

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

CONSOLIDATED FINANCIAL
STATEMENTS FOR THE INTERIM PERIOD FROM 1 JANUARY
2020 TO 31 MARCH 2020

<u>CONTENTS</u>	<u>Page</u>
CONSOLIDATED FINANCIAL STATUS TABLE	1-2
CONSOLIDATED PROFIT OR LOSS STATEMENT	3
CONSOLIDATED OTHER COMPREHENSIVE INCOME STATEMENT	4
CONSOLIDATED EQUITY EXCHANGE TABLE	5
CONSOLIDATED CASH FLOW TABLE	6
NOTES TO THE CONSOLIDATED FINANCIAL TABLES	7-56
1. ORGANIZATION AND FIELD OF ACTIVITY OF THE COMPANY	7
2. PRINCIPLES FOR THE PRESENTATION OF FINANCIAL STATEMENTS	8
3. REPORTING BY DEPARTMENTS	19
4. CASH AND CASH EQUIVALENTS	21
5. FINANCIAL INVESTMENTS	21
6. FINANCIAL LIABILITIES	21
7. TRADE RECEIVABLES AND PAYABLES	24
8. OTHER RECEIVABLES AND PAYABLES	25
9. DERIVATIVE INSTRUMENTS	26
10. STOCKS	27
11. PREPAID EXPENSES AND DEFERRED INCOME	27
12. INVESTMENTS VALUED BY EQUITY METHOD	27
13. REAL ESTATE FOR INVESTMENT PURPOSES	28
14. ASSETS RELATED TO CURRENT PERIOD TAX	28
15. TANGIBLE FIXED ASSETS	29
16. INTANGIBLE ASSETS	31
17. GOVERNMENT INCENTIVES AND AIDS	32
18. PROVISIONS, CONTINGENT ASSETS AND PAYABLES	32
19. BENEFITS TO EMPLOYEES	34
20. OTHER ASSETS AND LIABILITIES	34
21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS	35
22. REVENUE AND COST OF SALES	39
23. GENERAL ADMINISTRATIVE EXPENSES, MARKETING EXPENSES, RESEARCH AND DEVELOPMENT EXPENSES	40
24. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES	42
25. SHARES ON PROFITS / LOSSES OF INVESTMENTS VALUED BY EQUITY METHOD	43
26. FINANCIAL INCOME AND EXPENSES	43
27. TAX ASSETS AND LIABILITIES	43
28. EARNINGS PER SHARE	46
29. RELATED PARTY DISCLOSURES	46
30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS	48
31. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND EXPLANATIONS IN THE FRAMEWORK OF FINANCIAL RISK PROTECTION) 49	
32. EVENTS AFTER THE REPORTING PERIOD	55

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIESCONSOLIDATED FINANCIAL STATEMENT TABLE DATED 31
MARCH 2020

ASSETS	Footnote References	Bağımsız Not Independently Audited 31.03.2020	Independently Audited 31.12.2019
Current assets		1,380,322,125	1,065,392,461
Cash and Cash Equivalents	4	345,347,647	148,566,399
Financial investments	5	2,821,209	2,556,735
Trade Receivables	7	586,502,579	542,120,772
Receivables from Financial Sector Activities		-	-
Other Receivables	8	10,633,511	9,638,349
Derivative instruments	9	26,100,968	4,094,473
Stocks	10	241,736,794	302,969,241
Live assets		-	-
Prepaid Expenses	11	157,105,667	46,484,266
Assets Related to Current Period Tax	14	1,104,513	-
Other Current Assets	20	8,969,237	8,962,226
<i>(Sub-total)</i>		<i>1,380,322,125</i>	<i>1,065,392,461</i>
Fixed Assets Classified for Sale		-	-
Fixed assets		259,915,376	215,107,051
Financial investments	5	-	-
Trade Receivables	7	8,865,066	8,822,866
Receivables from Financial Sector Activities		-	-
Other Receivables	8	1,878,510	1,119,854
Derivative instruments	9	-	-
Investments Valued by Equity Method	12	4,296,363	4,612,490
Live assets		-	-
Investment Properties	13	11,500,000	11,500,000
Tangible Fixed assets	15	224,369,990	179,250,534
Intangible Fixed assets	16	347,322	365,879
-Goodwill	22	-	-
- Other Intangible Fixed assets	22	347,322	365,879
Prepaid Expenses	11	3,042,014	3,042,014
Deferred Tax Asset	27	5,616,111	6,393,414
Other Fixed assets	20	-	-
TOTAL ASSETS		1,640,237,501	1,280,499,512

The consolidated financial statements for the interim period January 1 – March 31, 2020 were approved at the Board meeting dated 09.06.2020 and signed by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol, Kemal Kitaplı on behalf of the Board of Directors.

RESOURCES	Footnote References	Not Independent Independently Audit	
		Audited 31.03.2020	31.12.2019
Short-term liabilities		1,073,624,181	798,508,885
Short Term Borrowings	6	178,757,502	101,222,155
Short Term Parts of Long Term Borrowings	6	87,874,092	81,548,763
Other Financial Liabilities		-	-
Trade Payables	7	781,611,387	574,934,836
Liabilities From Financial Sector Operations		-	-
Liabilities Within The Scope Of Employee Benefits	19	2,495,125	1,444,264
Other Payables	8	3,141,450	3,781,764
Derivative instruments	9	-	2,244,832
Government Incentives and Aids		-	-
Deferred Income	11	13,645,448	20,809,296
Period Profit Tax Liability	27	2,022,467	1,572,145
Short-term provisions	18	640,952	264,463
<i>Short Term Provisions Regarding Employee Benefits</i>	<i>18/19</i>	<i>177,904</i>	<i>10,842</i>
<i>-Other Short-term provisions</i>	<i>18</i>	<i>463,048</i>	<i>253,621</i>
Other Short-term Liabilities	20	3,435,758	10,686,367
<i>(Sub-total)</i>		<i>1,073,624,181</i>	<i>798,508,885</i>
Liabilities for Asset Groups Classified for Sale		-	-
Long Term Liabilities		234,547,483	208,696,825
Long Term Borrowings	6	210,846,006	198,710,777
Trade Payables	7	-	-
Liabilities From Financial Sector Operations		-	-
Other Payables	8	-	-
Derivative instruments	9	-	-
Government Incentives and Aids		-	-
Deferred Income	11	-	-
Long Term Provisions	19	2,339,483	2,055,194
<i>Long Term Provisions Regarding Employee Benefits</i>	<i>19</i>	<i>2,339,483</i>	<i>2,055,194</i>
<i>-Other Long Term Provisions</i>	<i>19</i>	<i>-</i>	<i>-</i>
Deferred Tax Liability	27	21,361,994	7,930,854
Other Long Term Liabilities	20	-	-
Equities	21	332,065,837	273,293,802
Parent Company's Equity		332,065,837	273,293,802
Paid-in Capital		84,500,000	84,500,000
Reacquired Shares (-)		(3,445,108)	(3,445,108)
Share Premiums/Discounts		38,607,992	38,607,992
Accumulated Other Comprehensive Incomes and Expenses not to be reclassified to profit or loss		60,796,013	26,601,628
<i>Revaluation and Measurement Gains / Losses</i>		<i>60,796,013</i>	<i>26,601,628</i>
<i>Revaluation Increase / (decrease) of tangible assets</i>		<i>61,315,908</i>	<i>27,202,058</i>
<i>Defined Benefit Plans Remeasurement Gains</i>		<i>(519,895)</i>	<i>(600,430)</i>
Accumulated Other Comprehensive Incomes and Expenses to be reclassified to profit or loss		9,491,001	4,346,131
<i>-Foreign Currency Conversion Differences</i>		<i>9,491,001</i>	<i>4,346,131</i>
Restricted Reserves Allocated from Profit		11,171,315	11,171,315
Retained Earnings(Losses)		111,511,844	84,516,493
Net Period Profit/(Loss)		19,432,780	26,995,351
Non-Controlling Shares		-	-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT OR LOSS TABLE OF JANUARY 1, 2020 - 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

	Footnote References	Not Independently Audited 1 January - 31.03.2020	Not Independently Audited 1 January - 31 Mart 2019
PROFIT OR LOSS			
Revenue	22	1,059,107,296	781,602,188
Cost of Sales (-)	22	(997,286,076)	(742,785,154)
Gross profit/(loss) from commercial activities		61,821,220	38,817,034
Revenue from Financial Sector Operations		-	-
Financial Sector Operations Cost (-)		-	-
Gross profit/(loss) from financial sector activities		-	-
GROSS PROFIT/(LOSS)		61,821,220	38,817,034
General Administrative Costs (-)	23	(5,039,028)	(3,225,531)
Marketing Costs (-)	23	(13,057,053)	(9,984,154)
Research and Development Expenses (-)	23	(45,073)	(27,061)
Other Income from Main Operations	24	48,794,884	49,489,384
Other Expenses from Main Operations (-)	24	(15,446,333)	(18,455,308)
MAIN OPERATING PROFIT/(LOSS)		77,028,617	56,614,364
Revenue from Investment Operations	24	390,103	152,094
Expenses from Investment Activities	24	-	-
Shares from Profits/Losses of Investments Valued by Equity Method	25	227,214	123,648
Impairment Gains (Losses) Determined in accordance with TFRS 9 and Cancellations of Impairment Losses	24	(196,760)	
OPERATING PROFIT/LOSS BEFORE FINANCIAL EXPENSE		77,449,174	56,890,106
Financial income	26	45,821,776	28,308,927
Financial Expenses (-)	26	(97,251,829)	(68,535,122)
PROFIT/(LOSS) BEFORE TAX ON ONGOING OPERATIONS		26,019,121	16,663,911
Ongoing Operations Tax Expense/Income	27	(6,586,341)	(9,689,471)
Tax Expense/Income for the Period		(2,022,467)	(469,387)
Deferred Tax Expense/Income		(4,563,874)	(9,220,084)
ONGOING OPERATIONS PERIOD PROFIT/(LOSS)		19,432,780	6,974,440
DISCONTINUED OPERATIONS PERIOD PROFIT/(LOSS)		-	-
Discontinued Operations Period Profit/(Loss) After Tax		-	-
PERIOD PROFIT / (LOSS)		19,432,780	6,974,440
Distribution of profit/(loss) for the period			
Non-Controlling Shares			
Parent Company Shares		19,432,780	6,974,440
Earnings per Share	28	0.2356	0.085
Earnings Per Share from Ongoing Operations		0.2356	0.085
Earnings Per Share from Discontinued Operations			
Watered Earnings per Share			
Earnings per Watered Share from Ongoing Operations			
Earnings Per Watered Share from Discontinued Operations			

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED OTHER COMPREHENSIVE INCOME STATEMENT OF JANUARY 1, 2020 - 31 MARCH 2020
(Amounts expressed in TL unless otherwise stated.)

