

**01.01.2019  
30.09.2019  
INTERIM  
ACTIVITY  
REPORT**

ULUSOY UN SANAYİ VE TİCARET A.Ş. 01.01.2019 - 30.09.2019  
ADMINISTRATIVE BOARD INTERIM ACTIVITY REPORT ISSUED UPON  
OFFICIAL STATEMENT SERIES II NO. 14.1



*from tradition to future*

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# ULUSOY UN IN SHORTY



Ulusoy Un Sanayi ve Ticaret Anonim Şirketi was founded in 1989 to produce, trade, import and export every kind of food products from grain flour to legume flour, semolina, pasta and biscuit. The main activity of Ulusoy Un is based on the production, trade, domestic and international sales of wheat flour, bran and other feed raw materials and domestic and international trade of various grains, especially wheat.

The company has two plants with a total operating capacity of 900 ton/day including 500 ton/day in Samsun and 400 ton/day in Çorlu (208,000 ton/year wheat production) as well as silo, depot and free zone warehouses of more than 100,000 ton of grain reserve capacity.

exported flour to 88 countries up to day. In 2018, it realized 4% of the industry's export in Turkey. According to the Turkish Exporters Assembly data revealed in 2019, it's among the first 1000 companies with the highest export rate, being at the 978th place and 7th in the industry. With sales from total production, according to the data released by Istanbul Chamber of Commerce in 2019, the company ranked at 573rd place among the industrial enterprises with the highest production rate in 2018

and at the 5th place in its own industry in Turkey.

The company acquired 17% shares of SASBAŞ Samsun Serbest Bölgesi Kurucusu ve İşleticisi A.Ş. on March 28, 2013. Thanks to this investment, Ulusoy Un has achieved a significant presence in the management by participating in Samsun Free Zone - one of the most strategic points in Black Sea Region with storage and logistics infrastructure required to improve transit international trade.

On 20.11.2014, Ulusoy Un went public and its shares started to be traded on Istanbul Stock Exchange.

On 27.02.2015, the company invested in Licensed Warehousing system - which can be seen as the future of agriculture industry - with Uludağ Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi founded as 100% subsidiary of our company.

At the end of 2016, the first licensed warehouse with a capacity of 41,950 tons was built in Alaca / Çorum and started its operations on 16/06/2017 by obtaining a license for its 41,950 tons section.

On 15.03.2018, our subsidiary named ROLWEG SA was founded in Geneva, Switzerland with 100% capital belonging to Ulusoy Un Sanayi ve Ticaret A.Ş.

**Fahrettin Ulusoy's First Step to Business Life.**  
By opening his own grain shop, he laid the foundations of Ulusoy Gıda.



1969

### Development Period of Flour Trade.

Because of the limited flour factories in Black Sea Region, Ulusoy Gıda started to buy flour from other regions and sell it to regional traders. Thus, he played an important role in the regional flour trade.



1970

### Transition into the Largest Food Distribution Company of the Black Sea.

On the Black Sea coast, Ulusoy Gıda became the most effective food distributor and marketing company.



1980

### Entry to the Sector by Partnership With Hasanusta Flour

With the distribution strength of Ulusoy Gıda, after 2 years of successful joint activity, partners decided to establish Ulusoy Un with 60% Fahrettin Ulusoy shares.



1989

### Establishment of Ulusoy Un

180 tons/day capacity wheat factory became operational in Samsun on 8 Jan 1991.



1990

2008



### Increasing Capacity of Samsun Factory to 500 tons/day

As a result of domestic and foreign demand, a second unit with 260 tons/day capacity was built on the current factory area.

2009



### Establishment of 34,000 Tons Capacity Warehouse in Samsun

Warehouse was built 1.8 km from the port, and 2.5 km from the Samsun factory to increase raw material storage due to rise in production capacity.

2011



### Beginning International Transit Trade

In far east markets, favorable freight rates due to container reverse traffic provided flour export and transit wheat trade development.

2013



### Purchasing 17% of SASBAS Shares

Increased transit trade capacity created duty free zone storage capacity. As a result, a 17% stake in Samsun Free Zone Operator which had a 76,750 ton grain storage capacity, was purchased.

2014



### 600 ton/day capacity flour factory investment in Samsun Food OIZ.



**Commence-  
ment of  
Export and  
Import  
Activity**  
Flour exports  
started  
to new  
countries as  
a result of the  
disintegration  
of the Soviet  
Union.



1995

**Raising Samsun Factory  
Capacity to 240 tons/day.**  
By expanding the export  
markets an extra capacity  
need was felt.



1996

**Transfer of  
All Shares  
to Ulusoy  
Family.**



2000

**Establishment of 400  
tons/day Capacity Çorlu  
Factory.**

The Çorlu/ Tekirdag  
facility of Ulusoy Un  
started production in  
October with the aim of  
increasing competition in  
the western markets of  
Turkey.



2003

**Entrance to  
Overseas Exports**  
After commencing  
operations  
at the Çorlu factory,  
exports  
started to reach  
markets in  
containers through  
İstanbul  
Ambarlı Port.



2007

2015



**Establish-  
ment of  
İstanbul  
Office**

2016



**Samsun Gıda  
OSB'de günlük  
1.200 ton üretim  
kapasiteli  
Un Fabrikası  
yatırımına  
başladık.**

2017



**60.000 ton  
kapasiteli tahıl  
depolama  
tesisimiz Yozgat  
/ Sorgun'da  
inşa edilmeye  
başlandı.**

2018

ROL WEG

**With 100%  
shares  
belonging to  
Ulusoy Un  
Sanayi ve  
Ticaret AŞ**

2019

ALFAWAY

**With 100%  
shares  
belonging to  
Ulusoy Un  
Sanayi ve  
Ticaret AŞ**

2029



**The Goal  
to be the  
Biggest  
Agricultural  
Industrial  
Company of  
Turkey**

2069

ULUSOYUN

**Aim to be  
among the  
10 Biggest  
Agricultural  
Industrial  
Company in  
the World  
at the 100th  
Anniversary.**



# OUR FUTURE DREAM, LIFE PURPOSE, STRATEGY & GOALS OUR VALUES





## OUR FUTURE DREAM

"Our dream is to take our power from teamwork and to bring our company's activities to global scale without compromising our principles, values and targets together with all our colleagues experienced in their fields."

## OUR STRATEGIES

To be close to the market with different production points and to deliver our products to the customer with the lowest logistics costs

To direct purchases from raw material production sites to the most appropriate logistic production facility with the right costs

To have a product range to meet all consumer demands by increasing product diversification

To develop new products as a result of R&D activities and make them a brand.

## OUR LIFE PURPOSE

"To be a preferred business partner in the sector by producing healthy products suitable for different customer needs, winning in competition, following the developments in the sector,

being open to communication and not compromising business ethics and quality."

## OUR GOALS

To reduce costs by minimizing deployment cost

To increase the total capacity by increasing our production points

To address the entire market

To increase market share in more efficient segments of industrial and consumer market.

## OUR VALUES

### **Integrity;**

We conduct all our work in accordance with the laws and rules. We always keep our promises. We act with eternal respect to our professional ethics, environment and all our stakeholders.

### **Responsibility;**

We do what needs to be done; not what we can do. We are aware of our duties and responsibilities as an individual, team and organization while fulfilling our responsibilities.

### **Efficiency;**

We are planned, disciplined, result oriented and determined. We work hard to achieve our goals.

### **Development;**

Individually and institutionally, we are always open to development and learning. We endeavor to develop ourselves, our teammates, stakeholders and learn new things.

### **Team Spirit;**

We are participative; we believe in common mind, communication, empathy, loyalty and self-sacrifice.

## IN SUMMARY

To become the company with the highest market share in our industry.

# PARTNERSHIP STRUCTURE

Current Share Distribution as of 30.06.2019

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



# MESSAGE FROM THE BOARD CHAIRMAN

Dear Partners,

Having completed its 30th year of operation, Ulusoy Un started its operations with Ulusoy Gıda in 1969 and is managed with the experience, knowledge and confidence brought by the experiences of our family and all our colleagues who joined this family. These long years have brought us very important values. First of all, we realized how important our work and food are to a human being, and we have learned to take responsibility for it first. As Ulusoy food group employees and managers, we have made it our most important rule not to produce and sell products that we do not consider suitable for our own consumption and we have adopted this as the indispensable priority of being a reliable food supplier.

Ulusoy Un started to grow rapidly with its employees who are always open to innovation, working with team spirit and creating added value, and with a management approach that does not compromise on the principles of stability, quality and trust. With this understanding, the capacity, which was 180 tons / day when it was established, reached 900 tons / day today. As the award of these works and customers, Ulusoy Un has been included in the list of 1000 Large Industrial Enterprises of Istanbul Chamber of Industry since 1996. In November 2014, Ulusoy Un succeeded in being the first company in its sector and in Samsun with shares that started to be traded in Istanbul Stock Exchange. Finally, according to the Istanbul Chamber of Industry survey in 2018, the company ranked at the 73rd place among the second 500 industrial enterprises with the highest production rate in Turkey and at the 5th place in the industry. As a result of many years of work, I would like to express my gratitude to all those who have contributed to the achievement of this pride.

