

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

JANUARY 1 – DECEMBER 31, 2020
CONSOLIDATED FINANCIAL STATEMENTS
AND AUDIT REPORT

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

Report Date: 10.03.2021
Report Number: AU/2021/003



DMR Bağımsız Denetim ve
Danışmanlık A.Ş.
Eğitim Mahallesi Hakkı
Manço Sokak No:1 Önen

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INDEPENDENT AUDITORS' REPORT

To the Board of **Ulusoy Un Sanayi ve Ticaret A.Ş.**

A. Report on the Audit of the Consolidated Financial Statements

1- Opinion

We have audited the accompanying consolidated financial statements of Ulusoy Un Sanayi ve Ticaret A.Ş. (the "Company") and its consolidated financial affiliates (together will be referred as to "the Group") which comprise the consolidated statement of financial position as at 31 December 2020 and the consolidated statement of income, consolidated statement of other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS").

2- Basis for Opinion

We conducted our audit in accordance with Standards on Independent Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We declare that we are independent of the Group in accordance with the Code of Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3- Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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Key Audit Matter

a.1. Recoverability of Trade Receivables

Trade receivables from third parties constitute a significant portion of the consolidated assets of the Group. Furthermore, the assessment of the recoverability of these assets involves significant level of management estimates. Therefore; recoverability of trade receivables is a key matter for our audit.

a.1.1 How Our Audit Addressed The Key Audit Matter

Audit procedures are designed to obtain existence of financial assets. Testing receivables from third parties by obtaining confirmation letters from customers and reconciling them to Groups accounting records. Inquiries with management in relation to any disputes with customers and written inquiries with the Group's legal counsels on outstanding litigation in relation to trade receivables. Analytical procedures on aging of receivables and trade receivable turnover days and understanding and evaluating the customer provision process run by the management. Testing on a sample basis, collections in the subsequent period from selected customers. We had no material findings related to the recoverability of trade receivables as a result of these procedures.

a.2. Inventories and Provision for the impairment of inventories

The Group's inventory is amounting 459.113.825-TL as of 31 December 2020. As of reporting period, inventory is 27% of the total assets. Since the inventory is material for the financial statements and related with the main daily operations, inventory is a key matter for our audit.

a.2.1 How Our Audit Addressed the Key Audit Matter

While designing audit procedures related to this key audit issue, it was checked whether inventory exists, cost values and net realizable values were tested. The Group's year-end stocktaking process was observed, Customs Declarations and invoices related to the goods on the road and related contracts and invoices for transit purchases were provided. Valuations were checked for available inventory at the end of the year. It was also controlled that whether the inventories are valued at the lower of the cost value and the net realizable value, and where necessary, inventory impairment provisions are made. Invoices related to the inventories received during the period were analyzed by the sampling basis and the amounts related to taking the inventories into financial statements were checked.

a.3. Trade Payables

As of reporting period, Group's trade payable account is 23% of the total liabilities. Since the trade payable is material for the financial statements, trade payable is a key matter for our audit.



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a.3.1 How Our Audit Addressed the Key Audit Matter

Audit procedures are designed to obtain existence and accuracy of trade payable. Testing on a sample basis, confirmation letters are sent to the suppliers and payments in the subsequent period from selected suppliers.

a.4. Financial Liabilities

As of reporting period, Group's financial liabilities is 49% of the total liabilities. Since the financial liabilities is material for the financial statements, financial liabilities are a key matter for our audit.

a.4.1 How Our Audit Addressed the Key Audit Matter

Audit procedures are designed to obtain existence of financial liabilities and conforming the accuracy of these liabilities. Confirmation letters are sent to the banks and payments and interest payments are tested on a sample basis for the current period. Amortized cost of these liabilities are recalculated.

a.5. Revenue Recognition

The process of recording revenue in the correct period and transferring them to the financial statements were considered as a key audit matter due to the various number of transactions related to revenue.

a.5. How Our Audit Addressed the Key Audit Matter

Recording revenue to financial statements in accordance with the accounting processes in TFRS 15 was questioned. The sales made during the period and after the closing period were selected with the sampling method, and whether the revenue is recorded in the correct periods was evaluated with substantive test. It is evaluated whether there is a high and unusual return and discount in sales returns and discounts in the period after the reporting date.

a.6. Derivative Financial Instruments

The Group holds all derivative financial instruments for trading purposes. The difference between the cost value and the fair value of the derivative financial instrument is associated with the consolidated statement of profit or loss. The fair value of derivative financial instruments is determined by using valuation techniques, assumptions and forecasts. Derivative financial instruments have been considered as key audit matters because of the importance of derivative financial instruments on consolidated financial statements and the use of assumptions and estimates in valuations.

a.6.1 How Our Audit Addressed the Key Audit Matter

Audit procedures include comparing the derivative transactions in the financial statements with the reconciliations from financial institutions that are counterparties. Derivative financial instrument



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contracts, which are selected as examples as additional audit procedures, were examined and the cost and fair value differences associated with the consolidated financial statements were checked.

a.7. Tangible Assets

As of 31 December 2020, the Group's property, plant and equipment comprise 17% of its total assets. Due to the size of the balance sheet, tangible fixed assets are considered as the main subject of the audit.

a.7.1 How Our Audit Addressed the Key Audit Matter

Revaluation studies and calculated depreciation amounts for land and buildings have been tested by recalculation method. The appropriateness of the recognition, classification and disclosures of tangible assets in accordance with TAS 16 has been questioned.

4- Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TAS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5- Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.