	Footnote References	Not Independently Audited 1 January- March 31, 2020	Not Independently Audited 1 January- March 31, 2019
MISCELLANEOUS COMPREHENSIVE INCOME			
Incomes and Expenses not to be reclassified to profit or loss	21	34,194,385	18,434
Revaluation Increase/decrease of tangible assets		43,735,705	-
Intangible Fixed assets Revaluation			
Increases/Decreases		-	-
Defined Benefit Plans Remeasurement Gains / Losses		103.250	23.634
Shares Not to be Classified in Profit/Loss from Other		-	-
Comprehensive Income of Investments Valued by Equity		-	-
Method		-	-
Other Comprehensive Income Elements not to be reclassified to other profit or loss		-	-
Taxes on Other Comprehensive Incomes and Expenses not to be reclassified to profit or loss		(9,644.570)	(5.200)
<i>Tax (Expense)/Income for the Period</i>		-	-
<i>Deferred Tax (Expense)/Income</i>		(9,644,570)	(5,200)
To be reclassified to profit or loss		5,144,870	989,223
Foreign Currency Conversion Differences		5,144,870	989,223
Revaluation and/or Classification Gains/Losses of Available for Sale Financial Assets		-	-
Cash Flow Risk Protection Gains/Losses Investment Risk		-	-
Protection Gains/Losses Related to Operations Abroad		-	-
Shares to be Classified in Profit/Loss from Other		-	-
Comprehensive Income of Investments Valued by Equity		-	-
Method		-	-
Other Comprehensive Income Elements to be reclassified to other profit or loss		-	-
Taxes Incomes/Expenses on Other Comprehensive Incomes and Expenses to be reclassified to profit or loss		-	-
Tax (Expense)/Income for the Period		-	-
Deferred Tax (Expense)/Income		-	-
MISCELLANEOUS COMPREHENSIVE INCOME		39,339,255	1,007,657
TOTAL COMPREHENSIVE INCOME		58,772,035	7,982,097
Distribution of Total Comprehensive Income			
Non-Controlling Shares			-
Parent Company Shares		58,772,035	7,982,097

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF JANUARY 1, 2020 – 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

	Footnote	Paid Capital	Reacquired Shares	Share Issue Premiums / Discounts	Accumulated Other Comprehensive Incomes and Expenses not to be reclassified to profit or loss		Other Accumulated Comprehensive Income and Expense Reclassified in Profit or Loss		Accumulated Profits/(Losses)		Total
					MDV Revaluation Increases / (Decreases)	Defined Benefit Plans Remeasurement Gains	Foreign Currency Translation Differences	Restricted Reserves Allocated From Profit	Previous Years' Profits / (Losses)	Net Period Profit / (Loss)	
31 December 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 Repurchase Transactions of Shares	21	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	21	-	-	-	-	18,434	989,223	-	-	6,974,440	7,982,097
31 March 2019 Balance (Not Independently Audited)		21 84.500.000	(3,445,108)	38,607,992	27,296,800	(499,095)	2,466,530	11,171,315	84,398,068	6,974,440	251,470,942
31 December 2019 Balance		84.500.000	(3,445,108)	38,607,992	27,202,058	(600,430)	4,346,131	11,171,315	84,516,493	26,995,351	273,293,802
Transfers	21	-	-	-	-	-	-	-	26,995,351	(26,995,351)	-
Increase (Decrease) Due to Repurchase Transactions of Shares	21	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	21	-	-	-	34,113,850	80,535	5,144,870	-	-	19,432,780	58,772,035
31 March 2020 Balance (Not Independently Audited)		84.500.000	(3,445,108)	38,607,992	61,315,908	(519,895)	9,491,001	11,171,315	111,511,844	19,432,780	332,065,837

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW TABLE FOR THE JANUARY 1, 2020 - 31 MARCH 2020
(Amounts expressed in TL unless otherwise stated.)

	Footnote References	Not Independently Audited 1/1/2020 3/31/2020	Not Independently Audited 1/1/2019 3/31/2019
A. Cash Flows from Operational Operations			
Period Profit(loss)	21	126,158,149	(75,143,524)
Adjustments Related to Reconciliation of Period Net Profit/Loss		19,432,780	6,974,440
Adjustments related to depreciation and amortization expenses	23	10,280,709	11,610,753
Adjustments related to provisions		2,333,425	1,234,826
related to interest income / expense		2,619,383	1,107,771
Tax Expense / Income Adjustments		764,028	48,072
Changes in Capitalization		96,444,660	(93,728,717)
Adjustments related to increase (Decrease) in inventories	10	61,232,447	(2,845,460)
Adjustments related to increase (Decrease) in Trade Receivables	7	(44,424,007)	(142,688,419)
Adjustments related to increase (decrease) in other operating receivables	8	(1,753,818)	(23,112,205)
Adjustments related to increase (Decrease) in trade payables	7	206,676,551	59,846,526
Adjustments related to increase (Decrease) in other operating payables	8	(640,314)	851,973
Adjustments related to Other Increase / (Decrease) in Capitalization		(124,646,199)	14,218,868
Cash Flows From Activities		126,158,149	(75,143,524)
B. Cash Flows From Investment Activities			
Cash Outflows From Tangible and Intangible Asset Purchases		(27,898,293)	(53,538,247)
Cash inflows from sale of tangible and Tangible Assets	15/16	(3,871,810)	(7,301,212)
Cash Outflows for the Acquisition of Shares or Borrowing Instruments of Other Enterprises or Funds	15/16	173,191	58,822
Cash inflows from sale of shares or debt instruments of other enterprises or funds	5/13		-
	5/13		-
Cash inflows from derivative instruments	9	51,653	(88,233)
Cash Outflows from Derivative Instruments 9			
C. Cash Flows From Financing Activities		(24,251,327)	(46,207,624)
Cash Outflows Related to Business Receiving Own Shares and Other Equity Based Instruments		93,376,522	45,995,087
Cash inflows from borrowing Cash			-
outflows related to debt payments		161,414,367	171,030,020
Interest received	26	(57,942,589)	(115,239,129)
Interest paid	26	2,061,709	2,719,412
Dividends Paid		(12,156,965)	(12,515,216)
Net increase (Decrease) in cash and cash equivalents before the effect of foreign currency translation differences (A+B+C)		-	-
D. Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents		191,636,378	(82,686,684)
	21		
Net increase (Decrease) in cash and cash equivalents (A+B+C+D)		5,144,870	989,223
E. Cash and Cash Equivalents at the Beginning of the Period 4		196,781,248	(81,697,461)
Cash and Cash Equivalents at the End of the Period (A + B + C + D + E) 4		148,566,399	233,269,456
		345.347.647	151.571.995

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31
MARCH 2020
(Amounts expressed in TL unless otherwise stated.)

1. ORGANIZATION AND FIELD OF ACTIVITY OF THE COMPANY

Ulusoy Un Sanayi ve Ticaret Anonim Şirketi ("Company") was established in 1989 to manufacture, trade, import and export all kinds of food products made from cereals and legumes such as flour, semolina, pasta and biscuits.

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

The capital distribution of the Company is as follows:

Partners	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	23,500,000	C	27.81	23,500,000
	84,500,000		100.00	84,500,000

As of 31 March 2020, the number of employees of the Company is 255 (31 December 2019:243 persons).

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

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

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

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

It was established on February 27, 2015 to carry out licensed warehousing activities for the preservation of agricultural products under license in healthy conditions and for commercial storage.

The central address of Uludaş is Şabançoğlu Mahallesi Atatürk Bulvarı No:180- 1 Tekkeköy / Samsun. As of March 31, 2020, the number of employees is 17. (December 31, 2019:17 People)

As of March 31, 2020, its capital is 5,000,000-TL and it has no unpaid capital.

Rolweg SA (“Rolweg”)

Rolweg SA was established on March 15, 2018 to trade cereals with a capital of CHF 1,000,000. Ulusoy Un Sanayi ve Ticaret A.Ş. owns 100% of Rolweg's capital. Rolweg SA's headquarters is Rue du Nant6, 1207 Geneva, Switzerland. Rolweg's capital was increased by CHF 2,000,000 on 23.07.2019. As of 31.03.2020, the capital of Rolweg SA is 3,000,000 Swiss francs.

Alfaway Gıda Sanayi ve Ticaret A.Ş. (Alfaway)

It was established on 24.09.2019 to manufacture, wholesale and retail, sell and distribute, import and export all kinds of foodstuffs. The central address of Alfaway is Şabançoğlu Mahallesi Atatürk Bulvarı N180/1 Tekkeköy Samsun. As of March 31, 2020, its capital is 5,000,000-TL. Ulusoy Un Sanayi ve Ticaret A.Ş. owns 100% of Alfaway's capital.

As of March 31, 2020, the number of employees is 40.

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

2. PRINCIPLES FOR THE PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basic Principles Related to Presentation

2.1.1. Declaration of compliance

The Group keeps its legal records in accordance with the Turkish Commercial Code and Turkish Tax Laws and prepares its legal financial statements accordingly in Turkish Lira ("TL").

The accompanying consolidated financial statements are prepared in accordance with the Turkish Accounting Standards ("TAS")/Turkish Financial Reporting Standards ("TFRS") published and enacted by the Public Oversight, Accounting and Auditing Standards Authority ("KGK") in accordance with the provisions of the Capital Markets Board's ("CMB") Communiqué on Principles Related to Financial Reporting in Capital Markets Series: II, No. 14.1 published in the Official Gazette dated June 13, 2013 and numbered 28676 ("Communiqué").

The consolidated financial statements for the period January 1 – March 31, 2020 were approved at the Board meeting dated 09.06.2020 and signed by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol, Kemal Kitaplı on behalf of the Board of Directors.

The general assembly of the Company and/or the legal authorities have the authority to amend the accompanying consolidated financial statements.

2.1.2. Preparation Principles of Financial Statements

In the preparation of consolidated financial statements and footnotes dated March 30, 2020, the principles stated in the CMB's Communiqué Series II, 14.1, "Communiqué on Principles Regarding Financial Reporting in the Capital Markets" and the Announcement on TMS Tax published by the Capital Markets Board, published in the Official Gazette dated 13 June 2013 and numbered 28676, are used. Condensed interim financial statements have been prepared according to TMS 34. The Group's condensed interim consolidated financial statements do not contain the full disclosures and footnotes required to be included in the year-end consolidated financial statements and should therefore be seen in conjunction with the Group's financial statements dated December 31, 2019.

The Group's consolidated financial statements are prepared in accordance with the principle of continuity of the Group over the next year and under the assumption that the Group will benefit from its assets and fulfill its obligations within the natural course of its activities.

According to World Health Organization data, the outbreak on December 31, 2019 was called 'an unknown pneumonia' seen only in Wuhan, China; its declaration as a pandemic took place in the third month of 2020. The final magnitude of the Coronavirus outbreak remains uncertain at this time and therefore the Company cannot reasonably predict its impact on its operations.

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

2.1.3. Currency Used

The accompanying consolidated financial statements are presented in Turkish Lira (TL) and all financial information is expressed by rounding to the nearest TL.

In order to prepare the accompanying TL consolidated financial statements and footnotes, as required by Turkish Accounting Standards ("TMS") 21, the monetary balance sheet accounts of the subsidiaries operating abroad within the scope of consolidation are converted into Turkish Lira with the Turkish Lira rate prevailing on the balance sheet date; and the items constituting the non-monetary balance sheet accounts, income and expenses and cash flows are converted into Turkish Lira with the rate of the transaction date.

Financial statements prepared in USD (US Dollars), which is the functional currency of Rolweg SA, are presented by translating into TL, which is the functional currency of the Company, as follows:

- As of March 31, 2020, active and passive accounts are converted from the average exchange rates of the relevant year to TL with the Turkish Central Bank's USD buying rate (1 USD = 6,5160-TL).

2.1.4. Adjustment of the Financial Statements in High Inflation Periods

TMS 29 foresees the presentation of financial statements prepared in the currency of hyperinflationary economies in terms of the unit of measurement at the reporting date.

In accordance with the CMB's decision dated 17 March 2005 and no. 11/367, the adjustment of financial statements according to inflation has been terminated as of 1 January 2005 within the framework of the end of the high inflation period and the largely elimination of other indications related to the continuation of the high inflation period.

2.1.5. Basis of Consolidation

The financial statements dated March 31, 2020 and December 31, 2019 are presented in **the form of consolidated financial statements**.

As of March 31, 2020 and December 31, 2019, the details of the Company's subsidiaries are as follows:

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

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

The accompanying consolidated financial statements reflect the accounts of the Company and its subsidiary as specified in the “subsidiaries” article below. During the preparation of the financial statements of the subsidiaries, the necessary adjustments and classifications are made in terms of compliance with their legal records, reporting standards and with the accounting policies and forms of presentation applied by the Company.

2.1.5.1. Subsidiaries

Subsidiaries are companies to which the Company has direct or indirect control over its transactions. Depending on the fact that the company has the power to execute the financial and operational policies of the companies in the position of subsidiaries, a share is taken from the operating results of the subsidiaries. Existing and convertible voting rights are taken into account in determining the control power. The financial statements of the subsidiaries are shown in the consolidated financial statements from the date on which the control power is established to the date of its termination.

As of March 31, 2020, the company owns 100% of Alfaway, Rolweg SA and Ulidaş. As the Company has full control over the activities of Alfaway, Rolweg SA and Ulidaş, the financial statements of Alfaway, Rolweg SA and Ulidaş are included in the accompanying consolidated financial statements by the full consolidation method.

2.1.5.2. Elimination Procedures in Consolidation

The financial statements and profit or loss statements of Alfaway, Ulidaş and Rolweg are consolidated using the full consolidation method and the registered values of Alfaway, Ulidaş and Rolweg reflected in the books of the Company as subsidiaries and the equity reflected in the books of Alfaway, Ulidaş and Rolweg are mutually clarified. The consolidated financial statements are free from all balances and transactions arising from transactions between Alfaway, Ulidaş, Rolweg and the Company and from any unrealised income and expenses. If necessary, adjustments are made to the financial statements of subsidiaries in order to be the same as the accounting policies followed by the Company. All intra-group transactions, balances, income and expenses are eliminated in consolidation.