In the first six months of 2019, our company increased its consolidated sales revenue by 16% compared to the first six months of the previous year with TL 1,510 million in sales revenue. As a result of these activities, the Company generated TL 73.1 million in operating profit. Particularly during these difficult times,

the company has been able to achieve sustainable growth through active risk management. Within the framework of this policy, our company has protected itself against the fluctuations experienced in the foreign exchange markets with the derivative products used.

Established in 2015, Uludağ Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi started its warehouse investment in Alaca district of Çorum with a capacity of 41.950 tons in 2016. By licensing the portion of 23,340 tons on 16/1/2017 and total of 41,950 tons on 16/6/2017, the company entered the service of licensed warehousing sector, the future of the agricultural sector in Turkey. This season, our plant - which was completed in Yozgat - started to provide services to the farmers.

Our goal is to take our power from teamwork and to bring our company's activities to global scale without compromising our principles, values and targets together with all our colleagues experienced in their fields. In line with these goals, as Ulusoy Un family, we will work with all our strength. I would like to thank all our partners, employees, customers and suppliers who have contributed to the success of our company, who have joined and will join the Ulusoy Un family.

**Eren Günhan ULUSOY**  
Chairman of the Executive Board

In the first six months of 2019, With a sales value of 2.294 million tl during the first nine months of 2019, the consolidated sales value of our company has increased by 1,3% compared with the first nine months of the previous year.

As a result of such activity, our company has gained a real operating profit in the amount of 112,9 million TL.



# EXECUTIVE BOARD MESSAGE FROM THE CHAIRMAN

At the end of 2019, we are going to reach a considerable capacity opportunity for expansion upon the completion of the first phase of our new factory investment in Samsun. Thus, we are going to continue our expansion in 2020 through our continuing investments.

Dear shareholders,

Ulusoy Flour was born in this land where wheat, the raw material of holy bread, spread to the world. Born from this strong history, people and potential of our country, Ulusoy Un has managed to gain an important place in its sector both in our country and in the world in the last 30 years. Now, we are proud to share this value with more than 2700 shareholders who are partners in our company from the primary public offering.

With a production capacity of 900 tons per day in two plants, Ulusoy Un ranked at the 73rd place among the second 500 industrial enterprises with the highest production rate in Turkey and at the 5th place in the industry according to data from the Istanbul Chamber of Industry survey 2018.

In both domestic and foreign markets, in line with the demands of our customers, without compromising on quality and food safety, we realized our sales with the understanding of unconditional customer satisfaction. As a result, our company's turnover increased from TL 170 million in 2008 to TL 2,984 million in 2018. In 10 years, we were able to increase our turnover by 17 times and an average annual revenue growth of 32%.

As a result of the first six months of 2019, our company achieved a significant growth by increasing its consolidated sales revenue by 16% compared to the same period of the previous year. The Company generated TL 73.1 million in operating profit from its production and commercial activities. The Company meticulously applies the principles of risk management against fluctuations in the financial markets. With our dynamic management structure, we continue the production of basic foodstuffs whose demand is never cut. At the end of 2019, with the completion of the first stage of our new factory investment in Samsun, we will have a significant capacity for growth. Thus, we will continue to grow in 2020 with our ongoing investments.

I would like to thank our customers and employees who have taken our company to the highest level in the sector and who have supported us from us, and to our esteemed investors, who have partnered with us to show their trust after our public offering. I wish that 2019 will bring profit and happiness for our company. Celebrating its 50th anniversary this year, the Ulusoy Un family will continue to create value for our partners, employees and customers...



Kamil ADEM  
İcra Kurulu Başkanı





# BOARD MEMBERS



## EREN GÜNHAN ULUSOY

### Chairman of the Executive Board

He was born in Samsun in 1981. Günhan Ulusoy, who graduated from Samsun Anatolian High School in 1999, completed his higher education in 2003 at Bosphorus University, Faculty of Economics and Administrative Sciences, and his master's degree in Agricultural Economics at 19 Mayıs University in 2014. In July 2003, he started his business life in the export department of Ulusoy Un Sanayi. In July 2004, he was appointed as the General Manager and continued this position until October 2010. Since October 2010, he has served as the Chairman of the Executive Committee of the company and made the company public at the end of 2014. In March 2015, he was elected as the Chairman of the Board of Directors of Ulusoy for three years. In addition, as of 2008, he has been the Board Member of Samsun Serbest Bölgesi İşletici A.Ş. (SASBAŞ). Being a member of many social and professional associations Günhan

Ulusoy continues his roles of Chairman of the Board of Directors of Black Sea Region Flour Industrialists Association, Vice Chairman of the Board of Directors of Black Sea Grain Pulses and Oil Seeds Exporters Association and Vice Chairman of the Samsun Commodity Exchange Board.

## KAMİL ADEM

### Vice Chairman and Chief Executive Officer

He was born in Amasya in 1965. In 1984, he graduated from 19 Mayıs University, Vocational School, Department of Economics Accounting Associate Degree. He started his professional career in 1987 at Hasanusta GıdaSan.veTic.A.Ş. as Accounting Manager. Since 1993, he has served as the head of Accounting-Finance and Sales departments at Ulusoy Un A.Ş. Since 1998, he has served as General Manager of the company until July 2004. From the end of 2004 to the beginning of 2006, he served as the Domestic and International Marketing Manager at Birsan Birlik A.Ş. In 2006, he started to serve as Factory Manager in Bafra Eriş Un Yem Gıda A.Ş. In 2010, he started his career as General Manager of Ulusoy Un A.Ş. As of March 2015, he has been serving as the Chairman of the Executive Committee and Vice Chairman.



## SALİH ZEKİ MURZIOĞLU

### Board Member

He was born in Samsun in 1959. After primary and secondary education, he graduated from Samsun Trade High School. Previously, he served in the Samsun Chamber of Commerce and Industry as a member of the Assembly and the Board of Directors. In 2009, he was elected as the Chairman of the Samsun Chamber of Commerce and Industry. He currently serves as the Chairman of the Board of Directors.

Representing the business life of Samsun in every platform in the best way and successfully fulfilling the leadership of the industrialists and the trade sector, Murzioğlu was elected as a member of the Board of Directors at the TOBB General Assembly elections held in 2013 and as the Vice President of TOBB in the elections held in 2018 as a result of these achievements. Salih Zeki Murzioğlu continues to fulfill his duties as Samsun Central Organized Industrial Zone Board of Directors, Samsun Kavak Organized Industrial Zone Board of Directors, Samsun Food Organized Industrial Zone Board of Directors, Samsun TEKMER Advisory Board Member, SABEK A.Ş. Member of the Board of Directors and Büyük Anadolu Lojistik Organizasyonlar A.Ş. and Ulusoy Un A.Ş. board member.



## ÖZDEMİR EROL

### Independent Board Member

He was born in Istanbul in 1934. After completing his primary, secondary and high school education in Samsun, Özdemir Erol graduated from the Civil Engineering Department of ITU in 1959 and completed his internship in Austria. Özdemir Erol started his career in 1960 as a Control Engineering in Samsun Port Construction. Özdemir Erol, who worked in various project works and official contractor works until 1966, started his business life in Samsun in 1968 due to lack of supply of many materials. In 1980, he served as a founding partner and member of the Board of Directors of Proftaş A.Ş. and as a founding partner and board member of Odöksan Döküm Sanayi A.Ş. Özdemir Erol took part in the establishment of Enka Holding and later became a partner of Enka Holding.

Serving at various roles including Deputy Mayor of Samsun, Member of Council, Public Works Comm., Samsun Fair Association, Chamber of Commerce Board Member, Samsun DYP Provincial Organization Founding Member Samsun DYP Vice Chairman DYP Ankara Central Decision and Executive Committee Member, Özdemir Erol has also held various presidency and membership positions at Rotary Club.

He served as the Founder Member of Samsun Diyanet Sitesi Foundation, Vice President of Samsev Association, Board Member of Naval Forces Support Foundation, Member of Samsun Social Services Board, Member of Samsun Turkish Police Support Organization, Member of Support Foundation, Member of Police House and Police Station Building and Maintaining Association, Samsun Sailing Club Vice Chairman, DYP Provincial Vice President, Samsiad Chairman, 19 Mayıs Hazır Beton Tesisi A.Ş. Vice Chairman and General Manager.

