678
Adjustment on Tangible and Intangible Assets	6.417.118	1.411.766
Impairment of Inventories Expenses	3.019.073	664.196
Adjustment on Amortized Cost of Receivables	3.264.430	718.175
Adjustment on Interest Accrual	124.867	27.471
Adjustment on Deferred Income of Sell and Leaseback	508.498	111.869
Adjustment on Loans	3.886.495	855.029
Adjustment on Letter of Credit Interest	62.846	13.826
Change in Accounting Policy	242.693	53.392
Other Adjustments	184.522	40.597
Actuarial Difference of Employee Termination Benefits *	764.338	155.907
	20.318.384	4.457.799

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

Deferred Tax Liabilities	Temporary Difference	Deferred Tax
Vehicles Revaluation Difference (Related with Equity)	304.528	60.905
Lands and Buildings Revaluation Difference (Related with Equity)	30.396.828	3.343.651
Adjustment on Derivative Instrument Fair Value Difference	1.625.976	357.715
Amortized Cost of Debt Adjustment	2.302.575	506.567
Tangible and Intangible Assets Depreciation Difference	9.952.380	2.189.524
Employee Termination Benefits Actuarial Difference	3.784.992	820.452
	48.367.279	7.278.814

Temporary difference and deferred tax as of December 31, 2018 are as follows:

Deferred Tax Assets	Temporary Difference	Deferred Tax
Doubtful Receivables	3.693.578	812.587
Adjustment on Receivables from Personnel	68.895	15.157
Adjustment on Advances Given	78.022	17.165
Adjustment on Tangible and Intangible Assets	6.860.466	1.503.211
Impairment of Inventories Expenses	4.904.220	1.078.928
Adjustment on Amortized Cost of Receivables	2.374.160	522.315
Adjustment on Interest Accrual	19.955	4.390
Adjustment on Deferred Income of Sell and Leaseback	721.549	158.741
Adjustment on Loans	3.365.676	740.449
Adjustment on Derivative Instrument Fair Value Difference	34.210.890	7.526.396
Change in Accounting Policy	79.359	71.348
Other Adjustments	45.340	20.092
Actuarial Difference of Employee Termination Benefits *	647.797	130.268
	57.069.907	12.601.047

Deferred Tax Liabilities	Temporary Difference	Deferred Tax
Vehicles Revaluation Difference (Related with Equity)	304.528	60.905
Lands and Buildings Revaluation Difference (Related with Equity)	30.396.828	3.343.651
Adjustment on Letter of Credit Interest	34.046	7.490
Amortized Cost of Debt Adjustment	5.121.469	1.126.723
Depreciation difference of tangible and intangible assets	9.956.629	2.190.459
Employee Termination Benefits Actuarial Difference	3.919.127	849.960
	49.732.627	7.579.188

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

Changes in the deferred tax as of June 30, 2019 and December 31, 2018 are as follows:

	January 1- June 30, 2019	January 1- December 31, 2018
Opening Balance	8.296.147	571.375
Deferred Tax Income /(Expenses) for The Period	(7.868.513)	7.605.321
Change in Accounting Policy	-	119.451
Tangible Assets Revaluation Surplus and Actuarial Difference Deferred Tax Effect *	(3.248.649)	(3.274.288)
Closing Balance	(2.821.015)	5.021.859

*According to TAS 12, 61-a, current tax and deferred tax related with the items which are not recognised in profit or loss, are not recognised in profit or loss both in the same or different period. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period in other comprehensive income, shall be recognised in other comprehensive income. Deferred tax liability which is calculated by actuarial differences, is recognised in other comprehensive income.

Tax expenses as of June 30, 2019 and June 30, 2018 are as follows:

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Current Period Tax				
Income/(Expenses)	1.207.331	737.944	1.586.782	1.586.782
Deferred Tax(Profit)/ Loss	7.868.513	(1.351.571)	480.924	(784.936)
	9.075.844	(613.627)	2.067.706	801.846

Tax provisions as of June 30, 2019 and December 31, 2018 are as follows:

	January 1- June 30, 2019	January 1-December 31, 2018
Corporate Tax Liabilities*	1.207.331	10.534.856
Prepaid Taxes and Funds	-	(4.616.585)
	1.207.331	5.918.271

*Current year corporate tax provision consists of the tax provisions accrued at Rolweg SA, the subsidiary of the company within the scope of consolidation.