2.1.5.3. Non-Controlling Shares

Non-controlling shares in the net assets of consolidated subsidiaries are separately stated in the Group's equity. Non-controlling shares consist of the amount of these shares formed in initial mergers and the amount of non-controlling shares in changes in equity as of the merger date.

2.1.6. Comparative Information and Adjustment of Prior Period Dated Financial Statements

The information in the consolidated financial statements is presented comparatively with the prior period. Comparative information is reclassified when deemed necessary to ensure compliance with the presentation of the consolidated financial statements for the current period.

2.1.7. Clarification

Financial assets and liabilities are shown in the consolidated statement of financial position with their net values if there is a legal right to clarification, it is possible to pay them clearly or to collect them or if the acquisition of assets and fulfillment of liabilities can be realized simultaneously.

2.1.8. Amendments to Accounting Policies

Significant changes in accounting policies are applied retrospectively and the prior period financial statements are restated.

2.1.9. Changes and Errors in Accounting Estimates

If the changes in accounting estimates are for only one period, in the current period when the change is made; regarding future periods, it is applied prospectively both in the period when the change is made and in the future period. Significant accounting errors are applied retrospectively and the prior period financial statements are restated.

Group management refers to accounting estimates for the determination of useful life of tangible and intangible assets, determination of actuarial assumptions used in the severance pay account, provisions to be reserved for ongoing litigation and enforcement proceedings in favor of or against the Group, determination of inventory impairment.

Significant Accounting Evaluations, Estimates and Assumptions

In the preparation of the financial statements, Company management is required to make assumptions and estimates that will affect the reported amount of assets and liabilities and determine the possible liabilities and commitments as of the reporting date and the amounts of revenues and expenses as of the reporting period.

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

- ❖ Severance pay liability is determined using actuarial assumptions (discount rates, future salary increase rates, employee turnover probability rate).

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

- ❖ Tangible and intangible assets are depreciated in accordance with the useful life principle by the linear depreciation method. The useful life is reviewed annually for the possible effects of changes in estimates of residual value and depreciation method.
- ❖ The Group allocates provision for these receivables regardless of the case (whether they are opened or not) in case of doubt (uncertainty) about the collection of their receivables.
- ❖ Stocks are reflected to the financial statements over the acquisition cost or the lower of the net realizable value.

2.1.10. Summary of Accounting Policies Applied

2.1.10.1. Revenue

IFRS 15 Standard and related interpretations of IAS 18 Revenue and IAS 11 Construction Contracts enabling the revenue entered into force as of 1 January 2018 to be included in the financial statements have been repealed. It introduces a new 5-step model for the inclusion of standard revenue in the financial statements.

1. Definition of customer contracts
2. Definition of acquisition obligations in the contract
3. Determination of transaction price
4. Distribution of transaction price in contracts to acquisition obligations
5. The Group's revenue consists of the sale of wheat, corn, flour, bran, rasmol and bran by

fulfilling its acquisition obligations and including the revenue in the financial statements.

2.1.10.2. Tangible Fixed assets

Tangible assets such as underground and aboveground layouts and fixtures of the Group are shown by deducting accumulated depreciation and accumulated depreciation over cost values, including expenses incurred to make it ready for use. In the financial statements dated March 31, 2020, the land, buildings, machinery, plant and devices and vehicles are taken to the consolidated financial statements according to the revaluation model and the resulting difference in value is reported between the equity under the revaluation fund of tangible fixed assets and in the comprehensive income statement for the relevant period. In case of sale of tangible assets, the cost and accumulated depreciation of this asset are transferred to the profit or loss statement after deducting it from the relevant accounts. While assets other than lands are subject to depreciation, they are subject to depreciation based on the rates determined according to the useful life of the asset.

	<u>Useful Life</u>
Underground and Aboveground Layouts	25-40-50 Years
Buildings	25-50 years
Fixtures	3-4-5-6-9-10-15-16-50 years
Vehicles	2-4-5-10-15 years
Plant, Machinery and Devices	4-5-6-8-10-13-15-16 17-20-25-40-50 Years

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

2.1.10.3. Intangible Fixed assets

Intangible assets are recorded over their acquisition costs and are depreciated based on the rates determined according to the useful life of the asset.

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

2.1.10.4. Impairment of Assets

Every asset other than a financial asset is valued at each reporting date to determine whether there is any indication of impairment of that asset. If the registered value of all assets, including long-term assets other than financial assets, has fallen below the market value (amount to be recovered), impairment provision is allocated for these assets.

2.1.10.5. Borrowing Costs

Since there is no special asset, all financing expenses are recorded in the profit or loss statement in the periods they occur.

2.1.10.6. Stocks

Inventories are valued at the lower of the net realizable value or cost value. The cost of inventories includes all purchase costs, other costs incurred to restore inventories to their current state and status. Net realizable value is the amount obtained by deducting the estimated completion cost and the sum of the estimated sales cost necessary to carry out the sale from the estimated sales price formed within the ordinary commercial activity. Weighted average cost method is applied as inventory valuation method.

2.1.10.7. Financial Assets 2.1.10.7.1.

Cash and Cash Equivalents

Cash and cash equivalents are cash, term deposits, term deposits (deposits with a maturity of less than 3 months) and other short-term investments with maturities of less than 3 months or 3 months from the date of purchase, which are immediately convertible into cash and do not pose a significant risk of value changes.

2.1.10.7.2. Trade and Other Receivables

Trade and other receivables are accounted for at their fair values at the date of first registration. For reporting periods after the initial registration date, it is shown at amortised cost using the effective interest method. .

In case of a situation showing that the amounts to be paid cannot be collected, provision for the estimated amounts not to be collected for trade receivables is allocated and recorded in the profit/loss account.

2.1.10.7.3. Derivative financial instruments

Derivative financial instruments are held for trading or hedging purposes. The Group holds all derivative financial instruments for trading purposes. The difference between the cost value and fair value of the derivative financial instrument is associated with the consolidated profit or loss table.

2.1.10.8. Financial Liabilities

2.1.10.8.1. Financial Liabilities

Interested financial payables are initially recorded at their fair values and then valued using the effective interest rate method.

2.1.10.8.2. Trade and Other Payables

Trade and other payables are initially recorded at their fair values and then valued at their redeemed values using the effective interest rate method.

Credit risk:

The Group's credit risk can mainly arise from its commercial receivables. Trade receivables are evaluated by the Group management in the light of past experience and current economic situation and are clearly shown in the consolidated statement of financial position after allocating the provision for doubtful receivables at an appropriate rate.

Market risk:

Market risk is the changes in interest rates, exchange rates or the value of securities and other financial contracts that may occur and affect the Group.

Liquidity risk:

The Group liquidates its short-term financial instruments and creates funds for itself. Amounts obtained from these instruments are recorded at their fair values.

2.1.10.9. Effects of Exchange Rates

Transactions accounted for in foreign currencies (currencies other than TRY) in the Group's legal records are translated into Turkish Lira using the rates on the transaction date. .

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Foreign currency-related assets and liabilities in the consolidated financial position table are translated into Turkish Lira using the rates valid on the reporting date. Foreign exchange gains and losses arising from this cycle and the collection and payment of foreign exchange transactions are included in the consolidated profit or loss table.

2.1.10.10. Earnings per Share

According to TMS 33, the amount of earnings per share is calculated by dividing the profit for the period by the weighted average of the number of ordinary shares in circulation for the period.

2.1.10.11. Events After Reporting Period

It refers to events occurring in favor of or against the Group between the reporting date and the date of authorization for the publication of the consolidated statement of financial position. If, as of the reporting date, there is new evidence that such events exist or arise after the reporting date, the Group discloses such matters in its respective footnotes.

The Group adjusts the amounts taken to the consolidated financial statements in accordance with this new situation in the event that adjustments arise after the reporting date.

2.1.10.12. Related Parties

In the accompanying consolidated financial statements, the Group shareholders, the companies they own, their managers and other persons and organizations known to be related are defined as related companies. The term related party herein refers to its manager, such as controlling a Group directly or indirectly, having a right to have a significant impact on the Group, or a subsidiary, board member, general manager of the Group.

2.1.10.13. Taxes Calculated on Corporate Earnings

In Turkey, the corporate tax rate is 22% for the 2020 fiscal period. (December 31, 2019: 22%) This rate shall be applied to the tax base to be found as a result of adding expenses not deducted in accordance with the tax laws to the commercial earnings of the institutions, deducting the exemptions (such as participation earnings exemptions) and discounts (such as investment allowances, R&D) contained in the tax laws. If the profit is not distributed, no other tax is paid. With the provisional Article 10 of the Law No. 7061 added to the Law No. 5520, the corporate tax rate has been determined as 22% for the 2018,2019 and 2020 fiscal taxation periods.

The Group calculates a provisional tax rate of 22% over its quarterly financial profits and declares it until the 14th day of the second month following that period and pays it until the evening of the 17th day. The provisional tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated over the corporate tax return to be given in the following year. According to Turkish tax legislation

financial losses shown on the declaration may be deducted from the income of the institution for the period provided that they do not exceed 5 years.

2.1.10.14. Employee Benefits/Severance Payment Provisions and Pension Plans

According to the applicable laws, the Group is obliged to make a specific lump sum payment to the employees whose employment has ceased due to retirement and for reasons other than the behaviors specified in the Labour Code. Provision for termination/retirement benefits is reflected in the accompanying consolidated financial statements by estimating the present values of the total liabilities to be paid with the assumption of termination of employment of all employees entitled as of the reporting date according to TMS 19 "Employee Benefits" standard.

2.1.10.15. Government Incentives and Aids

All government incentives, including non-monetary government incentives monitored with fair values, are not reflected in consolidated financial statements without reasonable assurance that the following conditions will occur.

- a) The fulfilment by the Group of the conditions necessary for obtaining it; and
- b) Obtaining the incentive by the Group.

The way the government incentive is obtained does not affect the method of accounting for the incentive. Accordingly, government incentives are accounted for in the same way, even if they are obtained in cash or in the form of a reduction of an obligation to the state.

The benefit of the loan obtained from the state at a rate lower than the market interest rate is considered as a state incentive. The loan "TMS 39 Financial Instruments: is accounted and measured in accordance with the "Recognition and Measurement" Standard. The benefit of the low interest rate is measured as the difference between the initial carrying amount of the loan determined in accordance with TMS 39 and the gains obtained. The benefit in question is accounted for in accordance with this Standard. The conditions and obligations to be fulfilled are taken into account in determining the planned costs to be met with the benefit provided from the loan.

There are two general approaches to accounting for government incentives: (1) the "Capital Approach" in which the incentive is accounted for other than profit or loss and (2) the "Income Approach" in which the incentive is accounted for in profit or loss in one or more periods.

Considering that income tax and other taxes are a kind of expense, government incentives, which are an extension of fiscal policies, are also associated with profit or loss.

2.1.10.16. Investment Properties

The Group chooses the fair value method or cost method as its accounting policy and applies the said method to all investment properties.

A company that chooses a cost method after initial recognition measures all its investment properties using the cost method within the framework of the provisions set out in TMS 16 for that method.

Measuring investment properties at fair value, the Group includes gains or losses arising from changes in the fair value of investment properties in the period in which they occur. Explanations related to the Group's investment properties are presented in footnote 19.

2.2. Significant Accounting Evaluations, Estimates and Assumptions

In order to prepare the consolidated financial statements in accordance with the TFRS, the group management is required to make some estimates and assumptions that will affect the reported assets and liabilities and disclosures of the assets and liabilities that are likely to occur as of the reporting date. Actual results may differ from current estimates. These estimates and assumptions are regularly reviewed and, where corrections are required, reported in the consolidated profit or loss table for the period in which they arise.

2.3. New and Revised Turkish Financial Reporting Standards

On March 31, 2020, the Group implemented all standards issued by the KGGK and all interpretations of the KGGK, which are valid and mandatory.