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As part of an independent audit conducted in accordance with SIA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ✓ Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ✓ Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ✓ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ✓ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ✓ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ✓ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence. We also communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

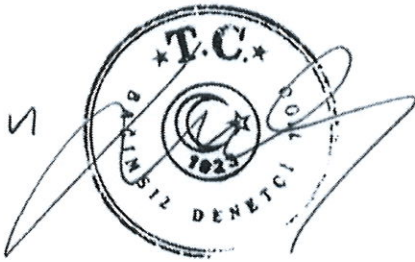
B. Other Responsibilities Arising From Regulatory Requirements

1) Audit report on early risk identification system and committee, which has been prepared in accordance with 6102 numbered Turkish Commercial Code's ("TCC") 398th article in paragraph 4, has been submitted to The Company's Board of Directors on 10.03.2021.

2) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2020 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The engagement partner on the audit resulting in this independent auditor's report is Prof. Dr. Ömer LALİK.

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



Prof. Dr. Ömer LALİK
Partner
İstanbul, 10.03.2021

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ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

| ASSETS | Notes | 31.12.2020 | 31.12.2019 |
|--|--------------|----------------------|----------------------|
| Current Assets | | 1.339.099.007 | 1.065.392.461 |
| Cash and Cash Equivalents | 6 | 327.845.182 | 148.566.399 |
| Financial Investments | 7 | 32.104.780 | 2.556.735 |
| Trade Receivables | 10 | 430.505.817 | 542.120.772 |
| -Trade Receivables From Related Parties | | 1.384.711 | 3.074.624 |
| -Trade Receivables From Other Parties | | 429.121.106 | 539.046.148 |
| Receivables from Finance Sector Operations | 12 | - | - |
| Other Receivables | 11 | 15.144.060 | 9.638.349 |
| Derivative Financial Instruments | 13 | 10.668.553 | 4.094.473 |
| Inventories | 14 | 459.113.825 | 302.969.241 |
| Biological Assets | 15 | - | - |
| Prepaid Expenses | 16 | 48.896.941 | 46.484.266 |
| Prepaid Expenses | 20 | 1.262.430 | - |
| Other Current Assets | 28 | 13.557.419 | 8.962.226 |
| <i>(Sub Total)</i> | | <i>1.339.099.007</i> | <i>1.065.392.461</i> |
| Fixed Assets Held for Sale | 35 | - | - |
| Non-Current Assets | | 334.240.587 | 215.107.051 |
| Financial Investments | 7 | - | - |
| Trade Receivables | 10 | 10.197.097 | 8.822.866 |
| Receivables from Financial Sector Activities | 12 | - | - |
| Other Receivables | 11 | 285.615 | 1.119.854 |
| Derivative Financial Instruments | 13 | - | - |
| Investments Valued by Equity Method | 18 | 4.936.299 | 4.612.490 |
| Biological Assets | 15 | - | - |
| Investment Properties | 19 | 12.863.685 | 11.500.000 |
| Tangible Assets | 21 | 287.993.310 | 179.250.534 |
| Intangible Assets | 22 | 1.356.251 | 365.879 |
| -Goodwill | 22 | - | - |
| -Other Intangible Assets | 22 | 1.356.251 | 365.879 |
| Prepaid Expenses | 16 | 3.042.014 | 3.042.014 |
| Deferred Tax Assets | 36 | 13.566.316 | 6.393.414 |
| Other Non-Current Assets | 28 | - | - |
| TOTAL ASSETS | | 1.673.339.594 | 1.280.499.512 |

Consolidated financial statements for the period ended December 31, 2020 were approved at the board meeting on March 10, 2021 and signed by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol and Kemal Kitaplı on behalf of the Board of Directors.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

| LIABILITIES | Notes | 31.12.2020 | 31.12.2019 |
|---|-----------|----------------------|----------------------|
| Short Term Liabilities | | 973.418.067 | 798.508.885 |
| Short Term Financial Borrowings | 8 | 340.126.709 | 101.222.155 |
| Short Term Portions of Long-Term Financial Borrowings | 8 | 185.994.988 | 81.548.763 |
| Other Financial Liabilities | 9 | - | - |
| Trade Payables | 10 | 392.005.623 | 574.934.836 |
| -Trade Payables From Related Parties | | 89.877 | 167.724 |
| -Trade Payables From Other Parties | | 391.915.746 | 574.767.112 |
| Payables from Finance Sector Operations | 12 | - | - |
| Payables Related with Employee Benefits | 26 | 1.818.309 | 1.444.264 |
| Other Payables | 11 | 15.479.323 | 3.781.764 |
| - Other Payables From Related Parties | | 14.959.964 | 3.540.013 |
| -Other Payables From Other Parties | | 519.359 | 241.751 |
| Derivative Financial Instruments | 13 | 2.017.984 | 2.244.832 |
| Government Grants | 23 | - | - |
| Deferred Incomes | 16 | 20.913.623 | 20.809.296 |
| Corporate Tax Liabilities | 36 | 61.225 | 1.572.145 |
| Short Term Provisions | 24 | 6.613.745 | 264.463 |
| -Short Term Provisions for Employee Benefits | 26/24 | 45.101 | 10.842 |
| -Other Short-Term Provisions | 24 | 6.568.644 | 253.621 |
| Other Short-Term Liabilities | 28 | 8.386.538 | 10.686.367 |
| (Sub Total) | | 973.418.067 | 798.508.885 |
| Liabilities of Fixed Assets Held for Sales Purpose | 35 | - | - |
| Long Term Liabilities | | 315.413.045 | 208.696.825 |
| Long Term Financial Borrowings | 8 | 293.157.916 | 198.710.777 |
| Other Financial Liabilities | 9 | - | - |
| Trade Payables | 10 | - | - |
| Payables from Finance Sector Operations | 12 | - | - |
| Derivative Financial Instruments | 23 | - | - |
| Deferred Incomes | 16 | - | - |
| Long Term Provisions | 24 | 2.564.363 | 2.055.194 |
| -Long Term Provisions for Employee Benefits | 26/24 | 2.564.363 | 2.055.194 |
| Corporate Tax Liabilities | | - | - |
| Deferred Tax Liabilities | 36 | 19.690.766 | 7.930.854 |
| Other Long-Term Liabilities | 28 | - | - |
| Shareholder's Equity | 29 | 384.508.482 | 273.293.802 |
| Equity Holders of The Parent Company | | 384.508.482 | 273.293.802 |
| Paid in Capital | | 84.500.000 | 84.500.000 |
| Treasury Shares (-) | | - | (3.445.108) |
| Share Premiums on Capital Stock | | 57.194.029 | 38.607.992 |
| Accumulated Other Comprehensive (Income) Expenses not to be Reclassified in Profit and (Loss) | | 61.443.837 | 26.601.628 |
| -Revaluation and Remeasurement Gains/ (Losses) | | 61.443.837 | 26.601.628 |
| -Tangible Assets Revaluation Increases/(Decreases) | | 62.149.360 | 27.202.058 |
| -Defined Benefit Plans Revaluation Gains/(Losses) | | (705.523) | (600.430) |
| Other Accumulated Comprehensive Income or Expenses to be Classified in Profit or (Loss) | | 15.353.588 | 4.346.131 |
| - Foreign Currency Conversion | | 15.353.588 | 4.346.131 |
| Restricted Reserves | | 7.726.207 | 11.171.315 |
| Retained Earnings | | 115.008.531 | 84.516.493 |
| Net Profit/(Loss) for the Period | | 43.282.290 | 26.995.351 |
| Non-Controlling Interests | | - | - |
| TOTAL LIABILITIES | | 1.673.339.594 | 1.280.499.512 |