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

28. EARNINGS PER SHARE

Details of earning per share as of June 30, 2019 and June 30, 2018 are as follows:

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Net Profit/(Loss) for the Period	16.182.837	9.208.397	12.426.893	10.778.614
Weighted Average Number of Ordinary Shares	82.497.848	82.497.848	82.497.848	82.497.848
Earnings Per Share	0,1962	0,1116	0,1506	0,131

29. RELATED PARTY DISCLOSURES

	June 30, 2019	December 31, 2018
GFC Denizcilik ve Ticaret A.Ş.	28.169	133.407
Unay Un San. ve Tic. A.Ş.	11.785	82.596
Trade Receivables from Related Parties	39.954	216.003

	June 30, 2019	December 31, 2018
Unay Un San. ve Tic. A.Ş.	4.048.642	-
Notes Receivables to Related Parties	4.048.642	-

	June 30, 2019	December 31, 2018
Unay Un San. ve Tic. A.Ş.	7.789.404	-
Other Receivables to Related Parties	7.789.404	-

	June 30, 2019	December 31, 2018
Unay Un San. ve Tic. A.Ş.	4.018	11.829
Ulusoy Petrol Ürünleri Tic. A.Ş.	52.557	56.567
Ulusoy Çay Gıda San. ve Tic. A.Ş.	2.212	17.776
GK Tarım Ürünleri Depoculuk A.Ş.	10.520	-
Trade Payables to Related Parties	69.307	86.172

	June 30, 2019	December 31, 2018
Unay Un San. ve Tic. A.Ş.	-	7.189.884
Notes Payable to Related Parties	-	7.189.884

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

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Unay Un San. ve Tic. A.Ş.	21.931.064	4.873.677	18.023.596	6.697.666
Ulusoy Çay Gıda San. ve Tic. A.Ş.	9.650	-	-	-
GFC Denizcilik ve Ticaret A.Ş.	9.342	9.342	-	-
Sales Income from Related Parties	21.950.056	4.883.019	18.023.596	6.697.666

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Ulusoy Çay Gıda San. ve Tic. A.Ş.	16.289	7.906	17.682	10.406
Unay Un San. ve Tic. A.Ş.	46.810.541	35.320.308	47.226.559	30.450.630
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	-	-	321.083	121.448
GK Tarım Ürünleri Depoculuk A.Ş.	17.988	7.366	395.609	197.275
GFC Denizcilik Ticaret A.Ş.	-	-	1.454	-
Purchase of Raw Material and Supplies from Related Parties	46.844.818	35.335.580	47.962.387	30.779.759

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Unay Un San. ve Tic. A.Ş.	421.944	93.605	922.794	-
GFC Denizcilik ve Ticaret A.Ş.	9.118	4.059	233.064	136.268
Other Income from Related Parties	431.062	97.664	1.155.858	136.268

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Unay Un San. ve Tic. A.Ş.	294.385	3.618	388.455	8.928
Ulusoy Petrol Ürünleri Tic. A.Ş.	2.737	2.655	24.128	12.088
General Production Expenses to Related Parties	297.122	6.273	412.583	21.016

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Ulusoy Petrol Ürünleri Tic. A.Ş.	55.637	31.522	44.814	27.150
Unay Un San. ve Tic. A.Ş.	3.773	3.773	-	-
General Administrative Expenses to Related Parties	59.410	35.295	44.814	27.150

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Unay Un San. ve Tic. A.Ş.	90.472	49.970	100.559	47.937
Ulusoy Petrol Ürünleri Tic. A.Ş.	238.636	134.039	231.524	117.785
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	5.539	5.539	-	-
GFC Denizcilik Ticaret A.Ş.	11.717	11.717	-	-
Marketing Expenses to Related Parties	346.364	201.265	332.083	165.722

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
GFC Denizcilik Ticaret A.Ş.	-	-	2.114	-
Unay Un San. ve Tic. A.Ş.	422.986	394.445	210.302	189.607
Other Expenses to Related Parties	422.986	394.445	212.416	189.607

	January 1- June 30, 2019	April 1- June 30, 2019	January 1- June 30, 2018	April 1- June 30, 2018
Unay Un San. ve Tic. A.Ş.	2.393.065	1.322.176	2.048.949	1.363.051
Financial Income from Related Parties	2.393.065	1.322.176	2.048.949	1.363.051

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 December 30, 2018 is 421.468-TL (December 31, 2018: 894.175-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.

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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.

31. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND EXPLANATIONS OF HEDGE ACCOUNTING)

Statement of Foreign Currency Position

30.06.2019

	TL	USA Dollar	Euro
1. Trade and Other Receivables	357.102.575	61.863.488	163.649
2a. Monetary Financial Asset	188.935.859	31.042.751	1.569.561
2b. Non-Monetary Financial Assets	-	-	-
3. Other	15.099.906	2.565.819	50.889
4. CURRENT ASSETS	561.138.340	95.472.058	1.784.099
5. Trade Receivables	-	-	-
6a. Monetary Financial Asset	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	561.138.340	95.472.058	1.784.099
10. Trade Payables	348.098.837	60.413.126	63.392
11. Financial Liabilities	309.098.039	49.925.130	3.323.908
12a. Monetary Other Liabilities	3.158.015	454.001	83.227
12b. Non-Monetary Other Liabilities	-	-	-
13. SHORT TERM LIABILITIES	660.354.891	110.792.257	3.470.527
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Monetary Other Liabilities	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-
17. LONG TERM LIABILITIES	-	-	-
18. TOTAL LIABILITIES	660.354.891	110.792.257	3.470.527
19. Off Balance Sheet Net Asset and Liability Positions, which are Derivative Instruments (19a-19b)	97.836.700	17.000.000	-
19a. Amount of Active Off Balance Sheet Foreign Currency Derivative Products	126.612.200	22.000.000	-
19b. Amount of Passive Off Balance Sheet Foreign Currency Derivative Products	28.775.500	5.000.000	-
20. Net Foreign Currency Asset / Liability Position (9-18+19)	(1.379.851)	1.679.801	(1.686.428)
21. Monetary Items Net Foreign Currency Asset / Liability Position (1+2a+3+5+6a-10-11-12a-14-15-16a)	(99.216.551)	(15.320.199)	(1.686.428)

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31.12.2018

	TL	USA Dollar	Euro
1. Trade and Other Receivables	367.791.158	69.789.791	105.184
2a. Monetary Financial Asset	187.396.621	35.545.929	65.202
2b. Non-Monetary Financial Assets	-	-	-
3. Other	29.280.204	4.271.321	1.129.597
4. CURRENT ASSETS	584.467.983	109.607.041	1.299.983
5. Trade Receivables	-	-	-
6a. Monetary Financial Asset	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. NON-CURRENT ASSETS	-	-	-
9. TOTAL ASSETS	584.467.983	109.607.041	1.299.983
10. Trade Payables	388.199.011	73.781.869	6.632
11. Financial Liabilities	246.946.440	41.017.465	5.168.822
12a. Monetary Other Liabilities	36.892.082	6.732.475	244.393
12b. Non-Monetary Other Liabilities	-	-	-
13. SHORT TERM LIABILITIES	672.037.533	121.531.809	5.419.847
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Monetary Other Liabilities	-	-	-
16b. Non-Monetary Other Liabilities	-	-	-
17. LONG TERM LIABILITIES	-	-	-
18. TOPLAM YÜKÜMLÜLÜKLER	672.037.533	121.531.809	5.419.847
19. Off Balance Sheet Net Asset and Liability Positions, which are Derivative Instruments (19a-19b)	139.194.600	26.000.000	400.000
19a. Amount of Active Off Balance Sheet Foreign Currency Derivative Products	139.194.600	26.000.000	400.000
19b. Amount of Passive Off Balance Sheet Foreign Currency Derivative Products	-	-	-
20. Net Foreign Currency Asset / Liability Position (9-18+19)	51.625.050	14.075.232	(3.719.864)
21. Monetary Items Net Foreign Currency Asset / Liability Position	-	-	-
(1 +2a+3+5+6a-10-11 -12a-14-15-16a)	(87.569.550)	(11.924.768)	(4.119.864)

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

Foreign Currency Sensitivity Analysis		
June 30, 2019		
	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
Change in 10% of USD Against TL		
1- Net USD Asset/Liability	(8.816.928)	8.816.928
2- USD Hedging (-)	-	-
3- Net USD Effect (1+2)	(8.816.928)	8.816.928
Change in 10% of EURO Against TL		
4- Net Euro Asset/Liability	(1.104.728)	1.104.728
5- Euro Hedging (-)	-	-
6- Net Euro Effect (4+5)	(1.104.728)	1.104.728

Foreign Currency Sensitivity Analysis		
December 31, 2018		
	Profit/Loss	
	Appreciation of Foreign Currency	Depreciation of Foreign Currency
Change in 10% of USD Against TL		
1- Net USD Asset/Liability	(6.273.501)	6.273.501
2- USD Hedging (-)	-	-
3- Net USD Effect (1+2)	(6.273.501)	6.273.501
Change in 10% of EURO Against TL		
4- Net Euro Asset/Liability	(2.483.454)	2.483.454
5- Euro Hedging (-)	-	-
6- Net Euro Effect (4+5)	(2.483.454)	2.483.454