Serving as General Manager in aggregate production within the body of Aydınır İnş.A.Ş. on December 1, 2007, Özdemir Erol has been serving as the General Coordinator of Aybet Beton Prefabrik Yapı Elemanları San A.Ş. Since 2013. As of September 2017, he has served as an Independent Board Member of Ulusoy Un San. ve Tic. A.Ş.

## KEMAL KİTAPLI

### Independent Board Member

He was born in Alaçam, Samsun in 1963. He completed his primary, secondary and high school education in Alaçam district of Samsun. He graduated from Istanbul University Faculty of Law in 1985 and started to work as a freelance lawyer in Samsun. In addition to his profession as a lawyer, he has commercial investments in textile sector with the companies he is partnered with.

He is currently working as an independent lawyer and as an Independent Board Member at Ulusoy Un A.Ş.





# EXECUTIVE BOARD COMMITTEES

## Audit Committee

Name-Surname	Role in the Partnership	Role
Kemal Kitaplı	Independent Board Member	Chairman of Audit Committee
Özdemir Erol	Independent Board Member	Member of Audit Committee

The Committee held a meeting 3 times during the period. The reports prepared as a result of the meeting can be found [www. Ulusoyunyatirimciiliskileri.com](http://www.Ulusoyunyatirimciiliskileri.com) under the heading Corporate Governance - Committees.

## Early Determination of Risk Committee

Name-Surname	Role in the Partnership	Role
Kemal Kitaplı	Independent Board Member	Chairman of Early Determination of Risk Committee
Salih Zeki Murzioğlu	Board Member	Member of Early Determination of Risk Committee

The Committee held a meeting 3 times during the period. The report prepared as a result of the meeting can be found [www. Ulusoyunyatirimciiliskileri.com](http://www.Ulusoyunyatirimciiliskileri.com) under the heading Corporate Governance - Committees.

## Corporate Management Committee

Name-Surname	Role in the Partnership	Role
Özdemir Erol	Independent Board Member	Chairman of Corporate Management Committee
Kemal Kitaplı	Independent Board Member	Member of Corporate Management Committee
İlker Küçük	Risk Management, Capital Markets and Investor Relations Group Manager	Member of Corporate Management Committee

The Committee held a meeting 1 times during the period. The reports prepared as a result of the meeting can be found [www. Ulusoyunyatirimciiliskileri.com](http://www.Ulusoyunyatirimciiliskileri.com) under the heading Corporate Governance - Committees.

# ONGOING INVESTMENTS

## Complete Flour Plant with Wheat Processing Capacity of 1800 Tons/Day

The construction of the 3rd plant in Samsun Food Organized Industrial Zone with a wheat processing capacity of 1800 tons / day was completed at a rate of 95% and approximately 7,250,000.00 USD has been spent so far. The project is planned to be completed in the last quarter of 2019. With the start of the third plant, the total wheat processing capacity of 900 tons / day in Samsun and Çorlu is expected to be increased to 1500 tons / day by the end of 2019.

Photo shoot date 11.11.2019



## OUR SUBSIDIARY: ROLWEG SA



On 15.03.2018, with 100% of its capital owned by Ulusoy Un Sanayi ve Ticaret AŞ, our subsidiary ROLWEG SA was established in Geneva, Switzerland.

Upon assessment of the advantages including the fact that Switzerland is a location where international raw material trade is predominantly managed, and that more than 60% of the trade of oil, cereal products and all kinds of raw materials is financed in Switzerland, the existence of a supportive economic environment and stability in Switzerland, the Swiss banking system financing alternatives, ease of access to capital markets etc., ROLWEG S.A was established in March 2018 in Geneva, Switzerland at Rue du Nant 6, 1207 Geneva with 100% of its capital (CHF 1,000,000.00) owned by Ulusoy Un Sanayi ve Ticaret A.Ş. in order to enable our company to become more competitive in international markets, to become a more effective player in these markets and to gain access to raw materials and to benefit from the cost advantages when reaching raw materials.





# OUR SUBSIDIARY:

## ULIDAŞ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş.



ULIDAŞ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş. was established as a Joint-Stock Company on February 27, 2015 in Samsun's Tekkeköy central province as 100% subsidiary of Ulusoy Un Sanayi ve Ticaret A.Ş. with 2 million TL cash capital in order to perform Licensed Warehousing activities for grain products in accordance with Agricultural Products Licensed Warehousing Act No. 5300. The foundation of ULIDAŞ was announced on Turkish Trade Registry Gazette No.8771 dated March 4, 2015.

### Investments

- In 2016, the first licensed warehouse was built in Alaca / Çorum and started its operations with a license for 23.340 tons in 16/1/17 and 41.950 tons in 16/6/17.
- Licensed Warehouse capacity of our Ulidaş Yozgat Sorgun Plant is
- 67.000 tons and it started operations in June 2019.

### Features of ULIDAŞ Licensed Warehousing Facilities

- Electronic weighing operations
- Sampling with automatic devices
- Product analysis carried out by the Authorized Classifier licensed by the Ministry
- State-of-the-art physical analysis laboratory
- Silo operation with full automation
- Automatic temperature measuring system
- Automatic spraying system
- Ventilation system
- Dust collection system
- Fire extinguishing system
- Teletechnical and IT infrastructure with sufficient equipment and technology for electronic product bills transactions

# OUR SUBSIDIARY:

## ULIDAŞ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş.

### What is Licensed Warehousing?

The Law No. 5300 on Agricultural Products Licensed Warehousing was entered into force after published in the Official Gazette dated 17.02.2005 and numbered 25730. Grain Licensed Warehousing;

- Licensed Warehousing Law No. 5300,
- "Agricultural Products Licensed Warehouse Regulation" entered into force after being published in the Official Gazette dated April 12, 2013 and numbered 28616,
- Conducted within the scope of other relevant regulations and communiqués.
- The system is completely under the supervision of the Ministry of Customs and Trade.

#### Aims of the System

In terms of agricultural products;

- To facilitate and improve trade,
- To establish a common system for storage,
- To that their quality is determined by authorized classifiers,
- To issue a product bill representing the ownership, providing financing, sale and delivery,
- To ensure safety and maintain quality,
- To extend the use of credit by ensuring that banks are included in the system.

#### Assurances in the Licensed Warehousing System

Licensed Warehousing Compensation Fund: The Licensed Warehousing Compensation Fund, which is a legal entity, is established to compensate the losses arising from the failure of the licensed warehouse operator to fulfill the obligations stipulated in this Law and the

contract with the warehouse operators.

- Authorized Classifiers: Analysis and classification of products are carried out by Authorized Classifiers licensed by the Ministry of Customs and Trade.
- Purchase and sale operations of Commodity Exchanges or Specialized Commodity Exchanges Product bills are carried out by the Commodity Exchanges or Specialized Commodity Exchanges authorized by the Ministry.
- Central Registry Agency (CRA): All records are kept by the Central Registry Agency.

#### What is Licensed Warehousing System?

The Law No. 5300 on Agricultural Products Licensed Warehousing was entered into force after published in the Official Gazette dated 17/02/2005 and numbered 25730. In line with the Communiqués published within this scope;

- Cereals, legumes and oil seeds,
- Hazelnut,
- Cotton,
- Olives and olive oil,
- Dried apricot products are available for licensed

warehousing.

The licensed warehousing system in short is: to store basic

- and processed agricultural products that are available for storage and can be standardized such as cereals, legumes, oil seeds, cotton, nuts, olives, olive oil and dried apricots upon determination of the standards under safe and healthy conditions in warehouses belonging to licensed warehouse operators and to trade these products online through the same organizations using product bills.
- The Licensed Warehousing System is widely used in the world, especially in the USA, India and Australia, as well as in countries such as Bulgaria and Romania.
- Through the Licensed Warehousing System the following is aimed;
- To prevent price decreases due to the accumulation of agricultural products during harvest periods and balance the market,
- To provide loans and financing from banks through product bills they receive in exchange for the products they give to licensed warehouses for small farmers and product owners, especially those with financial difficulties,
- To ensure that the trade of agricultural products shall be carried out on products whose standards are accepted by all, to promote quality production and establish a safe market,
- To register the trade in agricultural products,
- To achieve the current agricultural reform in our country and increase private sector participation in the trade of agricultural products,
- To minimize State interventions in production and pricing, provide significant savings from high expenditures in this field, and avoid interventions that disrupt free market and price formation,
- To achieve a stable and higher income level with a system that is easily marketable, well maintained and minimized transportation costs for producers,
- To provide a new investment instrument to investors for foreign currency, gold, stock, interest and the like,
- To easily procure the products whose quality is determined according to scientific criteria and price stability is achieved by our traders and industrialists engaged in product trade,
- To trade agricultural products through product bills or electronic product bills without the need to display and deliver physical goods and samples,
- To transit to futures and options markets in agricultural products with a standardized product and licensed warehouse system,
- To create new business areas for product storage, banking and insurance sector,
- To play an important role and share in agricultural

# OUR SUBSIDIARY:

## ULIDAŞ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş.

products trade in the Middle East, Balkans, Turkic Republics and Asian geography where our country is located.