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDED THEN DECEMBER 31, 2020
(Amounts expressed in TL, unless otherwise is stated.)

| | Notes | January 01- December 31, 2020 | January 01 - December 31, 2019 |
|---|-----------|-------------------------------------|--------------------------------------|
| OPERATING ACTIVITIES | | | |
| Revenue | 30 | 4.344.809.129 | 3.052.037.806 |
| Cost of Sales (-) | 30 | (4.141.713.998) | (2.892.155.932) |
| Gross Profit/Loss from Commercial Activity | | 203.095.131 | 159.881.874 |
| Income from Financial Sector Activities | | - | - |
| Cost of Financial Sector Activities (-) | | - | - |
| Gross Profit/(Loss) From Financial Sector Activities | | - | - |
| GROSS PROFIT/(LOSS) | | 203.095.131 | 159.881.874 |
| General Administrative Expenses (-) | 31 | (20.376.206) | (13.890.975) |
| Marketing Expenses (-) | 31 | (69.972.865) | (42.862.813) |
| Research and Development Expenses (-) | 31 | (86.517) | (123.301) |
| Other Operating Income | 32 | 209.046.253 | 143.406.207 |
| Other Operating Expenses (-) | 32 | (135.702.758) | (92.289.385) |
| OPERATING PROFIT/(LOSS) | | 186.003.038 | 154.121.607 |
| Income from Investing Activities | 32 | 3.581.016 | 2.391.507 |
| Expenses from Investing Activities | 32 | (105.630) | (118.445) |
| The Profit/(Loss) of Decrease in Value Determined in Accordance with TFRS 9 and Cancellations for Decrease in Value of Loss | | (76.521) | 34.110 |
| Shares of Investments Evaluated by Equity Method in Profit/(Loss) | 33 | 867.151 | 601.824 |
| OPERATING PROFIT/(LOSS) BEFORE FINANCIAL EXPENSE | | 190.269.054 | 157.030.603 |
| Financial Income | 34 | 371.238.230 | 130.008.931 |
| Financial Expenses (-) | 34 | (517.753.882) | (250.998.297) |
| CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAX | | 43.753.402 | 36.041.237 |
| Continuing Operations Tax Income/(Expenses) | 36 | (471.112) | (9.045.886) |
| Current Period Tax Income/(Expenses) | | (3.771.719) | (2.439.522) |
| Deferred Tax Income/(Expenses) | | 3.300.607 | (6.606.364) |
| CONTINUING OPERATIONS PROFIT/(LOSS) FOR THE PERIOD | | 43.282.290 | 26.995.351 |
| DISCONTINUED OPERATIONS PROFIT/(LOSS) FOR THE PERIOD | | - | - |
| The Profit/(Loss) of Discontinued Operations After Tax | | - | - |
| NET PROFIT/(LOSS) FOR THE PERIOD | | 43.282.290 | 26.995.351 |
| Net Profit/(Loss) Attributable To: | | 43.282.290 | 26.995.351 |
| Non-Controlling Interests | | | |
| Equity Holders of The Parent Company | | 43.282.290 | 26.995.351 |
| Earnings Per Share | 37 | 0,5122 | 0,3272 |
| Earnings Per Share from Continuing Operations | | 0,5122 | 0,3272 |
| Earnings Per Share from Discontinued Operations | | - | - |
| Diluted Earnings Per Share | | - | - |
| Diluted Earnings Per Share from Continuing Operations | | - | - |
| Diluted Earnings Per Share from Discontinued Operations | | - | - |