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

Credit Risk

June 30, 2019	Receivables				Deposits	Derivat	Other
	Trade Receivables		Other Receivables			Instrume	
	Related Party	Other Party	Related Party	Other Party		nts	
Maximum credit risk as of reporting dates (A+B+C+D+E)	4.088.596	403.553.894	7.789.404	3.771.105	276.938.196	10.085.929	51.090.579
- The part of maximum is under guarantee with collateral	-	-	-	-	-	-	-
A. Carrying value of financial assets that not past due nor impaired	4.088.596	403.553.894	7.789.404	3.771.105	276.938.196	10.085.929	51.090.579
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)	-	6.309.362	-	-	-	-	-
- Impairment (-)	-	(6.309.362)	-	-	-	-	-
- 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	-	-	-	-	-	-	-

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN JUNE 30, 2019

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

December 31, 2018	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)	216.003	430.362.038	-	1.415.694	233.176.672	4.580.190	45.739.491
- The part of maximum is under guarantee with collateral	-	-	-	-	-	-	-
A. Carrying value of financial assets that not past due nor impaired	216.003	430.362.038	-	1.415.694	233.176.672	4.580.190	45.739.491
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)		6.301.918					
- Impairment (-)		(6.301.918)					
- 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							

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Liquidity Risk

June 30, 2019						
Maturities Based on Agreement						
Non Derivative Financial Liabilities	Book Value	Cash Outflow According to Contract	Less Than 3 Month	3-12 Month	1-5 Year	More Than 5 Years
Financial Liabilities	370.462.343	370.462.343	21.933.774	195.335.166	116.025.049	37.168.354
Debt Securities Issuance	-	-	-	-	-	-
Trade Payables	365.766.760	365.766.760	210.502.544	155.264.216	-	-
Other Payables	52.419	52.419	-	52.419	-	-

December 31, 2018						
Maturities Based on Agreement						
Non Derivative Financial Liabilities	Book Value	Cash Outflow According to Contract	Less Than 3 Month	3-12 Month	1-5 Year	More Than 5 Years
Financial Liabilities	337.534.650	337.534.650	25.635.556	140.942.029	130.185.090	40.771.975
Debt Securities Issuance	-	-	-	-	-	-
Trade Payables	396.282.095	396.282.095	183.521.157	196.278.050	16.482.888	-
Other Payables	32.117	32.117	-	32.117	-	-

June 30, 2019	Receivables		Deposits	Derivative Instruments	Other
	Trade Receivables	Other Receivables			
3-12 months overdue	211.880	-	-	-	-
1-5 years overdue	6.097.482	-	-	-	-

December 31, 2018	Receivables		Deposits	Derivative Instruments	Other
	Trade Receivables	Other Receivables			
3-12 months overdue	874.534	-	-	-	-
1-5 years overdue	5.427.384	-	-	-	-

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).

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Financial Assets (June 30, 2019)	Level 1	Level 2	Level 3
Derivative Assets	-	10.085.929	-
Short Term Financial Investments	958.566	-	-

Financial Assets (December 31, 2018)	Level 1	Level 2	Level 3
Derivative Assets	-	4.580.190	-
Short Term Financial Investments	820.159	-	-

Financial Liabilities (December 31, 2018)	Level 1	Level 2	Level 3
Derivative Liabilities	-	34.210.890	-

Interest Position and Related Sensitivity Analysis

Fixed Interest Financial Instruments	January 1- June 30, 2019	January 1- December 31, 2018
Cash and Cash Equivalents (Term Deposits)	237.684.777	179.774.361
Financial Liabilities	370.462.343	337.534.650

As of June 30, 2019 and December 31, 2018, the Company has fixed interest rate bank deposits and fixed interest rate financial liabilities. The Company do not subject to variable interest rates.

32. SUBSEQUENT EVENTS

The Board of Directors of Rolweg SA, located in Geneva, Switzerland, where our company owns 100% shares, increased the company capital by 2.000.000,00 Swiss francs on 23.07.2019 and increased from 1.000.000,00 Swiss francs to 3.000.000,00 Swiss francs. The Board of Directors of our company has negotiated the decision taken in the direction of the franc and decided to participate in the capital increase by 100% on 23.07.2019.