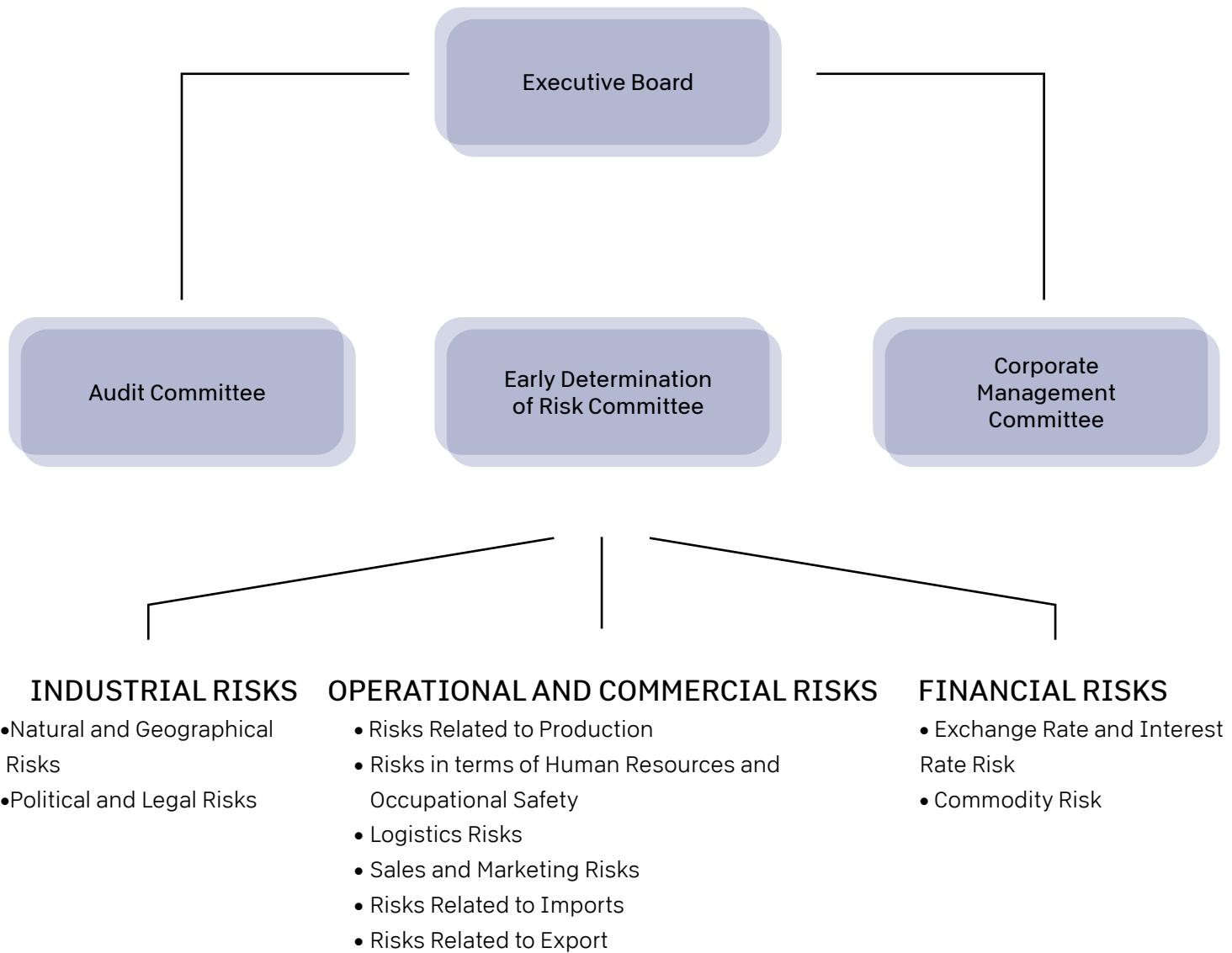
- Shareholders of the system;
- Customs and Trade Ministry,
- Ministry of Food, Agriculture and Livestock,
- Licensed warehouses,
- Authorized classifiers,
- Producers,
- Traders,
- Industrialists,
- Banking and insurance sector,
- Commodity exchanges and commodity exchanges.
- The First Licensed Warehouse:
- Although the system related laws came into force in 2005, the first licensed warehousing company was established in 2011 in partnership with TMO (Soil Products Office) and TOBB (Union of Chambers and Commodity Exchanges of Turkey).
- Licensed Warehousing Companies in Turkey:
- As of today, 153 companies have completed their establishment by declaring 13.076.620 tons of storage capacity in our country and 67 of these companies started their operations by obtaining licenses for 3,343,327 tons.
- Licensed Warehousing in short is;
- The licensed warehousing system which will work in parallel with the product exchanges required by the free market economy is a modern institutional infrastructure that facilitates trade based on agricultural products, establishes a widespread storage system for agricultural products nationwide, extends its market area by providing reliable protection to depositors regarding the safety and quality of their goods, contributes to price stability in markets and prevents the informal economy in the economy.
- Support and Incentives in Licensed Warehousing
- Tax Exceptions (until 31.12.2023), Agricultural withholding tax (2%), Income and Corporate tax (20%), VAT (1%), Stamp Tax,
- Social Security Institution (Bağ-Kur) Premium Deduction (2%) (until 01.01.2019),
- Storage Supports (up to 16.10.2019) for Producer / Producer Unions and Cooperatives (limited to the amount of production registered in the EQS for up to 6 months); For Wheat, Barley, Rye, Oats, Corn, Paddy, Rice, Lentils, Chickpeas, Beans, Peas, Sunflowers; 6 TL / Ton / Month For all cuts;
- For Wheat, Barley, Rye, Oats, Corn, Paddy, Rice, Lentils, Chickpeas, Beans, Peas, Sunflowers; 3 TL / Ton / Month,
- Transport Support (up to 16.10.2019), Up to 25 TL per ton for products delivered to the licensed warehouse limited only by the production quantity registered in Producer / Producer Associations and Cooperatives

EQS,

- Analysis Fee Support (until 16.10.2019), Producer / Producer Unions and Cooperatives Only: Up to 25 TL per batch for analysis by authorized classifiers,
- Credit Interest Support (until 31.12.2020), for producers and agricultural cooperatives or Ziraat Bank (up to 75% of
- the ELUS amount [maximum 9 months maturity]) to cover 100% of the loan interest used in return for ELUS. 75% interest reduction in investment loans and 50% interest in operating loans. Up to 20 Million TL for investments with a capacity of 10 thousand tons or more; 75% discount in investment loans and 50% interest in business loans,
- Investment Incentives; In regional incentives, 1.-4th region Licensed warehouse investments in the region also benefit from 5th region support.
- ULIDAŞ Board of Directors
- Ulusoy Un Sanayi ve Ticaret A.Ş. is a Board member as a legal entity.
- ULIDAŞ Capital Structure
- The capital of the Company is fully paid in cash and is worth 5,000,000.00 (five million Turkish Liras).
- This capital is divided into 5,000,000 (five million) shares each with a value of TL 1.00.
- 5,000,000.00 TL of total capital against 5,000,000.00 shares belongs to Ulusoy Un Sanayi ve Ticaret A.Ş., a member of the Board of Directors.
- This capital has a total value of 5,000,000 (five million), of which 1,000,000 (one million) group (A), 1,500,000 (one and a half million) group (B), 2,500,000 (two million five hundred thousand) and
- (C) group, each with a value of 1 (one) TL.
- Share certificates are in the name of the holder.
- The shares are printed in clippings.



# RISK MANAGEMENT



# RISK MANAGEMENT

## INDUSTRIAL RISKS

### *Natural and Geographical Risks*

The main natural risks in agricultural production include hail, frost, fire, drought, storm and flood disaster.

Turkey has a great potential in both crop and livestock production, but agricultural production cannot be increased to the desired level. In this context, fluctuations in the supply and demand balance may cause fluctuations in the Company's profit margins with impact on prices.

As the production is highly dependent on natural conditions, fluctuations in product yield, producer income and profitability may occur.

There is a risk of product loss caused by bacterial, fungal and viral plant diseases and damages in our country.

Natural and geographical risks refer to risks that are not fully predictable and measured in advance. However, in case of the occurrence of the above-mentioned events, the Company closely monitors expected product yields at regional and international levels and increases critical stock levels in order to be prepared for raw material price increases due to possible yield decreases. It also manages its risk by conducting futures transactions on commodity exchanges.

### *Political and Legal Risks*

Since wheat, which is the main input of the company, is directly affected by the agricultural policies of the state, changes in the agricultural policies of the state that may decrease the profit margin may have a negative effect on the profitability of the Company.