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

| | Notes | January 01- December 31, 2020 | January 01 - December 31, 2019 |
|--|-----------|-------------------------------------|--------------------------------------|
| OTHER COMPREHENSIVE INCOME | | | |
| Not to be Classified in Profit or (Loss) | 29 | 34.893.788 | (59.218) |
| Tangible Assets Revaluation Increases/(Decreases) | | 43.735.705 | - |
| Intangible Assets Revaluation Increases/(Decreases) | | - | - |
| Defined Benefit Plans Revaluation Gains/(Losses) | | (131.367) | (106.283) |
| Shares Not to be Classified to Profit/(Loss) from Other Comprehensive Income of Investment Valued by Equity Method | | - | - |
| Other Comprehensive Income Items Not to Classify to Other Profit/(Loss) | | - | - |
| Taxes Related to Other Comprehensive Income Not to Reclassified to Profit/(Loss) | | (8.710.550) | 47.065 |
| <i>Current Period Tax Income / (Expenses)</i> | | - | - |
| <i>Deferred Tax Income / (Expenses)</i> | | (8.710.550) | 47.065 |
| To be Classified in Profit or (Loss) | | 11.007.457 | 2.868.824 |
| Foreign Currency Conversion Adjustments | | 11.007.457 | 2.868.824 |
| Revaluation and/or Classification Gains/(Losses) of Available for Sale Financial Assets | | - | - |
| Cash Flow Hedge Gains/(Losses) | | - | - |
| Investment Hedge Gains/(Losses) Related to Foreign Business | | - | - |
| Shares to be Classified in Profit/(Loss) from Other Comprehensive Income of Investment Valued by Equity Method | | - | - |
| Other Comprehensive Income Items to Classify to Other Profit/(Loss) | | - | - |
| Taxes Related to Other Comprehensive Income to Reclassify to Profit/(Loss) | | - | - |
| <i>Current Period Tax Income / (Expenses)</i> | | - | - |
| <i>Deferred Tax Income / (Expenses)</i> | | - | - |
| OTHER COMPREHENSIVE INCOME | | 45.901.245 | 2.809.606 |
| TOTAL COMPREHENSIVE INCOME | | 89.183.535 | 29.804.957 |
| Total Comprehensive Income Attribute To: | | 89.183.535 | 29.804.957 |
| Non-Controlling Interests | | | |
| Equity Holders of The Parent Company | | 89.183.535 | 29.804.957 |

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

| | | | | | Accumulated Comprehensive Expenses Reclassified Loss | Income Not Under Profit Or | Other to Be Profit Or | Profit or Loss be classified Accumulated Other Comprehensive Income and Expenses | Accumulated Profit/(Loss) | | |
|--|-----------|--------------------|------------------------|--|--|---|--|--|---------------------------|------------------------------------|--------------------|
| | Notes | Paid in Capital | Treasury Shares (-) | Share Premiums on Capital Stock | Tangible Assets Revaluation Increases/ (Decreases) | Defined Benefit Revaluation Gains/(Losses) | Plans Foreign Translation Currency Differences | Restricted Reserves | Retained Earnings | The Profit /(Loss) of Period | of Total |
| December 31, 2018 Balance | | 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 | 29 | - | - | - | (118.425) | - | - | 2.032.987 | 17.991.609 | (19.906.171) | - |
| Increase (Decrease) Due to Share Treasury Transactions | | - | - | - | - | - | - | - | - | - | - |
| Changes In Accounting Policies | 29 | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income | 29 | - | - | - | 23.683 | (82.901) | 2.868.824 | - | - | 26.995.351 | 29.804.957 |
| December 31, 2019 Balance | 29 | 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 | 29 | - | - | - | (51.579) | - | - | - | 27.046.930 | (26.995.351) | - |
| Increase (Decrease) Due to Share Treasury Transactions | 29 | - | 3.445.108 | 18.586.037 | - | - | - | (3.445.108) | 3.445.108 | - | 22.031.145 |
| Changes In Accounting Policies | | - | - | - | - | - | - | - | - | - | - |
| Total Comprehensive Income | 29 | - | - | - | 34.998.881 | (105.093) | 11.007.457 | - | - | 43.282.290 | 89.183.535 |
| December 31, 2020 Balance | 29 | 84.500.000 | - | 57.194.029 | 62.149.360 | (705.523) | 15.353.588 | 7.726.207 | 115.008.531 | 43.282.290 | 384.508.482 |