As of March 31, 2020, new standards in force and changes and interpretations to existing previous standards

TFRS 9 - Financial Instruments (Amendments)

TMS 28 - Investments in Affiliates and Joint Ventures (Amendments)

TFRS 16 - Leasing Transactions

TFRS Interpretation 23 - Uncertainties in Tax Practices

TFRS Annual Improvements - 2015-2017 Period: Amendments to TFRS 3, TFRS 11,

TMS 12 and TMS 23

TMS 19 - Employee Benefits (Amendments)

Amendments to TFRS 9, TMS 39 and TFRS 7 - Indicative interest rate

reform TMS 1 - Presentation of Financial Statements (Amendments)

TMS 8 - Accounting Policies, Amendments and Errors in Accounting Policies (Amendments) TFRS 3 - Business Combinations (Amendments)

As of March 31, 2020, published standards and amendments that have not yet entered into force:

TFRS 17 - Insurance Contracts

TMS 1 - Presentation of financial statements

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

3. REPORTING BY DEPARTMENTS

31 Mart 2020	Wheat and Flour Trading	Licensed Warehousing	Elimination	Total
Sales	1,119,107,892	2,118,221	(62,118,817)	1,059,107,296
Cost of Sales	(1,058,150,026)	(553,470)	61,417,420	(997,286,076)
Gross Operating Profit	60,957,866	1,564,751	(701,397)	61,821,220
Research and Development Expenses	(45,073)	-	-	(45,073)
General Administrative Costs (-)	(4,935,640)	(303,701)	200,313	(5,039,028)
Marketing, Sales and Distribution Expenses (-)	(13,863,968)	-	806,915	(13,057,053)
Other Income from Main Operations	48,628,095	474,502	(307,713)	48,794,884
Other Expenses from Main Operations (-)	(15,393,031)	(55,184)	1,882	(15,446,333)
Activity Profit(loss)	75,348,249	1,680,368	-	77,028,617
Revenue from Investment Operations	390,103	-	-	390,103
Expenses from Investment Activities	-	-	-	-
Impairment Gains (Losses) Determined in accordance with TFRS 9 and Cancellations of Impairment Losses	(196,760)	-	-	(196,760)
Shares from Profits / (Losses) of Investments Valued by Equity Method	227,214	-	-	227,214
Operating Profit / (Loss) Before Financing Expense	75,768,806	1,680,368	-	77,449,174
Financial income	46,253,730	719	(432,673)	45,821,776
Financial Expenses(-)	(97,486,836)	(197,666)	432,673	(97,251,829)
Profit Before Tax	24,535,700	1,483,421	-	26,019,121
Tax Expense	(6,640,737)	54,396	-	(6,586,341)
Net Period Profit/(Loss)	17,894,963	1,537,817	-	19,432,780

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

March 31, 2019	Wheat and Flour Trade	Licensed Warehousing	Elimination	Total
Sales	780,155,016	1,483,474	(36,302)	781,602,188
Cost of Sales	(742,601,164)	(218,513)	34,523	(742,785,154)
Gross Operating Profit	37,553,852	1,264,961	(1,779)	38,817,034
General Administrative Expenses (-)	(3.104.586)	(118.532)	(2,413)	(3,225,531)
Marketing, Sales and Distribution Expenses (-)	(9.984.154)	-	-	(9,984,154)
Research and Development Expenses (-)	(27.061)	-	-	(27,061)
Other Income from Main Operations	49,227,293	257,899	4,192	49,489,384
Other Expenses from Main Operations (-)	(18.411.299)	(44.009)	-	(18.455.308)
Activity Profit(loss)	55,254,045	1,360,319	-	56,614,364
Revenue from Investment Operations	152,094	-	-	152,094
Expenses from Investment Activities	-	-	-	-
Shares from Profits / (Losses) of Investments Valued by Equity Method	123,648	-	-	123,648
Operating Profit / (Loss) Before Financing Expense	55,529,787	1,360,319	-	56,890,106
Financial income	28,544,604	-	(235,677)	28,308,927
Financial Expenses(-)	(68,414,376)	(356,423)	235,677	(68,535,122)
Profit Before Tax	15,660,015	1,003,896		16,663,911
Tax Expense	(9,707,837)	18,366		(9,689,471)
Net Period Profit/(Loss)	5,952,178	1,022,262		6,974,440

March 31, 2020	Wheat and Flour Trade	Licensed Warehousing	Elimination	Total
Total Assets	1.705.240.392	24.165.024.00	(89.167.915)	1,640,237,501
Total Liabilities	1.360.391.222	11.301.045,00	(63.520.603)	1,308,171,664
Parent Company's Equity	344.849.170	12.863.979,00	(25.647.312)	332,065,837
Non-Controlling Shares	-	-	-	-

December 31, 2019	Wheat and Flour Trade	Licensed Storage	Elimination	Total
Total Assets	1.327.812.521	14.334.318	(61.647.327)	1,280,499,512
Total Liabilities	1.033.898.237	9.464.505	(36.157.032)	1,007,205,710
Parent Company's Equity	293.914.284	4.869.813	(25.490.295)	273,293,802
Non-Controlling Shares	-	-	-	-

March 31, 2020	Wheat and Flour Trade	Licensed Storage	Total
Investment Expenses*	2,373,487	1,498,323	3,871,810
Depreciation Expense during the Period	2,229,787	103,638	2,333,425

December 31, 2019	Wheat and Flour Trade	Licensed Storage	Total
-------------------	-----------------------	------------------	-------

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Investment Expenses*	46,321,573	201,308	46,522,881
Depreciation Expense during the Period	5,507,679	394,713	5,902,392

* It consists of purchases of tangible and intangible assets.

4. CASH AND CASH EQUIVALENTS

	Interest Rate (March 31, 2020)	March 31, 2020	December 31, 2019
Cash		74,410	59,065
Current Deposits		36,487,366	25,005,286
Term Deposits	USD: 1,00% - 1,90% Interest range TL: 9.75% -10.50% Interest rate range	292,520,076	92,473,701
POS Account		211,589	161,035
Account funds		16,339,331	30,955,677
Expected Credit Loss		(285,125)	(88,365)
		345,347,647	148,566,399

5. FINANCIAL INVESTMENTS

Short Term Financial Investments

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

	March 31, 2020	December 31, 2019
Bonds	1,127,831	1,012,995
Blocked Bank Accounts	1,693,378	1,543,740
	2,821,209	2,556,735

Long Term Financial Investments

Not available.

6. FINANCIAL LIABILITIES

Short Term Financial Liabilities

	March 31, 2020	December 31, 2019
Short Term Borrowings	178,757,502	101,222,155
Short Term Parts of Long Term Borrowings (net)	87,874,092	81,548,763
	266,631,594	182,770,918

Short Term Borrowings

	March 31, 2020	December 31, 2019
Short-term loans	178,757,502	101,222,155

Short-term loans

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

	March 31, 2020	December 31, 2019
Short-term loans	179,877,077	102,321,509
Deferred Interest Expense (-)	(1,119,575)	(1,099,354)
Short Term Loans (net)	178,757,502	101,222,155

As of March 31, 2020, the (net) details of short-term loans are as follows:

Currency type	Interest Rate Range	Exchange amount	TL amount
US Dollars	1.02%-6.66% Interest Range	27.433.625-Usd	178,757,502
TL		-	-
			178,757,502

As of December 31, 2019, the (net) details of short-term loans are as follows:

Currency type	Interest Rate Range	Exchange amount	TL amount
US Dollars	1.84%-5.70% Interest Range	17.040.193-Usd	101,222,155
TL		-	-
			101,222,155

Short Term Parts of Long Term Borrowings

	March 31, 2020	December 31, 2019
Short Term Parts of Long Term Loans (net)	80,971,993	74,479,261
Short Term Parts of Long Term Lease Payables (net)	6,902,099	7,069,502
	87,874,092	81,548,763

Short-term Parts of Long Term Loans

	March 31, 2020	December 31, 2019
Short-term Parts of Long Term Loans	99,049,093	91,360,923
Deferred Interest Expense (-)	(18,077,100)	(16,881,662)
Short Term Parts of Long Term Loans (net)	80,971,993	74,479,261

As of March 31, 2020, the (net) details of short-term portions of long-term loans are as follows:

Currency type	Interest Rate Range	Exchange amount	TL amount
US Dollars	4.12% -7.57% Interest Range	3.369.348-Usd	21,954,674
Euro	3.59%- 5.11% Interest Range	4.269.182-Euro	30,802,150
TL	9,26% - 24,55% Interest Range		28,215,169
			80,971,993

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

As of December 31, 2019, the (net) details of short-term portions of long-term loans are as follows:

Currency type	Interest Rate Range	Exchange amount	TL amount
US Dollars	4.12% -7.57% Interest Range	2.388.236-Usd	14,186,601
Euro	3.59%- 5.11% Interest Range	4.906.923-Euro	32,633,983
TL	12% - 24,55% Interest Range		27,658,677
			74,479,261

Short Term Parts of Long Term Financial Lease Payables

	March 31, 2020	December 31, 2019
Short Term Parts of Long Term Financial Lease Payables	7,423,123	7,622,919
Deferred Interest Expense (-)	(521,024)	(553,417)
Short Term Parts of Long Term Financial Lease Payables (net)	6,902,099	7,069,502

As of March 31, 2020, the (net) details of short-term portions of long-term lease payables are as follows:

Currency type	Exchange amount	TL amount
USD	963.316-Usd	6.276.968
TL		625.131
		6.902.099

As of December 31, 2019, the (net) details of short-term portions of long-term lease payables are as follows:

Currency type	Exchange amount	TL amount
US Dollars	1.169.802-Usd	6,948,859
Euro		-
TL		120.643
		7,069,502

Long Term Financial Borrowings

	March 31, 2020	December 31, 2019
Long Term Loans (net)	203,714,341	190,728,621
Long Term Lease Payables (net)	7,131,665	7,982,156
Long Term Financial Borrowings (net)	210,846,006	198,710,777

Long Term Loans

	March 31, 2020	December 31, 2019
Long Term Loans	244,373,666	228,494,500
Deferred Interest Expense (-)	(40,659,325)	(37,765,879)
Long Term Loans (net)	203,714,341	190,728,621

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

As of March 31, 2020, the (net) details of long-term loans are as follows:

Currency type	Interest Rate	Exchange amount	TL amount
US Dollars	4.12% -7.57% Interest Range	15.294.048-Usd	99,656,014
Euro	3.59%- 5.11% Interest Range	1.500.000-Euro	10,822,500
TL	9,26% - 24,55% Interest Range		93,235,827
			203,714,341

As of December 31, 2019, the (net) details of long-term loans are as follows:

Currency type	Interest Rate	Exchange amount	TL amount
US Dollars	4.12% -7.57% Interest Range	17.128.571-Usd	101,747,140
Euro	3.59%- 5.11% Interest Range	2.250.000-Euro	14,963,850
TL	12% - 24,55% Interest Range		74,017,631
			190,728,621

Long Term Lease Payables

	March 31, 2020	December 31, 2019
Long Term Lease Payables	7,524,120	8,432,749
Deferred Interest Expense (-)	(392,455)	(450,593)
Long Term Financial Lease Payables (net)	7.131.665	7.982.156

As of March 31, 2020, the (net) details of long-term financial lease payables are as follows:

Currency type	Exchange amount	TL amount
US Dollars	1.094.485-Usd	7,131,665
Euro	-	-
TL	-	-
		7,131,665

As of December 31, 2019, the (net) details of long-term financial lease payables are as follows:

Currency type	Exchange amount	TL amount
US Dollars	1.228.283-Usd	7,296,245
Euro	-	-
TL	-	685,911
		7,982,156

7. TRADE RECEIVABLES AND PAYABLES

Short-term trade receivables

	March 31, 2020	December 31, 2019
Trade Receivables from Related Parties	1,237,448	711,701
Trade Receivables from Non-Related Parties	569,941,383	518,836,838
Promissory Notes From Related Parties	479,243	2,362,923
Notes Receivable from Non-Related Parties	16,108,848	21,244,946
Deferred Maturity Duty Income (-)	(1,264,343)	(1,035,636)
Doubtful Trade Receivables	7,845,582	7,588,747
Provision for Doubtful Trade Receivables (-)	(7,845,582)	(7,588,747)

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Short Term Trade Receivables (net)	586,502,579	542,120,772
Long Term Trade Receivables		
	March 31, 2020	December 31, 2019
Trade Receivables from Related Parties	-	-
Trade Receivables from Non-Related Parties *	8,865,066	8,822,866
Long Term Trade Receivables (net)	8,865,066	8,822,866

*See footnote 18th

Short Term Commercial Liabilities

	March 31, 2020	December 31, 2019
Trade Payables to Related Parties	1,611,122	167,724
Trade Payables to Non-Related Parties *	780,491,722	576,432,408
Notes Receivable from Non-Related Parties	826,025	360,212
Deferred Delay Interest Expense (-)	(1,317,482)	(2,025,508)
Short Term Commercial Liabilities (net)	781,611,387	574,934,836

Long Term Trade Payables

Not available.

* As of March 31, 2020, 587,039,181- TL of trade payables to non-related parties consists of letter of credit payables (December 31, 2019: 483.259.024-TL).