The problems that may be experienced in the global economy and the possible fluctuations in product prices may negatively affect the agricultural sector. As the production is highly dependent on natural conditions, fluctuations in product yield, producer income and profitability may occur.

The low level of profit margins in the sector and the dominance of price-oriented competitiveness may adversely affect the possible increase in general expenses and production costs and decrease the sectoral profitability level.

The Company manages its sectoral political and legal risks in the same way as natural and geographical risks.

## OPERATIONAL AND COMMERCIAL RISKS

### *Risks Related to Production*

It covers the process risks that may prevent the products from being made in the prescribed quality, content and standards.

In the process in which wheat is processed as raw material, there is a risk that foreign substances may be mixed into the produced product both at each stage and between the stages in the flow route where wheat is turned into flour.

There may be risk of agglomeration, mold and insecticide in the restricted and dead areas of production facilities, production teams and equipment, packaging-shipping and warehouses.

The risk of problems caused by breakage, deterioration and the like in the main production machines may occur.

In the raw material entry processes, magnets and garbage collectors are used to keep foreign materials away from the processes. At certain stages, samples are taken from the products and quality control is provided by various analyzes.

Personnel are constantly and regularly trained on these issues, and the cleaning and control processes are audited by "dispersed sampling and period "methods. In addition, critical control points are identified (Final Control Sieve and Metal Detector) to eliminate the risk at those points.

Machine maintenance and repair operations are carried out regularly, machine failures are not expected for maintenance and repair and replacement parts replacement, and it is ensured that the malfunctions and failures that are formed are repaired immediately by expert teams.

Comprehensive insurance policies are issued against all kinds of machine breakage and deterioration.

# RISK MANAGEMENT

## *Risks in terms of Human Resources and Occupational Safety*

There are risks to workers' health and safety risks due to occupational accidents and the risk of failure to employ a workforce suitable for the job and which will not interfere with the sustainability of the activities.

Personnel trainings are conducted regularly against occupational accidents. In addition, necessary occupational safety specialist service is provided in accordance with the current legislation.

The Human Resources Department, which was established within the Company against the risks of not using the existing human resources well and confusion in the roles and responsibilities, continues to take effective measures, employee backup planning for critical roles and positions, and provide the necessary reports and information to the management.

## *Logistics Risks*

It covers operational risks in purchase (procurement), storage and shipment processes.

There is a risk of coming across with operational risks in the process of shipment of purchased raw materials to the Company's warehouses, time of stock and shipment from warehouses to production or sales.

The Company has comprehensive insurance policies against loss, spillage, accident and similar risks that may occur in all shipment processes. In addition, insurance policies against floods, fire, theft, etc. that may occur during storage have been issued. Adequate internal control mechanisms have been established, especially in the shipment and storage processes.

## *Sales and Marketing Risks*

There is a risk that the current account balances due to forward sales to credit customers, checks and promissory notes received and unpaid bills may be left uncollected.

The risk of fraudulent attempts by the personnel assigned for collection may be encountered in domestic areas.

There is a risk that competitors will engage in aggressive competition in the domestic market and new players may enter the market.

Prior to making credit sales (futures), market intelligence studies are carried out in accordance with the Company's risk policy and a risk and limit amount is determined for the customers who are determined to work. In ongoing activities, it is ensured that these risks and limits remain within the specified limits.

Inspectors at the locations where the Company operates in domestic markets are audited according to scattered periods and samples and comprehensive insurance policies are issued against fraud attempts.

The risks of entry of new players into the market and the implementation of more aggressive sales policies by existing players are always present and the Company's Sales and Marketing Department closely monitors domestic market developments against these risks.

## *Risks Related to Imports*

It covers all kinds of risks that may occur in the imported markets.

There is a risk that crisis, production and tax policies may be changed in the markets of the countries where imports are made.

The Company determines and maintains critical stock levels against such adverse events.

Global yield expectations are closely monitored and alternative import markets are continuously monitored and alternatives are kept in reserve.

Comprehensive insurance policies are issued against logistic risks in import processes.



# RISK MANAGEMENT

## *Export Risks*

It covers all the potential risks in exporting markets.

Anti-dumping applications in countries, where products are exported, political, economic and cyclical instability and negative developments are potential risks.

Measures are taken particularly against anti-dumping applications both by experts within the company, and professional organizations at the sectoral level.

The Company's Export Department continuously and rigorously conducts market researches and keep alternative markets in reverse in case of cyclical, political and economic crisis in exporting markets.

## FINANCIAL RISKS

### *Exchange Rate and Interest Risk*

This covers the risks resulting from the effect of exchange rate changes on the foreign currency assets and debts and cost and cash flow risks that may arise from the increase in the interest rates applied on financial liabilities.

Exchange rate risk result from open exchange rate positions between foreign exchange liabilities and assets.

Open exchange rate positions occurs when foreign currency liabilities are above the amount of assets.

The company's foreign currency open position risks are monitored and directed effectively through the positions taken in Derivatives Exchange and forward transactions performed with the banks in the domestic market against any fluctuation risks in order to yield predictable financial results. The extent of the position is changed according to the developments in the market and by means of the hedging model applied.

The Company's Finance Department monitors the market closely and takes alternative methods into account against the risk of changing interest rates in the long-term use of foreign assets.

### *Raw Material Price Change Risk*

This covers the potential price change risks in wheat prices in markets organized at an international level, which may occur to the disadvantage of the company.

Exchange rate risk result from open exchange rate positions between foreign exchange liabilities and assets.

Open exchange rate positions occurs when foreign currency liabilities are above the amount of assets.

In our country, wheat prices are subject to TMO (Turkish Grain Board) Different market intervention methods are applied in order to protect the producer in price decreases, and protect the consumers in price increases.

According to physical wheat position available in our stocks, risks are limited by performing partial hedging transactions in Cbot (Chicago Board of Trade) and Matif Stock Exchanges when there excessive gaps between wheat prices in domestic market and foreign stock exchange price spreads.

# MATERIAL DISCLOSURES

## CURRENT TERM DISCLOSURES

As it was announced in the material disclosure on the date of 23.01.2019;

As per the resolution of the board of directors No.

2019/002 dated 22.01.2019, a new branch office under the title of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi Bafra Branch was opened and registered b Bafra Registry of Commerce on the date of 23.01.2019.

28.02.2019 tarihinde yapılan özel durum açıklamasında duyurduğumuz üzere ;

Date of the Board of Director's Resolution for Sales Transaction	4.02.2019
Was the Anonymous Vote of Independent Members of the Board of Directors Received for the Sales Transaction?	Evet
Title of the Financial Fixed Asset Sold	SAMSUN TECHNOLOGY DEVELOPMENT ZONE MANAGER INCOIRPORATED COMPANY
Area of Activity of Financial Fixed Asset Sold	Works within the scope of the company's articles of association as per Technology Development Areas Law No. 4691 and operation of Samsun Techno-park
Capital of the Financial Fixed Asset Sold	4.500.000,00 TL
Completion Date of Transaction	28.02.2019
Terms of Sale	Peşin (Cash)
Nominal Amount of Shares Sold	22.500,00 TL
Price of each share	4.500,00 TL
Total Amount	67.500,00 TL
Rate of Sold Shares Against the Capital of Financial Fixed Asset (%)	0,05
The Ratio of Total Voting Power After Sales Against the Total Voting Power of Financial Fixed Asset (%)	0
Satış Sonrası Sahip Olunan Oy Haklarının Finansal Duran Varlığın Toplam Oy Haklarına Oranı (%)	0
The Ratio of the Financial Fixed Asset Sold Against the Active Total in the Latest Financial Statement of Partnership	0,000184
The Ratio of Transaction Amount Against the Revenue Amount in the Last Annual Financial Statements (%)	0,000099
Effect on the Activities of the Partnership	None
Profit/Loss Amount After Sales	45.000,00 TL
The Method of Using Sales Profit, if any	To be included to company assets
Date of the Resolution of the Board of Management on How Sales Profit is to be Used	None
Name/Title of the buyer	Fahrettin Ulusoy
Is the other party an affiliated party according to Capital Market Board (SPK) Regulations?	Yes
Buyer's Affiliation with the Partnership	Shareholder
Financial Fixed Asset Valuation Method	Approximate market
Is a valuation report prepared?	Not Prepared
If valuation report is not prepared, why?	Report cost is close to the cost of financial fixed asset
If Valuation Report is Prepared, its date and number	-
Title of the Valuation Organization, which Prepared the Valuation Report	-
Amount Determined as a result of Valuation Report	-

Our company's board of management took a decision for the selling of financial fixed asset in question on the date of 04.02.2019, and applied to the management board of Samsun Teknoloji Geliştirme Bölgesi Yönetici AŞ with a petition given in the annex of share transfer agreement. Samsun Teknoloji Geliştirme Bölgesi Yönetici AŞ submitted their resolution of the board of management dated 28.02.2019, which confirms that they accept the related transfer share and this is registered in the share ledger of shareholders.