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

| | Notes | 01.01.2020 31.12.2020 | 01.01.2019 31.12.2019 |
|--|-------|--------------------------|--------------------------|
| A. Cash Flow From Operating Activities | | (184.619.598) | (54.442.793) |
| Net Profit/(Loss) For the Period | 29 | 43.282.290 | 26.995.351 |
| Adjustment Related to Period Profit/Loss Agreement | | 5.507.773 | 9.101.606 |
| Adjustments Related to Depreciation and Amortization Expense | 31 | 13.826.810 | 5.902.392 |
| Adjustments Related to Interest Income/Expense | | (10.922.581) | (4.126.789) |
| Adjustments Related to Provisions | | 6.727.084 | 719.639 |
| Adjustments Related to Tax Income/Expense | | (4.123.540) | 6.606.364 |
| Changes in Working Capital | | (233.409.661) | (90.539.750) |
| Adjustments Related to Increase/Decrease in Inventories | 14 | (156.144.584) | (154.092.363) |
| Adjustments Related to Increase/Decrease in Trade Receivables | 10 | 110.240.724 | (120.365.597) |
| Adjustments Related to Increase/Decrease in Other Receivables | 11 | (4.671.472) | (9.342.509) |
| Adjustments Related to Increase/Decrease in Trade Payables | 10 | (182.929.213) | 178.652.741 |
| Adjustments Related to Increase/Decrease in Other Payables | 11 | 11.697.559 | 3.749.647 |
| Adjustments Related to Other Increase/Decrease in Working Capital | | (11.602.675) | 10.858.331 |
| Cash Flow from Operating Activities | | (184.619.598) | (54.442.793) |
| B. Cash Flows From Investing Activities | | (117.860.720) | (81.202.922) |
| Purchase of Tangible and Intangible Asset | 21/22 | (81.184.898) | (46.522.881) |
| Disposal of Tangible and Intangible Asset | 21/22 | 1.360.645 | 166.734 |
| Cash Inflows from Investment Property Sales | | (1.363.685) | (1.700.000) |
| Cash Outflows for Debt Instruments or Shares of Other Companies or Funds | 7/18 | (29.871.854) | (1.666.434) |
| Cash Inflows for Debt Instruments or Shares of Other Companies or Funds | 7/18 | - | - |
| Derivative Instruments Cash Inflows | 13 | - | - |
| Derivative Instruments Cash Outflows | 13 | (6.800.928) | (31.480.341) |
| C. Cash Flows From Financing Activities | | 470.751.644 | 48.073.834 |
| Capital Contribution | 29 | - | - |
| Cash outflow Arising from Buying Its Own Shares | | 22.031.145 | - |
| Cash Inflows from Financial Borrowings | | 781.807.387 | 519.761.499 |
| Cash Outflows from Financial Payments | | (278.772.750) | (436.577.903) |
| Received Interest | 34 | 12.962.869 | 13.732.229 |
| Interest Expenses | 34 | (67.277.007) | (48.841.991) |
| Dividends Paid | 29 | - | - |
| Net Increase/(Decrease) in Cash and Cash Equivalents Before the Effect of Foreign Currency Exchange Differences (A+B+C) | | 168.271.326 | (87.571.881) |
| D. Effect of Foreign Currency Exchange Adjustments on Cash and Cash Equivalents | | 11.007.457 | 2.868.824 |
| Net Increase/Decrease in Cash and Cash Equivalents (A+B+C+D) | | 179.278.783 | (84.703.057) |
| E. Cash and Cash Equivalents at the Beginning of the Period | 6 | 148.566.399 | 233.269.456 |
| Cash and Cash Equivalents at the End of the Period (A+B+C+D+E) | 6 | 327.845.182 | 148.566.399 |

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

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

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

The Company's registered capital ceiling is 422.500.000-TL. The permission of registered capital ceiling given by Capital Market Board ("CMB") is valid between 2020 – 2024 (for 5 Years).

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

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

Partnership structure of The Company is as follows:

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

The Company has 298 employees as of December 31, 2020 (December 31, 2019:243 employees).

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

| Subsidiaries | December 31, 2020 (Ratio) | December 31, 2019 (Ratio) |
|---|---------------------------|---------------------------|
| Uludağ Tarım Ürünleri Lisanslı Depoculuk A.Ş. | %100 | %100 |
| Rolweg SA | %100 | %100 |
| Alfaway Gıda Sanayi ve Ticaret A.Ş. | %100 | %100 |

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

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

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

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

The Capital as of December 31, 2020 is 25.000.000-TL and there isn’t unpaid capital.

Uludaş bought 100% shares of GK Tarım Ürünleri Lisanslı Depoculuk A.Ş.. The financial reports of Uludaş are prepared in consolidation format as of 31.12.2020.

The Company has one subsidiary as of reporting date. The shares on the subsidiary are as follows:

| Subsidiaries | December 31, 2020 (Ratio) | December 31, 2019 (Ratio) |
|---|----------------------------------|----------------------------------|
| GK Tarım Ürünleri Lisanslı Depoculuk A.Ş. | %100 | - |

Rolweg SA (“Rolweg”)

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

Rolweg's capital was increased by 2,000,000 Swiss francs (CHF) with the decision taken on 23.07.2019. As of 31.12.2020, the capital of Rolweg SA is 3,000,000 Swiss francs.

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

It was established on 24.09.2019 to manufacture, wholesale and retail purchase, sale and distribution, import and export of all kinds of foodstuffs. The head office address of Alfaway is Şabanoğlu Mahallesi Atatürk Boulevard N180 / 1 Tekkeköy Samsun. As of 31 December 2019, its capital is 5.000.000 TL. Ulusoy Un Sanayi ve Ticaret A.Ş. holds 100% of Alfaway's capital.

As of 31 December 2020, the company has 58 employees.

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

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN
DECEMBER 31, 2020

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

2. BASIS OF THE FINANCIAL STATEMENTS

2.1. Basis of Presentation

2.1.1. Statement of Compliance

The Group prepares its accounting records in accordance with the accounting principles of Turkish Commercial Code and Turkish Tax Law and prepares legal financial statements in Turkish Lira (TL).

The accompanying financial statements are prepared in accordance with the Turkish Accounting Standards (“TAS”) / Turkish Financial Reporting Standards (“TFRS”), which are endorsed by the Public Oversight Accounting and Auditing Standard Authority according to Communiqué No:II, 14.1 “Communiqué on Financial Reporting Standards in Capital Markets” (“the Communiqué”) promulgated by CMB, which is published in the Official Gazette dated June 13, 2013 and numbered 28676.

Consolidated financial statements for the period ended December 31, 2020 were approved at the board meeting on March 10, 2021 and signed by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol and Kemal Kitaplı on behalf of the Board of Directors.

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

2.1.2. Basis of Financial Statements Preparation

Consolidated financial statements dated 31 December 2020 are presented in accordance with the formats specified in the Announcement of the TAS Taxonomy published by KGK on April 15, 2019 and the Financial Statement Examples and User Guide published by the CMB.