8. OTHER RECEIVABLES AND PAYABLES

Short-term other receivables

	March 31, 2020	December 31, 2019
Deposits and Guarantees Given	3,472	11,910
Other Receivables from Non-Related Parties	24,253	23,458
Receivables from licensed storage incentives	1,166,568	
Receivables From Public Institutions	9,439,218	9,602,981
	10,633,511	9,638,349

Long Term Other Receivables

	March 31, 2020	December 31, 2019
Deposits and Guarantees Given	1,878,510	1,119,854
	1,878,510	1,119,854

Short-term other payables

	March 31, 2020	December 31, 2019
Other Payables to Non-Related Parties	72,150	241,751
Other Payables to Related Parties	3,069,300	3,540,013
	3,141,450	3,781,764

Long Term Other Payables

Not available.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

9. DERIVATIVE INSTRUMENTS

Derivative Financial Assets

	March 31, 2020	December 31, 2019
Futures Market Guarantees	7,686,093	4,094,473
Derivative financial instruments	18,414,875	-
	26,100,968	4,094,473

Derivative Financial Liabilities

	March 31, 2020	December 31, 2019
Futures Market Guarantees	-	-
Derivative financial instruments	-	2,244,832
	-	2,244,832

Guarantees given to transact in the futures market are classified as futures market guarantees, and the fair values of forward contracts and option contracts are classified as derivative financial instruments. Profits or losses arising from transactions made during the period are reported in the profit or loss table as financial income and expenses of derivative financial instruments and the fair value differences of the positions that are open as of the reporting date are also reported in the financing income and expenses.

Fair Values of Financial Instruments

The Group classifies its financial instruments reflected in their fair values in its consolidated financial statements according to the source of valuation inputs of each class of financial instruments using a three-level hierarchy.

Level 1 : The valuation techniques that the Group can access at the measurement date and the quotation prices of identical assets or debts in the active markets are used,

Level 2 : Other valuation techniques including inputs other than quotation prices in Level 1 that are directly or indirectly observable with respect to the asset or debt,

Level 3 : Valuation techniques using non-observable inputs related to the asset or debt.

March 31, 2020	Level 1	Level 2	Level 3
Future Foreign Currency Transaction Contracts (For Trading)		26,100,969	
		26.100.969	
31 December 2019	Level 1	Level 2	Level 3
Future Foreign Currency Transaction Contracts (For Trading)	-	1.849.641	-
	-	1.849.641	-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Foreign currency forward transactions (Level 2) are valued using the foreign currency exchange rate at the balance sheet date by discounting the fair value of the foreign currency futures contract.

10. STOCKS

	March 31, 2020	December 31, 2019
Raw Materials and Materials	101,228,110	140,283,127
Goods	8.440.664	20.567.208
Goods on the Road	2,689,242	2,595,956
Trade Goods	128,947,116	141,168,506
Other Stocks	464,817	434,424
Provision for Impairment of Inventories (-) (33.155) (2.079.980)		
	241.736.794	302.969.241

11. PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses

	31 March 2020	31 December 2019
Order Advances Given to Related Parties - - Order Advances Given to Unrelated Parties	155.371.638	44.847.059
Insurance and Other Prepaid Expenses	1,734,029	1,637,207
	157,105,667	46.484.266

Long Term Prepaid Expenses

	31 March 2020	31 December 2019
Insurance Expenses	-	-
Order Advances Given to Unrelated Parties * 3.042.014	3.042.014	3.042.014
	3,042,014	3,042,014

*See footnote 24.

Short-term deferred income

	March 31, 2020	December 31, 2019
Advances from Related Parties	-	-
Advances Received from Non-Related Parties	13.460.647	20.409.090
Deferred Income	184,801	400,206
	13,645,448	20.809.296

Long Term Deferred Income

Not available.

12. INVESTMENTS VALUED BY EQUITY METHOD

Name of Affiliate	% March	31, 2020	% December	31, 2019
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	17	4.296.363	17	4.612.490

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

As of March 31, 2020, the details of the change in the value of Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. are as follows:

	1 January- March 31, 2020
Its Value as of 31 December 2019	4.612.490
As of March 31, 2020, the Profit of Ulusoy Un	227,214
Accrued Dividend Income	(543.341)
	4.296.363

As of March 31, 2020 and December 31, 2019, the summary information required to be disclosed by Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. according to paragraphs (a) and (b) of TFRS 12 "Explanations on Shares in Other Enterprises" is as follows: *

	March 31, 2020	December 31, 2019
Current assets	5,877,041	3,504,360
Fixed assets	7,135,204	4,998,894
Short-term liabilities	1,727,464	549,523
Long Term Liabilities	5,704,680	778,340
Revenue	2,678,027	8,944,214
Ongoing Activities Period Profit(loss)	1,336,553	3,540,141
Discontinued Operations Period Profit/(Loss) After Tax	-	-
Other Comprehensive Income	1,336,553	3,540,141
Total Comprehensive Income	1,336,553	3,540,141

* In accordance with paragraph (b) of TFRS 12 "Explanations on Shares in Other Enterprises", financial information is obtained from the legal records of the subsidiary.

13. REAL ESTATE FOR INVESTMENT PURPOSES

	March 31, 2020	December 31, 2019
Land and Plots	7,515,000	7,515,000
Buildings	3,985,000	3,985,000
	11,500,000	11,500,000

14. ASSETS RELATED TO CURRENT PERIOD TAX

	March 31, 2020	December 31, 2019
Prepaid Taxes	1,104,513	-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

15. TANGIBLE FIXED ASSETS

As of March 31, 2020, the details of tangible fixed assets are as follows:

Fixed Asset Distribution	Plant Machine and Devices	Underground and Aboveground Arrangements	Land and Plots	Buildings	Fixtures	Vehicles	Costs	Special ongoing Investments	Total
1 January 2020 Opening Balance	87,651,386	3,369,822	21,938,350	72,384,788	2,497,858	9,270,006	43,995	-	197,156,205
Inflows	144,555	-	449,530	1,040,373	239,759	980,076	10,200	1,007,317	3,871,810
Outflows	-	-	-	-	(228,266)	(368,644)	-	-	(596,910)
Reclassification	-	-	-	-	-	-	-	-	-
Revaluation	43,735,705	-	-	-	-	-	-	-	43,735,705
March 31, 2020 Closing Balance	131,531,646	3,369,822	22,387,880	73,425,161	2,509,351	9,881,438	54,195	1,007,317	244,166,810
Accumulated Depreciation Distribution	Plant Machine and Devices	Underground and Aboveground Arrangements	Land and Plots	Buildings	Fixture	Vehicles	Costs	Special ongoing Investments	Total
1 January 2020 Opening Balance	9,011,706	30,639	-	3,937,636	1,022,160	3,903,409	121	-	17,905,671
Expense for the period	1,344,940	17,121	-	499,360	114,428	336,725	2,294	-	2,314,868
Outflows	-	-	-	-	(228,266)	(195,453)	-	-	(423,719)
March 31, 2020 Closing Balance	10,356,646	47,760	-	4,436,996	908,322	4,044,681	2,415	-	19,796,820
March 31, 2020 Closing Balance	121,175,000	3,322,062	22,387,880	68,988,165	1,601,029	5,836,757	51,780	1,007,317	224,369,990

There is a bank mortgage on fixed assets totaling USD 41,400,000. As of March 31, 2020, the net registered value of usage right assets classified under tangible fixed assets is 620.585-TL. Depreciation expenses of usage right assets for the period ended March 31, 2020 are 180,904-TL. As of March 31, 2020, the company uses the revaluation model for the facility machinery and devices account class of tangible fixed assets of the Group. With the valuation reports dated June 4, 2020, Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş., which has been authorized by the Capital Markets Board for the facility machinery and devices registered in the group asset, machinery plant and equipment valuation reports have been prepared. Market approach, income approach and cost approach methods were used in the valuation method. The total value of the machine facilities and devices at the reporting date was determined as 121.175.000-TL. The difference between the registered values and the fair values at the revaluation date was gross revaluation difference of TL 43.735.705.

As of December 31, 2019, the details of tangible fixed assets are as follows:

Fixed Asset Distribution Machinery	Plant, And Devices	Underground and Aboveground Arrangements	Land and Plots	Buildings	Fixtures	Vehicles	Costs	Special ongoing Investments	Total
1 January 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
Inflows	1,371,593	15,000	-	35,863	529,698	2,744,800	43,995	41,737,267	46,478,216
Outflows	(658,459)	-	-	-	(154,785)	(1,067,993)	-	-	(1,881,237)
Reclassification	40,763,224	2,039,822	-	28,271,196	142,706	-	-	(71,216,948)	-
December 31, 2019 Closing Balance	87,651,386	3,369,822	21,938,350	72,384,788	2,497,858	9,270,006	43,995	-	197,156,205

Cumulative Depreciation Distribution	Plant, Machinery and Equipment	Underground and Aboveground Arrangements	Land and Plots	Buildings	Fixtures	Vehicles	Special Costs	In Progress Investments	Total
1 January 2019 Opening Balance	6,853,860	72	-	2,593,189	790,286	3,574,050	-	-	13,811,457
Expense for the period	2,809,409	30,567	-	1,344,447	385,032	1,243,338	121	-	5,812,914
Outflows	(651,563)	-	-	-	(153,158)	(913,979)	-	-	(1,718,700)
December 31, 2019 Closing Balance	9,011,706	30,639	-	3,937,636	1,022,160	3,903,409	121	-	17,905,671

December 31, 2019 Closing Balance	78,639,680	3,339,183	21,938,350	68,447,152	1,475,698	5,366,597	43,874	-	179,250,534
--	-------------------	------------------	-------------------	-------------------	------------------	------------------	---------------	----------	--------------------

There is a bank mortgage on fixed assets totaling USD 41,400,000 (USD 245,924,280).

As of December 31, 2019, the net registered value of usage right assets classified under tangible fixed assets is 801.489-TL. Depreciation expenses of usage right assets for the period ended December 31, 2019 are 789,612-TL. Right of use assets are reported within the period inflows and period expenses.

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

16. INTANGIBLE ASSETS

Goodwill

Not available.

Other Intangible Fixed assets

Distribution of Other Intangible Fixed assets	Rights (Computer Programs)	Brand and Name Rights Total	
1 January 2020 Opening Balance	227,370	324,724	552,094
Inflows	-	-	-
Outflows	(115,000)	-	(115,000)
Reclassification	-	-	-
March 31, 2020 Closing Balance	112,370	324,724	
	437,094		

Cumulative Depreciation Distribution	Rights (Computer Programs)	Brand and Name Rights Total	
1 January 2020 Opening Balance	68,207	118,008	186,215
Expense for the period	10,461	8,096	18,557
Outflows	(115,000)	-	(115,000)
Reclassification	-	-	-
March 31, 2020 Closing Balance	(36,332)	126,104	89,772

Net Book Value dated March 31, 2020	148,702	198,620	347,322
--	----------------	----------------	----------------

Distribution of Other Intangible Fixed assets	Rights	Brand and Name	
	(Computer Programs)	Rights Total	
1 January 2019 Opening Balance	362,686	324,724	687,410
Inflows	44,666	-	44,666
Outflows	(179,982)	-	(179,982)
Reclassification	-	-	-
December 31, 2019 Closing Balance	227,370	324,724	552,094

Cumulative Depreciation Distribution	Rights	Brand and Name	
	(Computer Programs)	Rights	Total
1 January 2019 Opening Balance	186,985	85,536	272,521
Expense for the period	61,204	32,472	93,676
Outflows	(179,982)	-	(179,982)
Reclassification	-	-	-
December 31, 2019 Closing Balance	68,207	118,008	186,215
Net Book Value dated December 31, 2019	159,163	206,716	365,879

17. GOVERNMENT INCENTIVES AND AIDS

Government incentives consist of Insurance Premium Support, Freight Support, Licensed Warehouse Rent Incentive and Fair Support utilized by Law No. 5510.

18. PROVISIONS, CONTINGENT ASSETS AND PAYABLES

Short-term provisions

	March 31, 2020	December 31, 2019
Accumulated Leave Provisions *	177,904	10,842
Other Provisions**	463,048	253,621
	640,952	264,463

*See footnote 19th

** Other provisions consist of return provisions allocated under TFRS 15.

Long Term Provisions

	March 31, 2020	December 31, 2019
Long Term Provisions Regarding Employee Benefits *	2,339,483	2,055,194
Other Long Term Provisions	-	-
	2,339,483	2,055,194

*See footnote 19th

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Lawsuits

Provision is not allocated because the Group's current liabilities arising from past events are unlikely to cash out.