## CURRENT TERM DISCLOSURES

As it was announced in the material disclosure on the date of 12.04.2019;

Tender Subject	Supply of Wheat Flour
Tendering Party	United Nations World Food Programme (WFP)
Resolution of the Board of Management For Bidding in the Tender	None
Share of Partnership in case of participation in the tender as a Group	100%
Tender Bidding Date	12.04.2019
Tender Finalization Date	12.04.2019
Tender Result	3.066.800,00 USD(17.695.436,00 Türk Lirası)
Tender Price	3.066.800,00 USD(17.695.436,00 Türk Lirası)
Share of the Partnership in the Contract Price	100%
The Ratio of the Share of Partnership Against the Gross Sales Revenue in the Last Income Statement Disclosed (%)	0,59%

Within the scope of the bid, which we submitted to the wheat flour tender announced by World Food Programme (WFP) on the date of 12.04.2019, the section which is under the responsibility of our company will be delivered until 05.06.2019.

As it was announced in the material disclosure on the date of 22.05.2019;

As per the resolution of the board of directors No. 2019/017 dated 21.05.2019, a new branch office under the title of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi Ellinci Yıl Branch was opened at the address of Çiftlikosb District, 3rd Street No: 12 Tekkeköy Samsun, and registered b Bafra Registry of Commerce on the date of 22.05.2019

As it was announced in the material disclosure on the date of 25.06.2019;

Competition Authority decided to start an investigation for various enterprises including our company to determine whether 4th Article of the Law on the Protection of Competition No. 19-21/305.M dated 13.06.2019a s per the 41st article of the same law.

As is now, the fact that Competition Authority commences an investigation in this regard does not mean that such enterprises or associations of undertakings certainly violated the Law No. 4054 or are or will be subject to any penal sanctions within the scope of the Law.

As it was announced in the material disclosure on the date of 23.07.2019;

The decision taken by the management board of Rolweg S.A which is located in Switzerland, Geneva, and shares of which are owned by our company by 100%, to increase the capital of the company by an amount of 2.000.000, therefore, from 1.000.000 Swish Franc to 3.000.000 Swiss Franc, was negotiated by our company's board of management, and it was anonymously voted with the decision No: 2019/020 dated 23.07.2019 that the company will participate in the capital increase by 100%.

As it was announced in the material disclosure on the date of 03.09.2019;

Republic of Turkey Ministry of Treasure Turkish Tax Inspection Board (Samsun Department of Small and Medium Sized Taxpayers) tax inspectors conducted an investigation on corporate taxes, value added tax, income tax withholding and corporate advance tax for the taxation periods of the years 2017 and 2018. As a result of the investigation, based on the tax investigation report issued, it was determined that Ministry of Finance Samsun Directorate of Tax Administration Gaziler Tax Office issued a total tax penalty of 6.732.509,17 T on behalf of our company including 908.495,45 TL income tax withholding, 3,456,028.84 TL corporate tax, 50,541.54 TL added value tax, 2,317,443.34 advance corporate tax, 230,000.00 special irregularity penalty, and also 10,098,763.79 loss of tax



penalty and 230,000.00 special regularity penalty.

It was stated in the report that 2,317,443.34 corporate advance tax and 3,476,165.13 loss of tax will not be realized as per the 120th Article of Income Tax Law, they were specified in the notification mandatorily for calculating the delay penalty; therefore, 4,415,065.83 tax, 6,622,598.76 loss of tax, and 230,000.00 special regularity penalties are registered in these reports issued.

Our company has so far acted in full compliance with tax legislation with regard to the inspection according to sectoral applications and opinions of tax specialists, and made no provisions in financial statements including the periods, which are not subject to inspection.

Our company will file a lawsuit to Samsun Tax Court for annulling such special regularity penalties deducted without using rights of discount in special irregularity penalties.

An application has also been submitted to Turkish Tax Inspection Board for the re-evaluation of incorrect tax inspection reports in terms of tax assessment and loss of tax penalty application. Also, the right to make a settlement request will be exercised before Ministry of Finance Central Commission of Conciliation, if such a reconciliation is not finalized, a lawsuit will be filed to tax courts.

#### As it was announced in the material disclosure on the date of 24.09.2019;

Date of the Board of Director's Resolution for Acquisition	2019-09-18
Was the Anonymous Vote of Independent Members Taken for Board of Management's Decision of Acquisition?	Yes
Title of the Financial Fixed Asset Acquired	Alfaway Gıda Sanayi Ve Ticaret Anonim Şirketi
Area of Activity of Financial Fixed Asset Acquired	Food Wholesale Trade
Capital of the Financial Fixed Asset Acquired	5.000.000,00 Turkish Lira
Acquisition Method	Establishment
Completion Date of Transaction	24.09.2019
Acquisition Conditions	1/4 will be paid in cash with blockage, 3/4 will be paid within the 24 months period following the registration of the company according to the decisions to be taken by the board of management.
Nominal Amount of Shares Acquired	5.000.000,00 Turkish Lira
Acquisition Price of Each Share	1,00 Turkish Lira
Total Amount	5.000.000,00 Turkish Lira
Rate of Acquired Shares Against the Capital of Financial Fixed Asset (%)	%100
Ratio of Shares Obtained After Acquisition Against the Capital of Financial Fixed Asset (%)	%100
Rate of Voting Power in the Financial Asset After Acquisition (%)	%100
The Ratio of the Financial Fixed Asset Acquired Against the Active Total in the Latest Financial Statement of Partnership	%0,49
The Ratio of Transaction Amount Against the Revenue Amount in the Last Annual Financial Statements (%)	%0.1675
Effect on the Activities of the Partnership	Increasing the market share in sales activities from domestic production
Whether there is any obligation for making a taking over bid	No
If there is any obligation for making a taking over bid, whether Exemption Application will be made	No
Name/Title of the Seller/Assignor	-
Is the other party an affiliated party according to Capital Market Board (SPK) Regulations?	Yes
Partnership's Affiliation with the Seller/Assignor	Subsidiary
Financial Fixed Asset Valuation Method	Founding Capital
Is a valuation report prepared?	Not Prepared
If valuation report is not prepared, why?	Since the company is newly founded, all shares are in nominal value
If Valuation Report is Prepared, its date and number	-
Title of the Valuation Organization, which Prepared the Valuation Report	-
Amount Determined as a result of Valuation Report	-
If transaction is not / will not be carried out in accordance with the results in the Valuation Report, its reason	-
Remarks	
Remark	"Our subsidiary company, the establishment process of which was started as per our company's board of management's resolution No. 2019/024dated 18.09.2019 was established at the address of Şabanoğlu District Atatürk Boulevard No: 180/1 Tekkeköy Samsun with a capital of 5.000.000,00 Turkish Lira, 100% of which belongs to Ulusoy Un Sanayi ve Ticaret A.Ş.

As it was announced in the material disclosure on the date of 27.09.2019;

Tender Subject	Supply of Wheat Flour
Tendering Party	United Nations World Food Programme (WFP)
Resolution of the Board of Management For Bidding in the Tender	None
Other parties in case of participation in the tender as a group	None
Share of Partnership in case of participation in the tender as a group	100%
Tender Bidding Date	25.09.2019
Tender Finalization Date	27.09.2019
Tender Result	4.075.050,00 USD ( 23.146.284,00 Türk Lirası)
Tender Price	4.075.050,00 USD ( 23.146.284,00 Türk Lirası)
Share of the Partnership in the Tender Price	100%
The Ratio of the Share of Partnership Against the Gross Sales Revenue in the Last Income Statement Disclosed (%)	1,53%
Remarks	
Remark	Within the scope of the bid, which we submitted to the wheat flour tender announced by World Food Programme (WFP) on the date of 25.09.2019, the section which is under the responsibility of our company will be delivered until 15.12.2019.

# 2018 ORDINARY GENERAL MEETING

Minutes of Ordinary General Assembly Meeting of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi on April 17, 2019

The Ordinary General Assembly Meeting of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi for the year 2018 was held on April 17, 2019 at 14:00 Wednesday at Park Inn by Radisson Samsun Hotel in Cumhuriyet mah. Degirmenci sok. No:4 Tekkekoy 55310 Samsun, Turkey address were made under the supervision Cemil Kocaoğlu representative appointed by the ministry with letter 4/11/2019 dated and 39028009-431.03-E-00043452167 number of the provincial directorates of the ministry by Samsun Governor's Office of the Republic of Turkey.