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

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

Coronavirus (Covid-19) pandemic, a virus that originated in China and spread around the world causing deadly respiratory infections negatively affects the economic conditions in the countries of exposure, regionally and globally. The disease was confirmed in Turkey on March 10, 2020. According to the data of the World Health Organization, it took the third month of 2020 to be declared as a pandemic. While the duration of the pandemic remains uncertain, its effects are expected to become apparent in the medium and long term. The Group management monitors all developments regarding the effects of the Covid-19 outbreak on the financial statements and takes the necessary measures. The impact of Covid-19 on Turkey is not possible to estimate; hence the duration of the outbreak would allow more robust evaluation processes in the medium and long term. The Group management follows all developments regarding the effects of the Covid-19 outbreak on the financial statements and takes the necessary measures. Despite the negative effects of the epidemic, the Company's supply chain, production and logistics have not experienced any damage. The Company continues its activities by taking care of the health of all employees, especially those in the relevant units. While preparing the consolidated financial statements as of December 31, 2020, the Group management evaluated the possible effects and reviewed the estimates and assumptions used in the preparation of the consolidated financial statements. Although the magnitude of the Coronavirus outbreak remains uncertain at the moment and its impact on Group operations cannot be reasonably estimated, there is no expectation that it will have a negative impact on the food sector turnover and activity volume.

2.1.3. Reporting Currency

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

In order to prepare consolidated financial statements and footnotes in TL, subsidiaries operating abroad in the scope of consolidation are required to convert monetary statement of financial position accounts using the existing exchange rate of TL and non-monetary statement of financial position accounts, income, expense and cash flow accounts using the rate of the transaction date of TL.

The financial statements prepared in USD, which is the functional currency of Rolweg SA, are translated into the functional currency of the Company, as follows:

-As of 31 December 2020, assets and liabilities accounts were translated by T.C. Central Bank with USD buying rate (1 USD = 7,3405-TL)

-Statement of profit and loss accounts are converted to TL at the average rates of the relevant year.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

2.1.4. Adjustment of Financial Statements in Hyperinflation Period

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

2.1.5. Basis of Consolidation

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

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

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

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

2.1.5.1. Subsidiaries

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

The Company owns 100% of Alfaway, Rolweg SA and Uludaş as of December 31, 2020. Since the Company controls the activities of Alfaway, Rolweg SA and Uludaş, the financial statements of Alfaway, Rolweg SA and Uludaş are included in the attached consolidated financial statements by full consolidation method. Since Uludaş has control power over GK Tarım, Uludaş financial statements are included in the scope of consolidation.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

2.1.5.2. Elimination by Consolidation

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

2.1.5.3. Non-controlling Interests

Non-controlling interests in net assets of consolidated subsidiaries are expressed separately in shareholders' equity of The Group. Non-controlling interests consist of amount of these interests which realized in the beginning of merger and amount of non-controlling interests in the changes in equity since merging date. Shares do not exist which do not have control in participation based on consolidation.

2.1.6. Comparative Information and Prior Period Financial Statement Correction

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

2.1.7. Offsetting

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

2.1.8. Changes in Accounting Policies

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

2.1.9. Changes in Accounting Estimates and Errors

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

The preparation of financial statements; Group management makes judgments, estimates and assumptions. The estimates are used particularly in the following notes: determining the useful lives

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

of tangible and intangible assets, determining the actuarial assumptions used in the retirement pay account, provisions to be set aside for lawsuits and enforcement proceedings against the Group, and determination of inventory impairment.

Significant Accounting Evaluations, Estimates and Assumptions,

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

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

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

2.1.10. Summary of Significant Accounting Policies

2.1.10.1. Revenue

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

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

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

2.1.10.2. Tangible Assets

Tangible assets such as underground and overland plants, furniture and fixture, plants machinery and equipment of The Group are presented by their cost, including expenses incurred to make it ready for use, after deducting accumulated depreciation and accumulated impairment loss As of December 31, 2019; lands, buildings and vehicles are reported due to revaluation model in the consolidated financial statements and the realized difference is reported in equity in tangible assets revaluation surplus and in the statement of other comprehensive income in the related period When tangible assets are sold, realized profit or loss is presented in profit or loss statement after their cost

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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

and accumulated depreciation are deducted from the related accounts. Assets except lands are depreciated by considering the rates which are determined according to their useful lives.

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

2.1.10.3. Intangible Assets

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

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

2.1.10.4. Impairment of Assets

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

2.1.10.5. Borrowing Costs

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

2.1.10.6. Inventories

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

2.1.10.7. Financial Assets

2.1.10.7.1. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments of which maturities are three months or less from the date of acquisition

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and that are easily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.1.10.7.2. Trade and Other Receivables

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

2.1.10.7.3. Derivative Financial Instruments

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

2.1.10.8. Financial Liabilities

2.1.10.8.1. Financial Borrowings

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

2.1.10.8.2. Trade and Other Payables

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

Credit Risk:

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

Market Risk:

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

Liquidity Risk:

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

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2.1.10.9. Foreign Currency Transactions

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

2.1.10.10. Earnings Per Share

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

2.1.10.11. Subsequent Events

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

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

2.1.10.12. Related Parties

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

2.1.10.13. Taxes Calculated on The Basis of The Company's Earnings

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

The Group is required to pay temporary corporate tax based on their quarterly profits at the rate of 22%. Temporary Corporate tax must be submitted by the 14th of the second month following the quarterly period and the tax should be paid until the 17th of the same month. Temporary corporate tax payments are going to be offset against the final corporate tax liability of The Group, which is

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determined in the annual return. According to the Turkish Tax Laws, stated financial loss can be deducted from profit for five years.