Guarantees, Pledges and Mortgages Given by the Group

(TRİ)	31 March 2020	31 December 2019
A. Total Amount of TRIs given on behalf of its own legal entity	301.192.673	273.222.059
B. Total Amount of TRIs given on behalf of the Partnerships Included in Full Consolidation	15.075.000	15.075.000
C. Total Amount of Guarantees Pledges and Mortgages Given for the Purpose of Conducting Ordinary Commercial Activities	-	-
D. Total Amount of Other Guarantees Pledges and Mortgages	-	-
i. Total Amount of TRIs given on behalf of Parent Partner	-	-
ii. Total Amount of TRIs given on behalf of Other Group Companies Not covered by Articles B and C	-	-
iii. Total Amount of TRIs Given in Favor of Third Persons Not Covered by Article C - -	-	-
Total	316,267,673	288,297,059

The details of the company's receivables form Samsun Yem Sanayi ve Ticaret A.Ş. ("Samsun Yem"), Yemsel Tavukçuluk Hayvancılık Yem Hammaddeleri Sanayi ve Ticaret A.Ş. ("Yemsel") ve Çakıroğlu Gıda Tarım Ürünleri Hayvancılık ve Yem Tavukçuluk Nakliyat Ticaret ve Sanayi A.Ş. ("Çakıroğlu") are as of 31.03.2020 as follows:

Title of Company *	Trade Receivable	Order Advances Given	Total	Mortgage Received
Samsun Yem	1,194,113	-	1,194,113	700,000
Yemsel	-	3,042,014	3,042,014	6,000,000
Çakıroğlu **	7,670,953	-	7,670,953	10,000,000
Total	8,865,066	3,042,014	11,907,080	16,700,000

* All together will be referred to as Çakıroğlu Group.

Samsun Yem and Yemsel and Çakıroğlu applied to the Samsun Commercial Court of First Instance with a request to postpone bankruptcy. Commercial receivables and order advances given from Samsun Yem, Yemsel and Çakıroğlu are classified as long-term due to requests for postponement of bankruptcy. There is no provision set aside for the fact that the fair values in the valuation reports of the mortgages and real estates for the receivables are sufficient to cover the entire receivable.

Full tax audit was carried out by Samsun Tax Audit Board Group Presidency on the Company's books and documents for 2017 and 2018. Notifications issued based on the tax review reports were notified by the taxpayer, a lawsuit was filed before Samsun Tax Court against the special irregularity penalty and a settlement was requested to the Revenue Administration for other taxes and penalties provided that material errors were corrected. No provision has been allocated because the tax loss penalties and special irregularity penalties imposed due to the base differences proposed in the above-mentioned tax review report and these base differences are not legal, because they are stated in the reviews made by our company's board of directors and experts and in the reports prepared based on these reviews and because no reliable determination can be made about the economic benefit outflow.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

19. BENEFITS TO EMPLOYEES

Liabilities Within The Scope Of Employee Benefits

As of March 31, 2020 and December 31, 2019, the debt details within the scope of employee benefits are as follows:

	March 31, 2020	December 31, 2019
SSI Premiums Payable	958,934	428,516
Payables to Personnel	1,536,191	1,015,748
	2,495,125	1,444,264

Short Term Employee Benefits

Short-term benefits that are liabilities to employees consist of accumulated leave provisions. As of March 31, 2020 and December 31, 2019, the details of accumulated leave pay are as follows:

	March 31, 2020	December 31, 2019
Provision for Accumulated Leave	177,904	10,842

Long Term Employee Benefits

Long-term benefits that are liabilities to employees consist of severance pay.

Provisions for termination/retirement benefits are calculated with an annual inflation rate of 6.35% and an interest rate of 10.77% and a discount rate of 4.16%. Leaving rate is based on 96%

As of March 31, 2020 and December 31, 2019, the details of severance pay are as follows:

	March 31, 2020	December 31, 2019
Provision for Severance Payment	2,339,483	2,055,194

The movement of provision for termination/retirement benefits during the period as of March 31, 2020 and December 31, 2019 is as follows:

	March 31, 2020	December 31, 2019
Provision for Term Severance Pay	2,055,194	1,283,161
Interest Cost	28,272	96,050
Cost of Service	449,887	880,163
In-Term Payments	(90,620)	(310,463)
Actuarial Difference	(103,250)	106,283
Provision for Severance Payment at the Period End	2,339,483	2,055,194

20. OTHER ASSETS AND LIABILITIES

Other Current Assets

	March 31, 2020	December 31, 2019
--	----------------	-------------------

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Transferred VAT	8,965,888	8,364,408
Income Accruals	-	594,468
Work advances	-	-
Other VAT	3,349	3,350
	8,969,237	8,962,226

Other Short-term Liabilities

	March 31, 2020	December 31, 2019
Taxes and Funds Payable	630,364	1,176,758
Expense Accruals	2,805,394	9,509,609
	3,435,758	10,686,367

Other Fixed assets

Not available.

Other Long Term Liabilities

Not available.

21. CAPITAL, RESERVES AND OTHER RESOURCES ITEMS

Capital and Reserves

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

As of March 31, 2020, the partnership structure of the Company is as follows:

Partners	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	23,500,000	C	27.81	23,500,000
	84,500,000		100.00	84,500,000

As of December 31, 2019, the partnership structure of the Company is as follows:

Partners	Share Numbers	Group	Rate (%)	Amount
----------	---------------	-------	----------	--------

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

<hr/>				
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	23,500,000	C	27.81	23,500,000
	84,500,000		100.00	84,500,000

Share Premiums/Discounts

	March 31, 2020	December 31, 2019
Share Premiums	41,925,000	41,925,000
Share Issuance Expenses (-)	(3,317,008)	(3,317,008)
	38,607,992	38,607,992

Reacquired Shares (-)

	March 31, 2020	December 31, 2019
Reacquired Shares (-)	3,445,108	3,445,108

Other Equity Items

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

As of March 31, 2020 and December 31, 2019, accumulated other comprehensive income and expenses not to be reclassified to profit/loss are as follows:

	March 31, 2020	December 31, 2019
Tangible Assets Revaluation Differences (net)	61,315,908	27,202,058
Actuarial Gain/(Losses) Regarding Employee Benefits	(519,895)	(600,430)
	60,796,013	26,601,628

As of March 31, 2020 and December 31, 2019, the details of actuarial differences are as follows:

	March 31, 2020	December 31, 2019
Actuarial Gain/(Losses) Regarding Employee Benefits	(650,830)	(754,080)
Deferred Tax	130,935	153,650
Actuarial Gain/(Losses) Regarding Employee Benefits (net)	(519.895)	(600.430)

As of March 31, 2020 and December 31, 2019, the details of tangible fixed asset revaluation fund are as follows:

	March 31, 2020	December 31, 2019
Land and Buildings Revaluation Differences (net)	27,053,177	27,053,177
Vehicles Revaluation Differences (net)	148,881	148,881
Machinery Facilities and Devices Revaluation Differences (net)	34,113,850	-
	61,315,908	27,202,058

As of March 31, 2020 and December 31, 2019, the details of land and buildings revaluation are as follows:

	March 31, 2020	December 31, 2019
Total Land and Buildings Revaluation Difference	30,396,828	30,396,828
Deferred Tax	(3,343,651)	(3,343,651)
Land and Buildings Revaluation Differences (net)	27,053,177	27,053,177

As of March 31, 2020 and December 31, 2019, the details of vehicle revaluation fund are as follows:

	March 31, 2020	December 31, 2019
Vehicles Revaluation Differences (net)	148,881	148,881

	March 31, 2020	December 31, 2019
Revaluation of total vehicles	186,103	186,103
Deferred Tax	(37,222)	(37,222)
	148,881	148,881

As of March 31, 2020 and December 31, 2019, the details of plant machinery and devices revaluation fund are as follows:

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

	March 31, 2020	December 31, 2019
Machinery Facilities and Devices Revaluation Differences (net)	34,113,850	-
	March 31, 2020	December 31, 2019
Total Machinery Facilities and Devices Revaluation	43,735,705	-
Deferred Tax	(9,621,855)	-
	34,113,850	-

As of March 31, 2020 and December 31, 2019, other comprehensive income and expenses to be reclassified to profit/loss are as follows:

	March 31, 2020	December 31, 2019
Foreign Currency Conversion Differences	9,491,001	4,346,131
	9,491,001	4,346,131

As of March 31, 2020 and December 31, 2019, the restricted reserves allocated from profit are as follows:

	March 31, 2020	December 31, 2019
Legal Reserves	7,726,207	7,726,207
Reserves related to repurchased shares	3,445,108	3,445,108
	11,171,315	11,171,315

As of March 31, 2020 and December 31, 2019, previous years' profits/(losses) are as follows:

	March 31, 2020	December 31, 2019
Retained Earnings(Losses)	111,511,844	84,516,493

The change in retained earnings/losses is as follows:

	March 31, 2020	December 31, 2019
Retained Earnings(Losses)	84,516,493	66,524,884
Transfer of Previous Period Profit to Previous Years' Profits / (Losses)	26,995,351	19,906,171
Legal Reserves Transfer	-	(2,032,987)
Amendment to Accounting Policies	-	-
Revaluation Transfer of tangible assets	-	118,425
	111,511,844	84,516,493

As of March 31, 2020 and December 31, 2019, net period profit/(loss) is as follows:

	March 31, 2020	December 31, 2019
Net Period Profit/(Loss)	19,432,780	26,995,351

22. REVENUE AND COST OF SALES

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

As of March 31, 2020 and Sunday, March 31, 2019, the sales income are as follows:

	1 January- March 31, 2020	1 January- March 31, 2019
Domestic sales income	203,775,906	237,911,877
Abroad sales income	856,322,073	544,224,264
Returns from Sales (-)	(923,243)	(477,971)
Sales Discounts (-)	(67,440)	(55,982)
	1,059,107,296	781,602,188

500,154,985-TL (82,215,364-USD) of the company's revenue was realized by Rolweg SA, a subsidiary.

As of March 31, 2020 and Sunday, March 31, 2019, the cost of sales are as follows:

	1 January- March 31, 2020	1 January- March 31, 2019
Cost of Goods Sold	188,243,503	148,203,134
Cost of Commercial Goods Sold	806,967,551	593,124,000
Cost of Service Sold	2,075,022	1,458,020
	997,286,076	742,785,154

As of March 31, 2020 and March 31, 2019, the cost of services sold are as follows:

	1 January- March 31, 2020	1 January- March 31, 2019
Depreciation expenses	361,234	86,288
Outsourced Benefits and Services	931,150	800,263
Other Expenses	14,615	31,437
Staff Costs	593,466	436,224
Insurance Expenses	86,317	51,798
Transportation Expenses	88,227	32,492
Taxes, Duties and Fees	13	19,518
Cost of Service Sold	2,075,022	1,458,020

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

As of March 31, 2020 and Sunday, March 31, 2019, total activity expenses are as follows:

	1 January- March 31, 2020	1 January- March 31, 2019
General Administrative Expenses	5,039,028	3,225,531
Marketing Expenses	13,057,053	9,984,154
Research and Development Expenses	45,073	27,061
	18,141,154	13,236,746

As of March 31, 2020 and Sunday, March 31, 2019, the details of general administration expenses are as follows:

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

	1 January- March 31, 2020	1 January- March 31, 2019
Depreciation expenses	49,635	114,605
Donations and Benefits	97,986	47,550
Maintenance Repair Expenses	-	18,000
Bank Transfer and Collection Expenses	-	28,048
Consultancy Expenses	1,021,702	392,712
Outsourced Benefits and Services	564,761	736,424
Other Expenses	119,717	313,017
Education and Publication Expenses	45,231	64,127
Fair Expenses	224,001	1,500
Default Interest and Penalties	-	2,043
Rental Expenses	55,688	120,645
Commission Expenses	50,583	2,115
Accommodation Expenses	-	53,505
Notary Expenses	-	2,650
Staff Costs	2,314,357	1,024,892
Advertising Expenses	20,800	-
Insurance Expenses	111,269	139,732
Registration and Announcement Expenses	-	5,900
Transportation Expenses	268,212	85,443
Taxes, Duties and Fees	95,086	72,623
General Administrative Expenses	5,039,028	3,225,531

As of March 31, 2020 and Sunday, March 31, 2019, the details of marketing expenses are as follows:

	1 January- March 31, 2020	1 January- March 31, 2019
Depreciation expenses	153,420	138,902
Vehicle Costs	104,302	349,452
Bank Transfer and Collection Expenses	-	192,442
Consultancy Expenses	4,866	11,032
Outsourced Benefits and Services	401,516	67,065
Other Miscellaneous Expenses	71,198	262,005
Fair Expenses	145,837	136,956
Default Interest and Penalties	-	4,158
Export Expenses	2,924,638	2,130,616
Rental Expenses	-	6,563
Commission Expenses	481,245	119,756
Accommodation Expenses	-	53,039
Transport Expenses	6,915,878	5,433,848
Staff Costs	1,177,230	854,540
Insurance Expenses	166,274	111,767
Transportation Expenses	14,217	11,657
Taxes, Duties and Fees Expenses	429,720	40,546
Food Expenses	66,712	59,810
Marketing Expenses	13,057,053	9,984,154

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

24. OTHER INCOME AND EXPENSES FROM OPERATING ACTIVITIES

Other Income

	1 January- March 31, 2020	1 January- March 31, 2019
Income from Law No. 5510 and 6661	294,529	211,194
Balance Allocation Revenues	179,210	486
Other Income	336,150	123,326
Service Reflection Income*	630,265	1,449,828
Maturity Difference Revenues	3,108,254	7,289,816
Price Difference Revenues	109,069	318,084
Compensation Income	630,316	260,079
Exchange rate differences	41,220,789	38,524,638
Licensed Warehouse Rental Support	789,090	253,708
Income from Incentives and Support **	24,378	-
Provisions Without Issue	355,845	77,512
Revenue from Expenses Returned	1,116,989	980,713
	48,794,884	49,489,384

* Reflection income and service expenses are composed of reflection income due to trusteeship transaction.