Invitations to the meeting, as foreseen in the law and the Articles of Association and the agenda was to indicate, Turkey Trade Registry Gazette of 26 March 2019 date and 9795 the number 751-752 numbered pages on the company's web site ([www.ulusoyun.com.tr](http://www.ulusoyun.com.tr)), public lighting platform (KAP), the e-company application of the central registry and electronic general assembly system (EGKS), announced at least 21 days before the general assembly meeting.

In the examination of the list of attendees, the total nominal value of the Company's shares amounting to TL 84.500.000.00 is represented by 22.724,159 shares of TL 22.724,159.00 per person and by proxy of 41.346,188 shares of TL 41.346,188.

64,070,347 shares with a total value of TL 64,070,347.00 were represented at the meeting. thus, the minimum meeting quorum stipulated in the law and the articles of association was determined. Mr. Volkan Demir was present at the meeting on behalf of the independent audit firm.

Within the framework of Turkish commercial law, capital market legislation and central registry organization regulations, it has been determined that the company fulfills the electronic general assembly preparations in accordance with legal regulations. The independent auditor was also present at the meeting. It was announced that the vice president and general manager of the board of directors, Kamil Adem, the general assembly will be held simultaneously in physical and electronic environment and İlker KUCUK and Bihan ÖZTURK, who have the certificate of expertise of electronic general assembly system of the central registry, have been assigned to use the electronic general assembly system.

Voting at the meeting was made available to the general assembly that the shareholders physically participating in the meeting should declare the vote of rejection in which they will vote by open and hand raising, without prejudice to the electronic voting regulations. The meeting was opened by the Vice Chairman of the Board of Directors and General Manager Kamil Adem. All agenda items were read to the general assembly. the agenda was discussed.

1. Under the first item of the Agenda, the proposal for the opening and the chairmanship of the meeting was read. was asked if there was any other offer. voting was passed because there were no other offers. It was unanimously resolved by the General Assembly to elect Bihan ÖZTURK as the chairman of the meeting with 259,070,347 affirmative votes.

Chairman of the Meeting Bihan Öztürk appointed İlker KUCUK as the secretary to carry out the procedures for the General Assembly meeting and Kader SALKIM to fulfill the requirements of the vote collector and the electronic general assembly system.

The Chairman of the Meeting determined that the articles of association, share book, independent audit report, activity report of the board of directors and financial statements are present at the meeting place.

2. The second item of the agenda was opened for negotiation. The 2018 annual report has been submitted for the examination of our shareholders. Therefore, since the entire report does not need to be read, the proposal was submitted to the general assembly. As a result of the voting, it was accepted by the General Assembly with 259.070.347 affirmative votes. The discussion of the consolidated annual report was initiated. No one took the floor to comment.

3. The third item of the agenda was opened for negotiation. Our independent audit report on our consolidated financial statements for the year 2018 has been submitted for the review of our shareholders. Therefore, the proposal was presented to the general assembly as the report did not need to be read completely. As a result of the voting, it was accepted by the General Assembly with 259.070.347 affirmative votes. Volkan Demir, the representative of DMR Independent Audit and Consultancy Company, has read the summary of the independent audit report. The report was discussed. No one took the floor to comment.

4. The fourth item of the agenda was opened for negotiation. In 2018, the consolidated balance sheet and consolidated income statement and the balance sheet and income statement prepared in accordance with the communiqué numbered 14.1 of the capital market board and audited independently were presented to the audit of our shareholders and that the consolidated balance sheet and consolidated income statement have been adequately reviewed and evaluated by the shareholders present at the meeting. It did not need to be read again. Therefore, due to consensus, the general assembly was submitted to the game. As a result of the voting, it was accepted by the General Assembly with 259.070.347 affirmative votes.

5. The fifth article of the agenda was opened for negotiation. The release of the members of the board of directors in order to release the members of the board of directors for the activities of 2018 was put to the vote. The members of the board of directors did not exercise their voting rights arising from their shares in their release. As a result of



# 2018 YILI OLAĞAN GENEL KURUL TOPLANTISI

the voting, it was accepted by the General Assembly with 169.636.009 affirmative votes. As a result of the voting, the acquittal of the members of the board of directors was passed and all members of the board of directors were acquitted separately by unanimous vote of the shareholders participating in the meeting.

6. The sixth item of the agenda was opened for negotiation. In accordance with the decision of the Board of Directors on the dividend distribution dated 20.03.2019 and numbered 2019/013, the subject was opened for discussion. The decision of the board of directors was read. It was presented to the evaluation of the general assembly. Nobody commented and was accepted with 259.070.347 affirmative votes.

## According to this;

Pursuant to the provisions of the Communiqué (II-14.1) of the Capital Markets Board of our Company on the principles of financial reporting in the Capital Market prepared and independent audit company DMR Independent audit and consulting A.S. and TL 2,929,535.00 tax provision is allocated from the period profit of TL 22.835.706,00 in the consolidated financial statements for the period 01.01.2018 - 31.12.2018 which is audited by the Company in accordance with the capital market legislation, company articles of association and other legislation. The profit for the period is TL 19.906.171.00.

In the financial statements prepared in accordance with the provisions of corporate tax law, income tax law, tax procedure law and other legal regulations for the accounting period of 01.01.2018 - 31.12.2018 a tax provision of TL 9.388.256.81 was set aside from TL 50.048.011.62 profit for the period in accordance with our contract, tax and other laws. The remaining net profit for the period is TL 40.659.754.81.

According to the attached profit distribution table for the year 2019 prepared in accordance with the communiqué (II-19.1) of the capital market board of our company;

It was unanimously decided to allocate TL 2.032.987.74 from the net profit as the first legal reserve at the rate of 5% in accordance with the Turkish Commercial Code no. 6102 and other relevant legislation.

In order to determine the net distributable profit for the period after the first legal reserve, as 17.873.183,26 TL, to submit 17.873.183,26 TL to the approval of the general assembly in order not to be distributed and to be left within the company as extraordinary reserve fund.

7. The seventh article of the agenda was opened for negotiation. Pursuant to the Turkish Commercial Code and the regulations of the Capital Markets Board, the adoption of the decision and proposal for the election of an independent audit firm by the board of directors was amended and a decision was made on acceptance or rejection. DMR Independent Audit and Consultancy AS, which was selected by the Board of Directors for the independent audit of our 2019 consolidated financial statements and annual reports in accordance with the Capital Markets Law No. 6362, was re-elected as an independent audit company for the period of was approved unanimously. The proposal of the board of directors for the election of DMR Independent Audit and Consultancy Company as an independent auditor within the scope of Turkish Commercial Code no. 6102 was submitted to the approval of the General Assembly by the Chairman of the Meeting. It was unanimously accepted by the General Assembly with 259.070.347 affirmative votes.

8. The eighth item of the agenda was opened for negotiation. The remuneration policy of the board members and senior executives prepared by the company's board of directors was read by the chairman of the meeting. Nobody commented. Since this article of the agenda is not subject to voting, no voting was made.

9. The ninth article of the agenda was opened for negotiation. The company was interviewed to inform shareholders about its donations in 2018 and to set an upper limit for the donations to be made in 2019. The General Assembly was informed about the donations made in 2018. The proposal to determine the upper limit of TL 400,000.00 for donations to be made in 2019 was read to the general assembly. The proposal was submitted to the approval of the general assembly by the chairman. The proposal for accepting TL 400,000.00 as the upper limit of donations for the year 2019 was accepted by the General Assembly with 259.070.347 affirmative votes.

10. The tenth item of the agenda was opened for negotiation. In accordance with the regulations of the capital market board, the shareholders were informed by the chairman of the board of directors Eren Gündan Ulusoy that the guarantees, pledges, mortgages and guarantees provided by the company and its subsidiaries in favor of third parties are not available in 2018. Nobody has spoken about it.

11. The eleventh article of the agenda was opened for negotiation. Within the framework of articles 395 and 396 of the Turkish Commercial Code and within the framework of the Capital Markets Board's corporate governance, Chairman of the board Eren Gunhan ULUSOY was informed. It was submitted to the voting of the shareholders, who have control of the management, to the members of the board of directors, senior executives and their spouses and their relatives, and to allow them to carry out transactions in accordance with the articles 395 and 396 of the Turkish Commercial Code and in accordance with the communiqué of the corporate governance principles of the capital market board. In addition, one of the members of the board of directors, the company's business subject to the business type of business transactions to do for itself and for someone else and to do the same kind of

# 2018 YILI OLAĞAN GENEL KURUL TOPLANTISI

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business with a company to engage in business with the responsibility of the general shareholders' opinion was asked to enter. This matter was approved by the General Assembly with 259.070.347 affirmative votes.

12. The twelfth item of the agenda was passed. Since this article of the agenda is not subject to voting, no voting was made. Fahrettin ULUSOY took the floor in his wishes and opinions. "Dear Shareholders, we have come to the general assembly final. I feel happy to address you. Our company, founded in 1969, has made us happy from a small mill to a large factory. First of all, I congratulate the chairman and the whole team and wish you continued success".