2.1.10.14. Employee Termination Benefits

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

2.1.10.15. Investment Properties

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

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

2.2. Significant Accounting Evaluation, Estimates and Judgments

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

2.3. New and Revised Turkish Financial Reporting Standards

The Group applied all standards promulgated by Public Oversight Accounting and Auditing Standard Authority, which are valid and mandatory as of December, 31 2020

New standards effective as of December 31, 2020, and changes and interpretations to existing previous standards:

TAS 1 and TAS 8- Materiality Definition

It will be valid from the reporting periods as of January 1, 2020. "TAS 1 Presentation of Financial Statements" and "TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors" have been amended. The purpose of these changes is to ensure that the definition of "materiality" is compatible between the standards and to clarify certain parts of the definition. According to the new definition, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of a specific reporting entity's general purpose financial

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statements make on the basis of those financial statements. Changes indicate that the materiality of the information will depend on its nature, size, or both. Companies are obliged to evaluate the materiality of the effect of information on financial statements when used alone or in combination with other information.

Privileges Recognized in Lease Payments Regarding Covid-19 (Amendments to TFRS 16)

On June 5, 2020, the KGK made changes related with the TFRS 16 Leases standard in order to provide an exemption to the lease privileges granted to tenants due to the COVID-19 outbreak to assess whether there was a change in leasing. Lessees benefiting from this exemption are required to recognize any change in lease payments in accordance with the provisions of the Standard that apply if the change is not a change in the lease.

The application will only be applicable for exemptions in lease payments recognized due to the COVID-19 outbreak and only if all the following conditions are met:

- The change in the lease payments causes the leasing price to be revised and the revised price is substantially the same or lower than the leasing price immediately before the change,
- Any reduction in lease payments that only affects payments which normally expire on or before June,30 2021; and
- No significant change in other terms and conditions of the lease.

Lessees will apply this change in annual reporting periods starting on or after June 1, 2020. Early application is allowed.

Definition of A Business (Amendments to TFRS 3)

The purpose of this change is to support companies to eliminate the ambiguity regarding business definition.

Interest Rate Benchmark Reform (Amendments to TFRS 9, TAS 39 ve TFRS 7)

In order to ensure the continuation of hedge accounting in relation to the benchmark interest rate reform in TFRS 9 and TAS 39, related practices have been made, valid in the annual reporting periods starting on or after January 1, 2020. These practices generally involve the assumption that the benchmark interest rate on which the hedged cash flows or the hedged risk are based, or on which the cash flows for the hedging instrument are based do not change as a result of the benchmark rate reform.

The standards published as of December 31, 2020 but not effective and cannot be early adopted are as follows:

TFRS 17 – Insurance Contracts

TFRS 17, "Insurance Contracts" is valid for annual reporting periods starting on or after January 1, 2021. This standard replaces TFRS 4, which currently allows a wide variety of applications.

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TMS 1 Presentation of Financial Standards

These amendments, which will be effective in the annual reporting periods starting on or after January 1, 2023, bring explanations to the criteria for long and short term classification of liabilities.

TFRS 3 Amendments to Business Combinations;

These amendments update a reference to the Conceptual Framework for Financial Reporting in TFRS 3 without changing the accounting requirements for business combinations.

TMS 16 Amendments to Tangible Assets;

These amendments prohibit the company from deducting the income from the sale of manufactured products from the amount of the tangible asset until the asset is ready for use. Instead, the company will reflect such sales revenue and related cost in profit or loss.

TAS 37 'Amendments to Provisions, Contingent Liabilities and Contingent Assets'

These amendments specifies what costs a company includes when deciding whether to suffer losses from a contract.

Annual Improvements

TFRS 1, 'First Adoption of Turkish Financial Reporting Standards', TFRS 9 'Financial Instruments, TAS 41 'Agriculture' and minor changes in examples of TFRS 16.

Amendments to TFRS 9, TMS 39, TFRS 7, TFRS 4 and TFRS 16

Interest rate benchmark reform Phase 2; valid for reporting periods starting on or after January 1, 2021. The Phase 2 amendment addresses issues arising from the implementation of reforms, including replacing an interest rate benchmark with an alternative rate.

Amendments to TFRS 17 and TFRS 4 "Insurance Contracts", Postponement of the Application of TFRS 9;

These amendments are valid for reporting periods starting on or after January 1, 2021. These changes postpone the application date of TFRS 17 to January 1, 2023 for two years and the fixed date of the temporary exemption in TFRS 4 for the application date of TFRS 9 Financial Instruments standard has been postponed to January 1, 2023.

3. BUSINESS COMBINATIONS

None.

4. INTERESTS IN OTHER ENTITIES

None.

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5. SEGMENTAL REPORTING

| December 31, 2020 | Wheat and Flour Trade | Licensed Warehouse | Elimination | Total |
|---|--------------------------|-----------------------|--------------------|--------------------|
| Revenue | 4.626.024.111 | 9.303.284 | (290.518.266) | 4.344.809.129 |
| Cost of Sales (-) | (4.423.086.471) | (5.137.388) | 286.509.861 | (4.141.713.998) |
| Gross Profit/Loss from Commercial Activity | 202.937.640 | 4.165.896 | (4.008.405) | 203.095.131 |
| Research and Development Expenses (-) | (86.517) | - | - | (86.517) |
| General Administrative Expenses (-) | (19.437.177) | (1.804.579) | 865.550 | (20.376.206) |
| Marketing Expenses (-) | (72.439.645) | - | 2.466.780 | (69.972.865) |
| Other Operating Income | 206.760.732 | 4.203.606 | (1.918.085) | 209.046.253 |
| Other Operating Expenses (-) | (137.490.693) | (806.225) | 2.594.160 | (135.702.758) |
| Operating Profit/(Loss) | 180.244.340 | 5.758.698 | - | 186.003.038 |
| Income from Investing Activities | 3.517.973 | 63.043 | - | 3.581.016 |
| Expenses from Investing Activities | - | (105.630) | - | (105.630) |
| The Profit/(Loss) of Decrease in Value Determined in Accordance with TFRS 9 and Cancellations for Decrease in Value of Loss | (76.521) | - | - | (76.521) |
| Shares of Investments Evaluated by Equity Method in Profit/(Loss) | 867.151 | - | - | 867.151 |
| Operating Profit/(Loss) Before Financial Expenses | 184.552.943 | 5.716.111 | - | 190.269.054 |
| Financial Income | 371.432.738 | 899.392 | (1.093.900) | 371.238.230 |
| Financial Expenses (-) | (515.026.808) | (3.820.974) | 1.093.900 | (517.753.882) |
| Continuing Operations Profit/(Loss) Before Tax | 40.958.873 | 2.794.529 | - | 43.753.402 |
| Continuing Operations Tax Income/(Expenses) | (1.302.117) | 831.005 | - | (471.112) |
| Net Profit/(Loss) For the Period | 39.656.756 | 3.625.534 | - | 43.282.290 |