Other Expenses

	1 January- March 31, 2020	1 January- March 31, 2019
Other Expenses	163,612	74,940
Balance Allocation Expenses	395,314	11,168
Provision Expenses	822,105	273,406
Price Difference Expenses	183,401	-
Exchange rate differences	10,061,113	9,715,008
Maturity Difference Expense	3,255,296	7,416,295
Returned Expenses	565,492	964,491
	15,446,333	18,455,308

Revenue from Investment Operations

	1 January- March 31, 2020	1 January- March 31, 2019
Fixed Asset Sales Revenues	174,698	46,157
Sell and Rent Back Transaction Revenue	215,405	105,937
	390,103	152,094

Expenses from Investment Activities

Not available.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Impairment Gains (Losses) Determined in accordance with TFRS 9 and Cancellations of Impairment Losses

	1 January- March 31, 2020	1 January- March 31, 2019
Expected Credit Loss and Other Provisions	196,760	-
	196.760	-

25. SHARES ON PROFITS/LOSSES OF INVESTMENTS VALUED BY EQUITY METHOD

As of March 31, 2020 and March 31, 2019, the details of the shares in the profits/losses of investments accounted for under the equity method are as follows:

	1 January- March 31, 2020	1 January- March 31, 2019
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.*	227.214	123.648

* (See footnote 12)

26. FINANCIAL INCOME AND EXPENSES

Financial income

	1 January- March 31, 2020	1 January- March 31, 2019
Interest income	2.061.709	2.719.412
Foreign Exchange Profits	23.396.425	13.375.184
Derivative Financial Instrument Income	1.828.197	1.758.313
Marketable Securities Sales Profit	120,570	18,343
Derivative Financial Instruments Fair Value Differences	18.414.875	10.437.675
	45.821.776	28.308.927

Financial Costs

	1 January- March 31, 2020	1 January- March 31, 2019
Foreign Exchange Losses	82.009.085	52.254.472
Financial Expenses	12.156.965	12.515.216
Derivative Financial Instrument Expenses	3.085.779	3.765.434
	97.251.829	68.535.122

27. TAX ASSETS AND LIABILITIES

Corporate tax to be accrued on the taxable corporate income is calculated on the basis of the remaining tax base after deducting the non-taxable income, adding the expenses that cannot be deducted from the tax base that is expensed in determining the commercial income and the dividends received from domestic companies.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

The corporate tax rate applied in 2020 is 22%. (2019:%22) With the provisional Article 10 of the Law No. 7061 added to the Law No. 5520, the corporate tax rate has been determined as 22% for the 2019 and 2020 fiscal taxation periods.

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

Deferred Tax Asset/Liability:

The Group recognizes deferred tax receivables and liabilities for temporary timing differences arising from differences between its tax-based legal financial statements and financial statements prepared within the "Communiqué on Principles for Financial Reporting in Capital Markets" Series: II, No: 14.1 of the Capital Markets Board. Deferred tax asset is calculated only if there are temporary timing differences that can be deducted from taxable profit. Provision is allocated for deferred tax assets that are unlikely to occur. The deferred tax rate is 22% for all timing differences (December 31, 2019: % 22). The tax rate to be applied in 2018, 2019 and 2020 has been increased to 22%.

Deferred tax liability is calculated for all taxable timing differences.

As of March 31, 2020, the details of temporary differences and their deferred tax effect are as follows:

Deferred Tax Assets	Provisional Differences	Deferred Tax Effect
Doubtful Receivables	1,315,032	289,307
Adjustment of Receivables from Personnel	68,895	15,157
Advances Given Adjustment	317,159	69,775
Value Adjustment of MDV and MODV	6,167,777	1,356,911
Inventory Impairment Expense and Other Inventory Adjustments	3,567,041	784,749
Adjustment of amortized cost value of receivables	5,032,132	1,107,069
Interest Accrual Adjustment	9,445	2,078
Sell and Rent Adjustment	184,800	40,656
Accumulated Leave Provisions	108,800	23,936
Letter of Credit Interest Adjustment	647,905	142,539
Other Adjustments	733,377	161,343
Loans Adjustment	6,780,255	1,491,656
Severance Payment Actuarial Difference*	650,830	130,935
	25,583,448	5,616,111

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Deferred Tax Liabilities	Provisionary Differences	Deferred Tax Effect
MDV Valuation Impact Carriage Associated with Equity (Vehicles)	186,103	37,221
MDV Valuation Impact Carriage Associated with Equity (Land and Buildings)	30,396,828	3,343,651
MDV Valuation Impact Carriage Associated with Equity (Machine, Plant and Devices)	43,735,705	9,621,855
Derivative Vehicle GUD Difference Correction	18,414,875	4,051,272
Amortized Cost Value Adjustment of Liabilities	1,317,482	289,846
Tangible and Intangible Assets Depreciation Difference	13,813,445	3,038,958
Severance Payment Provisions	4,450,868	979,191
	112,315,306	21,361,994

As of December 31, 2019, the details of temporary differences and their deferred tax effect are as follows:

Deferred Tax Assets	Provisionary Differences	Deferred Tax Effect
Doubtful Receivables	1,164,728	256,240
Adjustment of Receivables from Personnel	68,895	15,157
Advances Given Adjustment	79,424	17,473
Value Adjustment of MDV and MODV	5,939,718	1,306,738
Inventory Impairment Expense and Other Inventory Adjustments	6,109,630	1,344,119
Adjustment of amortized cost value of receivables	4,580,802	1,007,776
Interest Accrual Adjustment	23,014	5,063
Sell and Rent Adjustment	400,206	88,045
Loans Adjustment	6,815,472	1,499,404
Letter of Credit Interest Adjustment	593,859	130,649
Amendment to Accounting Policy	341,986	75,237
Derivative Vehicle GUD Difference Correction	2,244,832	493,863
Severance Payment Actuarial Difference*	754,080	153,650
	29,116,646	6,393,414

Deferred Tax Liabilities	Provisionary Differences	Deferred Tax Effect
MDV Valuation Impact Carriage Associated with Equity (Vehicles)	186,103	37,222
MDV Valuation Impact Carriage Associated with Equity (Land and Buildings)	30,396,828	3,343,651
Other Adjustments	23,123	5,087
Amortized Cost Value Adjustment of Liabilities	2,025,508	445,612
Tangible and Intangible Assets Depreciation Difference	13,704,068	3,014,895
Severance Payment Provisions	4,984,702	1,084,387
	51,320,332	7,930,854

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

As of March 31, 2020 and December 31, 2019, the deferred tax exchange is as follows:

	1 January- March 31, 2020	1 January- December 31, 2019
Opening Balance	1,689,783	8,296,147
Current Period Deferred Tax (Expense) / Income	(4,563,874)	(6,606,364)
Deferred Tax Effect of MDV Revaluation Fund and Actuarial Difference	(12,871,792)	(3,227,223)
Closing Balance	(15,745,883)	(1,537,440)

The tax expenses in the profit or loss statement for the periods ended on March 31, 2020 and March 31, 2019 are summarized below:

	1 January- March 31, 2020	1 January- March 31, 2019
Tax Expense/(Income) for the Period	2,022,467	469,387
Deferred Tax (Income)/Expense	4,563,874	9,220,084
	6,586,341	9,689,471

28. EARNINGS PER SHARE

As of March 31, 2020 and March 31, 2019, the details of earnings per share is as follows:

	1 January- March 31, 2020	1 January- March 31, 2019
Period Net Profit / (Loss)	19,432,780	6,974,440
Weighted Average Number of Total Ordinary Shares in circulation	82,497,848	82,497,848
Earnings per Share	0.2356	0.085

29. RELATED PARTY DISCLOSURES

	March 31, 2020	December 31, 2019
GFC Denizcilik ve Ticaret A.Ş.	9,237	416,134
Unay Un San. ve Tic. A.Ş.	1,187,492	249,770
Ulusoy Çay Gıda San. ve Tic. A.Ş.	40,719	34,634
Ulusoy Petrol Ürünleri Tic. A.Ş.	-	11,163
Trade Receivables from Related Parties	1,237,448	711,701

	March 31, 2020	December 31, 2019
Unay Un San. ve Tic. A.Ş.	479,243	2,362,923
Promissory Notes From Related Parties	479,243	2,362,923

	March 31, 2020	December 31, 2019
Unay Un San. ve Tic. A.Ş.	1,495,936	12,117
Ulusoy Petrol Ürünleri Tic. A.Ş.	31,163	49,142
GK Tarım Ürünleri Depoculuk A.Ş.	84,023	106,465
Trade Payables to Related Parties	1,611,122	167,724

	March 31, 2020	December 31, 2019
Unay Un San. ve Tic. A.Ş.	3,069,300	3,540,013

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

	1 January- March 31, 2020	1 January- March 31, 2019
Other Payables to Related Parties	3.069.300	3.540.013
	1 January- March 31, 2020	1 January- March 31, 2019
Unay Un San. ve Tic. A.Ş.	1,570,993	17,057,387
Ulusoy Çay Gıda San. ve Tic. A.Ş.	9,000	9,650
Sales Income From Related Parties	1,579,993	17,067,037
	1 January- March 31, 2020	1 January- March 31, 2019
Unay Un San. ve Tic. A.Ş.	-	58,651
Raw Materials and Materials Purchases from Related Parties	-	58,651
	1 January- March 31, 2020	1 January- March 31, 2019
Ulusoy Çay Gıda San. ve Tic. A.Ş.	2,782	8,383
Unay Un San. ve Tic. A.Ş.	6,839,178	11,431,582
Ulusoy Petrol Ürünleri Tic. A.Ş.	404,207	-
GK Tarım Ürünleri Depoculuk A.Ş.	152,123	10,622
Purchases of Goods and Commercial Goods from Related Parties	7,398,290	11,450,587
	1 January- March 31, 2020	1 January- March 31, 2019
Unay Un San. ve Tic. A.Ş.	250,351	328,339
GFC Denizcilik ve Ticaret A.Ş.	-	5,059
Other Revenues From Related Parties	250,351	333,398
	1 January- March 31, 2020	1 January- March 31, 2019
Unay Un San. ve Tic. A.Ş.	7,206	290,767
Ulusoy Petrol Ürünleri Tic. A.Ş.	11,565	82
General Production and Service Expenses to Related Parties	18,771	290,849
	1 January- March 31, 2020	1 January- March 31, 2019
Unay Un San. ve Tic. A.Ş.	27,393	40,502
Ulusoy Petrol Ürünleri Tic. A.Ş.	99,979	104,597
GFC Denizcilik ve Ticaret A.Ş.	2,134	-
Marketing Costs to Related Parties	129,506	145,099
	1 January-	1 January-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

	March 31, 2020	March 31, 2019
Ulusoy Petrol Ürünleri Tic. A.Ş.	26,372	24,115
General Administrative Expenses to Related Parties	26,372	24,115
	1 January- March 31, 2020	1 January- March 31, 2019
GFC Denizcilik Ticaret A.Ş.	1,777	-
Unay Un San. ve Tic. A.Ş.	45,306	28,541
Other Expenses From Related Parties	47,083	28,541
	1 January- March 31, 2020	1 January- March 31, 2019
Unay Un San. ve Tic. A.Ş.	31,596	-
Financial Expenses From Related Parties	31,596	-
	1 January- March 31, 2020	1 January- March 31, 2019
Unay Un San. ve Tic. A.Ş.	1,249,524	1,070,889
Financial Income From Related Parties	1,249,524	1,070,889

The top management of the Group consists of the members of the board of directors, general manager and department managers.