The decisions taken by the chairman of the meeting and whether they objected to the meeting were asked. no one objected. Bihan OZTURK, the chairman of the meeting, thanked the stakeholders since there was no other issue to be discussed in the agenda and the meeting was ended.

This record was prepared in 5 copies on 17.04.2019 at 14:59 at the meeting place and the report was read and sign



# 2018 PROFIT DISTRIBUTION TABLE

Ulusoy Un Sanayi ve Ticaret A.Ş. 2018 Profit Distribution Table (TL)			
1.	Paid-in/Issued Capital	84,500,000.00	
2.	Total Legal Reserves (According to Legal Records)	5,693,219.53	
	If there is a privilege in dividend distribution pursuant to the articles of association, information on the said privilege	No Profit Distribution Privilege	
		According to SPK	According to Legal Records
3.	Term Profit	22,835,706.00	50,048,011.62
4.	Taxes payable (-)	2,929,535.00	9,388,256.81
5.	Net Profit for the Period (=)	19,906,171.00	40,659,754.81
6.	Previous Years Losses (-)	0.00	0.00
7.	First Order Legal Reserve (-)	2,032,987.74	2,032,987.74
8.	<b>NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)</b>	<b>17,873,183.26</b>	<b>38,626,767.07</b>
9.	Donations made during the year (+)	287,837.74	287,837.74
10.	Net distributable profit for the period in which the first dividend is calculated	18,161,021.00	38,914,604.81
11.	First Dividend to Shareholders		
	- Cash	0.00	0.00
	-Free	0.00	0.00
	-Total	0.00	0.00
12.	Dividend Distributed to Preferred Stockholders	0.00	0.00
13.	Dividends to members of the Board of Directors, employees, etc.	0.00	0.00
14.	Dividend Distributed to Redeemed Shareholders	0.00	0.00
15.	Second Dividend to Shareholders	0.00	0.00
16.	Secondary Legal Reserves	0.00	0.00
17.	Status Reserves	0.00	0.00
18.	Private Reserves	0.00	0.00
19.	<b>EXCESS RESERVE</b>	<b>17,873,183.26</b>	<b>38,626,767.07</b>
20.	Other Distributable Sources		
	-Previous Year's Profit	0.00	0.00
	- Excess Reserves	0.00	0.00
	-Other Reserves That May Be Distributed in Accordance with Law and Articles of Association	0.00	0.00

	Group	TOTAL DISTRIBUTED DIVIDEND		TOTAL DISTRIBUTED DIVIDEND / NET DISTRIBUTABLE PERIOD PROFIT	DIVIDEND CORRESPONDING TO SHARE WITH RATED VALUE OF TL 1	
		CASH (TL)	FREE (TL)	RATE (%)	AMOUNT (TL)	RATE (%)
NET	A	0.00	-	0.00%	0.000000	0.00%
	B	0.00	-	0.00%	0.000000	0.00%
	C	0.00	-	0.00%	0.000000	0.00%
	TOTAL	0.00		0.00%		



# HUMAN RESOURCES



We can define the basic Human Resources of Ulusoy Un Sanayi ve Ticaret A.Ş as to create an employee profile that will contribute to the sustainable increase of intellectual capital in order to maintain our competitiveness in developing and constantly changing market conditions, who is specialized in the profession, has advanced social competencies and high motivation in team work, and creates added value for everyone according to contemporary criteria. and to perform long-term cooperation with our employees by evaluating performances and career planning with an effective performance measurement system, to manage, direct and improve our human resources correctly.

The main elements of our human resources policy can be listed as follows:

- To plan the personnel in terms of quality and quantity, to employ the appropriate personnel to work
- To keep the efficiency and effectiveness of the staff at the highest level
- To provide personal development opportunities for all personnel with an effective training plan and program
- To protect and improve the material and moral rights of the personnel

- To create a business environment that improves the willingness of all personnel to work with their managers and to provide an open communication environment

- To support the professional, personal and social development of employees by providing equal opportunities for everyone in career planning

Human resources management is one of the functions that provide the most important support to the organization. The primary objective of our human resources management is to ensure that all human resources are used in the most accurate, most effective and efficient way, and that the right person is in the right place and time in line with the objectives of the business.

As human resources department, our goal is to adopt efficient working methods for our employees, not to many, and to be an exemplary company that everyone wants to work with and is proud of.

The number of our personnel, which was 260 on 30.06.2018,

is 281 on 30.06.2019 and the distribution of the last 5 years of personnel is detailed in the table below.

PERSONNEL DISTRIBUTION					
Period	Samsun Plant		Çorlu Plant		Total
	Blue Collar	White Collar	Blue Collar	White Collar	
2014	55	93	36	15	199
2015	64	105	41	20	230
2016	66	107	43	22	238
2017	69	111	47	25	252
June 2018	68	117	48	27	260
2018	70	110	41	25	246
June 2019	92	118	44	26	280

# FINANCIAL STATEMENT SUMMARIES

	2014	2015	2016	2017	2018 Q2	2018	2019 Q3
<b>ASSETS</b>							
Liquid Assets	440,546,330	430,476,542	478,299,924	758,865,094	801,887,775	857,513,399	989.343.860
Fixed Assets	53,336,233	72,630,710	90,347,969	97,982,763	119,949,969	178,346,635	189.584.563
<b>TOTAL ASSETS</b>	<b>493,882,563</b>	<b>503,107,252</b>	<b>568,647,893</b>	<b>856,847,857</b>	<b>921,837,744</b>	<b>1,035,860,034</b>	<b>1.178.928.423</b>
<b>RESOURCES</b>							
Short-Term Liabilities	319,988,236	326,793,283	370,936,821	576,882,501	611,989,517	595,776,972	728.445.752
Long-Term Liabilities	11,005,694	6,545,630	18,239,647	84,291,165	101,207,482	196,594,217	183.316.795
Equity capital	162,888,633	169,768,339	179,471,425	195,674,191	208,640,745	243,488,845	267.165.876
<b>TOTAL RESOURCES</b>	<b>493,882,563</b>	<b>503,107,252</b>	<b>568,647,893</b>	<b>856,847,857</b>	<b>921,837,744</b>	<b>1,035,860,034</b>	<b>1.178.928.423</b>
CURRENT RATE (Liquid Asset /S. T. Lia.)	1.38	1.32	1.29	1.32	1.31	1.44	1,36
LIQUIDITY RATE (Liquid Asset-Stocks / S.T. Liab.)	0.83	0.89	0.91	0.93	1.17	1.44	
1,03	2,03	1,96	2,17	3,38	3,77	3,25	3,41
CAPITAL STRUCTURE (Tot. Cap./Eq. Cap.)	2.03	1.96	2.17	3.38	3.42	3.25	3,41
CURRENT STRUCTURE (Liquid Asset/ Current Tot.)	0.89	0.86	0.84	0.89	0.87	0.83	0,84

<b>ONGOING OPERATIONS</b>	2014	2015	2016	2017	2018 Q2	2018	2019 Q3
Revenue	921,577,365	1,030,479,354	1,151,991,130	1,805,706,332	1,299,163,139	2,984,555,718	2.294.905.376
Gross Profit/Loss	59,384,462	78,022,472	76,060,730	90,540,028	38,059,562	108,933,002	114.231.672
Real Operating Profit/Loss	35,409,419	44,986,689	63,557,663	60,658,310	86,457,837	209,541,206	112.909.523
Ongoing Operations Profit / Loss before Taxes	17,547,029	10,274,276	17,520,588	19,334,014	14,494,599	22,835,706	28.317.699
Ongoing Operations Profit / Loss of the Period	14,189,389	8,303,209	14,796,725	16,595,085	12,426,893	19,906,171	22.696.782
Period Profit/Loss	14,189,389	8,303,209	14,796,725	16,595,085	12,426,893	19,906,171	22.696.782

<b>BASIC RATINGS</b>	2014	2015	2016	2017	2018 Q2	2018	2019 Q3
Gross Profit Margin	6.44%	7.57%	6.60%	5.01%	2.93%	3.65%	4,98%
Net Profit Margin	1.54%	0.81%	1.28%	0.92%	0.96%	0.67%	0,99%
EBITDA	37,032,930	47,360,937	66,340,678	63,879,214	88,173,089	212,446,878	117.182.415
EBITDA Margin	4.02%	4.60%	5.76%	3.54%	6.79%	7.12%	5,11%

\* EBITDA: Real Operating Profit + Depreciation

The financial statements dated 30.06.2019 - 31.12.2018, 31.12.2017, 31.12.2016, 31.12.2015 and 31.12.2014 have been prepared by DMR Bağımsız Denetim ve Danışmanlık A.Ş. and positive opinion was given in the independent audit reports.



## COMPANY CONTACT INFO

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