The benefits and fees provided by the Group to the top management are 457,410.00- TL as of December 31, 2019: 930.512-TL).

30. QUALITY AND LEVEL OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

Liquidity Risk Management

The Group manages liquidity risk by regularly monitoring cash flows and ensuring the continuation of adequate funds through matching maturities of financial assets and liabilities. Prudent liquidity risk management refers to sufficient cash retention, the availability of funds with sufficient credit transactions and the power to close down market positions.

Credit risk:

The Group's credit risk can mainly arise from its commercial receivables. Trade receivables are evaluated by the Group management in the light of past experience and current economic situation and are clearly shown in the consolidated statement of financial position after allocating the provision for doubtful receivables at an appropriate rate.

Market risk:

Market risk is the changes in interest rates, exchange rates or the value of securities and other financial contracts that may occur and affect the Group.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

31. FINANCIAL INSTRUMENTS (FAIR VALUE EXPLANATIONS AND EXPLANATIONS IN THE FRAMEWORK OF FINANCIAL RISK PROTECTION)

Foreign Currency Position

3/31/2020	TL Equivalent	US Dollars	Euro
1. Trade and Other Receivables	536,512,419	82,201,371	123,116
2a. Monetary Financial Assets	275,950,538	42,225,017	112,588
2b. Non-Monetary Financial Assets	0	0	0
3. Other	137,622,684	21,002,996	106,329
4. CURRENT ASSETS	950,085,641	145,429,384	342,033
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	1,624,739	249,346	-
8. FIXED ASSETS	1,624,739	249,346	-
9. TOTAL ASSETS	951,710,380	145,678,730	342,033
10. Trade Payables	773,088,721	118,642,387	2,069
11. Financial Liabilities	237,791,294	31,766,289	4,269,182
12a. Other Monetary Liabilities	8,768,015	590,404	682,043
12b. Other Non-Monetary Liabilities	-	-	-
13. SHORT-TERM LIABILITIES	1,019,648,030	150,999,080	4,953,294
14. Trade Payables	-	-	-
15. Financial Liabilities	117,610,179	16,388,533	1,500,000
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. LONG TERM LIABILITIES	117,610,179	16,388,533	1,500,000
18. TOTAL LIABILITIES	1,137,258,209	167,387,613	6,453,294
19. Off-balance sheet derivative instruments' Net asset / liability position (19a-19b)	257,500,500	36,750,000	2,500,000
19a. Amount of off-balance sheet foreign currency derivatives with active character	257,500,500	36,750,000	2,500,000
19b. Amount of off-balance sheet foreign currency derivatives with passive character			
20. Net foreign currency asset / liability position (9-18+19)	71,952,671	15,041,117	(3,611,261)
21. Monetary items net foreign currency asset / liability position (1 +2a+3+5+6a-10-11 -12a-14-15-16a)	(185,547,829)	(21,708,883)	(6,111,261)

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

12/31/2019	TL Equivalent	US Dollars	Euro
1. Trade and Other Receivables	492,658,385	82,796,944	124,496
2a. Monetary Financial Assets	103,477,239	16,673,654	666,466
2b. Non-Monetary Financial Assets	-	-	-
3. Other	39,520,213	5,034,173	1,445,918
4. CURRENT ASSETS	635,655,837	104,504,771	2,236,881
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	2,386,547	401,762	-
8. FIXED ASSETS	2,386,547	401,762	-
9. TOTAL ASSETS	638,042,384	104,906,533	2,236,881
10. Trade Payables	568,612,508	95,692,575	27,000
11. Financial Liabilities	154,991,598	20,598,231	4,906,923
12a. Other Monetary Liabilities	25,295,881	4,131,874	113,031
12b. Other Non-Monetary Liabilities	-	-	-
13. SHORT-TERM LIABILITIES	748,899,986	120,422,680	5,046,955
14. Trade Payables	-	-	-
15. Financial Liabilities	124,007,235	18,356,854	2,250,000
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. LONG TERM LIABILITIES	124,007,235	18,356,854	2,250,000
18. TOTAL LIABILITIES	872,907,221	138,779,534	7,296,955
19. Off-balance sheet derivative instruments' Net asset / liability position (19a-19b)	243,839,150	38,250,000	2,500,000
19a. Amount of off-balance sheet foreign currency derivatives with active character	243,839,150	38,250,000	2,500,000
19b. Amount of off-balance sheet foreign currency derivatives with passive character	-	-	-
20. Net foreign currency asset / liability position (9-18+19)	8,974,312	4,376,999	(2,560,074)
21. Monetary items net foreign currency asset / liability position (1 +2a+3+5+6a-10-11 -12a-14-15-16a)	(234,864,838)	(33,873,001)	(5,060,074)

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Exchange Rate Sensitivity Analysis Table		
	March 31, 2020	Profit/(loss)
		Valuation of Foreign Currency
In case the USD exchange rate changes by 10%		
1- USD Net Asset/Liability	(14,145,508)	14,145,508
2- USD hedged portion (-)	(-)	-
3- USD Net Effect (1+2)	(14,145,508)	14,145,508
In case of 10% change in the Euro Rate		
4- Euro Net Asset/Liability	(4,409,275)	4,409,275
5- Euro hedged portion (-)	-	-
6- Euro Net Effect (4+5)	(4,409,275)	4,409,275

Exchange Rate Sensitivity Analysis Table		
	December 31, 2019	Profit/(loss)
		Valuation of Foreign Currency
In case the USD exchange rate changes by 10%		
1- USD Net Asset/Liability	(20,121,240)	20,121,240
2- USD hedged portion (-)	-	-
3- USD Net Effect (1+2)	(20,121,240)	20,121,240
In case of 10% change in the Euro Rate		
4- Euro Net Asset/Liability	(3,365,253)	3,365,253
5- Euro hedged portion (-)	-	-
6- Euro Net Effect (4+5)	(3,365,253)	3,365,253

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Credit Risk

March 31, 2020	Receivables				Deposits in Banks	Derivative Instruments	Other
	Trade	Receivables	Other Receivables				
	Related Party	Unrelated Party	Related Party	Unrelated Party			
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)	1,716,691	593,650,954	-	12,512,021	329,007,442	26,100,968	182,082,144
- The part of the maximum risk secured by guarantee, etc.	-	-	-	-	-	-	-
A. Net book value of financial assets that are not past due or impaired	1,716,691	593,650,954	-	12,512,021	329,007,442	26,100,968	182,082,144
B. Book value of financial assets whose terms have been renegotiated, otherwise they will be considered overdue or impaired	-	-	-	-	-	-	-
C. Net book value of overdue but not impaired assets	-	-	-	-	-	-	-
- The portion secured by guarantee, etc.	-	-	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-	-	-
- Overdue (gross book value)	-	7,845,582	-	-	-	-	-
- Impairment (-)	-	(7,845,582)	-	-	-	-	-
- The portion of net value secured by guarantee, etc.	-	-	-	-	-	-	-
- Overdue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The portion of net value secured by guarantee, etc.	-	-	-	-	-	-	-
E. Off-balance sheet credit risk	-	-	-	-	-	-	-
Including items	-	-	-	-	-	-	-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

	Receivables							
	Trade Receivables		Other Receivables			Cash in Banks	Deriva instrum	Other
	Related Part	Unrelate Party	Relate Party	Unrelated Party				
December 31,								
Maximum credit risk exposed as of the reporting date (A+B+C+D+E)	3.074.624	547.869.014	-	10.758.203	117.478.987	4.094.473	86.175.010	
- The portion of maximum risk secured by guarantee, etc.	-	-	-	-	-	-	-	
A. Net book value of financial assets that are not past due or impaired	3.074.624	547.869.014	-	10.758.203	117.478.987	4.094.473	86.175.010	
B. Book value of financial assets whose terms have been renegotiated, otherwise they will be considered overdue or impaired	-	-	-	-	-	-	-	
C. Net book value of overdue but not impaired assets	-	-	-	-	-	-	-	
- The portion secured by guarantee, etc.	-	-	-	-	-	-	-	
D. Net book values of impaired assets	-	-	-	-	-	-	-	
- Overdue (gross book value)	-	7,588,747	-	-	-	-	-	
- Impairment (-)	-	(7,588,747)	-	-	-	-	-	
- The portion of net value secured by guarantee, etc.	-	-	-	-	-	-	-	
- Overdue (gross book value)	-	-	-	-	-	-	-	
- Impairment (-)	-	-	-	-	-	-	-	
- The portion of net value secured by guarantee, etc.	-	-	-	-	-	-	-	
E. Off-balance sheet credit risk	-	-	-	-	-	-	-	
Including items								

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Liquidity Risk

March 31, 2020

Contractual Maturities

Non-Derivative Financial Liabilities	Book Value	Contract Agreement		0-12 Months	1-5 Years	Longer than 5 years
		Cash Outflows Total				
Financial Liabilities	477,477,600	477,477,600		266,631,594	158,960,188	51,885,818
Borrowing Notes Issues	-	-		-	-	-
Trade Payables	781,611,387	781,611,387		781,611,387	-	-
Other Payables	3,141,450	3,141,450		3,141,450	-	-

December 31, 2019

Contractual Maturities

Non-Derivative Financial Liabilities	Book value	Contract Agreement		3-12 Ay Months	1-5 Years	Longer than 5 years
		Cash Outflows Total	Shorter than 3 months			
Financial Liabilities	381,481,695	381,481,695	37,207,850	145,563,068	147,633,151	51,077,626
Borrowing Notes Issues	-	-	-	-	-	-
Trade Payables	574,934,836	574,934,836	51,651,605	523,283,231	-	-
Other Payables	3,781,764	3,781,764	-	3,781,764	-	-

Fair Value of Financial Instruments

The Group classifies its financial instruments reflected in their fair values in its consolidated financial statements according to the source of valuation inputs of each class of financial instruments using a three-level hierarchy.

Level 1 : The valuation techniques that the Group can access at the measurement date and the quotation prices of identical assets or debts in the active markets are used,

Level 2 : Other valuation techniques including inputs other than quotation prices in Level 1 that are directly or indirectly observable with respect to the asset or debt,

Level 3 : Valuation techniques using non-observable inputs related to the asset or debt.

Financial Assets (March 31, 2020)	Level 1	Level 2	Level 3
Short Term Financial Investments	2,821,209	26,100,968	-
Financial Assets (December 31, 2019)	Level 1	Level 2	Level 3
Derivative assets	-	4,094,473	-
Short Term Financial Investments	2,556,735	-	-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE INTERIM ENDING IN 31 MARCH 2020

(Amounts expressed in TL unless otherwise stated.)

Financial Liabilities (December 31, 2019)	Level 1	Level 2	Level 3
Derivative liabilities	-	2,244,832	-

32. EVENTS AFTER THE REPORTING PERIOD

The machinery plant and device valuation report was issued on 04.06.2020 by Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş. authorized by the Capital Markets Board in order to determine the fair value of the plant machinery and devices registered in the Group's assets on March 31, 2020. Market approach, income approach and cost approach methods were used in the valuation method. The total value of the machine facilities and devices at the March 31, 2020 date was determined as 121.175.000-TL. The difference between their registered values and their fair values at the revaluation date was determined as 43.735.705-TL gross. The valuation transactions were defined by the Group management as events requiring adjustment according to the event standard after the reporting period of TMS 10 and the valuation amounts were taken into account in the consolidated financial statements dated March 31, 2020.

Coronavirus epidemic, a virus that emerges in China and spreads to the world and causes fatal respiratory infections, adversely affects regional and global economic conditions in exposed countries. Coronavirus case was first detected in Turkey on March 10, 2020. According to World Health Organization data, its declaration as a pandemic took place in the third month of 2020. The final magnitude of the Coronavirus outbreak remains uncertain at this time and therefore the Group cannot reasonably predict its impact on its operations but is not expected to have a negative impact on its food sector turnover and volume.