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| December 31, 2019 | Wheat and Flour Trade | Licensed Warehouse | Elimination | Total |
|---|-----------------------|--------------------|--------------------|--------------------|
| Revenue | 3.085.440.548 | 4.249.540 | (37.652.282) | 3.052.037.806 |
| Cost of Sales (-) | (2.927.275.861) | (1.485.128) | 36.605.057 | (2.892.155.932) |
| Gross Profit/Loss from Commercial Activity | 158.164.687 | 2.764.412 | (1.047.225) | 159.881.874 |
| Research and Development Expenses (-) | (123.301) | - | - | (123.301) |
| General Administrative Expenses (-) | (13.203.392) | (1.343.754) | 656.171 | (13.890.975) |
| Marketing Expenses (-) | (43.396.293) | - | 533.480 | (42.862.813) |
| Other Operating Income | 142.311.867 | 1.330.257 | (235.917) | 143.406.207 |
| Other Operating Expenses (-) | (92.011.231) | (378.191) | 100.037 | (92.289.385) |
| Operating Profit/(Loss) | 151.742.337 | 2.372.724 | 6.546 | 154.121.607 |
| Income from Investing Activities | 2.391.507 | - | - | 2.391.507 |
| Expenses from Investing Activities | (118.445) | - | - | (118.445) |
| The Profit/(Loss) of Decrease in Value Determined in Accordance with TFRS 9 and Cancellations for Decrease in Value of Loss | 34.110 | - | - | 34.110 |
| Shares of Investments Evaluated by Equity Method in Profit/(Loss) | 601.824 | - | - | 601.824 |
| Operating Profit/(Loss) Before Financial Expenses | 154.651.333 | 2.372.724 | 6.546 | 157.030.603 |
| Financial Income | 131.891.697 | 19 | (1.882.785) | 130.008.931 |
| Financial Expenses (-) | (251.234.494) | (1.640.042) | 1.876.239 | (250.998.297) |
| Continuing Operations Profit/(Loss) Before Tax | 35.308.536 | 732.701 | - | 36.041.237 |
| Continuing Operations Tax Income/(Expenses) | (8.998.149) | (47.737) | - | (9.045.886) |
| Net Profit/(Loss) For the Period | 26.310.387 | 684.964 | - | 26.995.351 |

| December 31, 2020 | Wheat and Flour Trade | Licensed Warehouse | Elimination | Total |
|--------------------------------------|-----------------------|--------------------|---------------|---------------|
| Total Assets | 1.767.226.391 | 84.799.343 | (178.686.140) | 1.673.339.594 |
| Total Liabilities | 1.372.321.199 | 39.817.132 | (123.307.219) | 1.288.831.112 |
| Equity Holders of The Parent Company | 394.905.192 | 44.982.211 | (55.378.921) | 384.508.482 |
| Non-Controlling Interests | - | - | - | - |

| December 31, 2019 | Wheat and Flour Trade | Licensed Warehouse | 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 |
| Equity Holders of The Parent Company | 293.914.284 | 4.869.813 | (25.490.295) | 273.293.802 |
| Non-Controlling Interests | - | - | - | - |

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| December 31, 2020 | Wheat and Flour Trade | Licensed Warehouse | Total |
|--------------------------------|-----------------------|--------------------|------------|
| Investment Expenditures* | 52.864.316 | 9.586.356 | 62.450.672 |
| Amortization Charge for Period | 12.178.931 | 1.647.879 | 13.826.810 |

| 31 Aralık 2019 | Wheat and Flour Trade | Licensed Warehouse | Total |
|--------------------------------|-----------------------|--------------------|------------|
| Investment Expenditures* | 46.321.573 | 201.308 | 46.522.881 |
| Amortization Charge for Period | 5.507.679 | 394.713 | 5.902.392 |

* Consists of purchases on tangible assets and intangible assets.

6. CASH AND CASH EQUIVALENTS

| | Interest Rate (December 31, 2020) | December 31, 2020 | December 31, 2019 |
|----------------------|---|--------------------|--------------------|
| Cash | | 63.954 | 59.065 |
| Demand Deposits | | 109.332.781 | 25.005.286 |
| Deposit Accounts | USD: %1,75 - %3,5 Interest Corridor TL: %15 - %17,75 Interest Corridor | 199.760.780 | 92.473.701 |
| POS Accounts | | 238.675 | 161.035 |
| Fund Accounts | | 18.613.878 | 30.955.677 |
| Expected Credit Loss | | (164.886) | (88.365) |
| | | 327.845.182 | 148.566.399 |

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

7. FINANCIAL INVESTMENTS

Short Term Financial Investments

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

| | December 31, 2020 | December 31, 2019 |
|------------------|-------------------|-------------------|
| Bonds | 29.712.658 | 1.012.995 |
| Blocked Accounts | 2.392.122 | 1.543.740 |
| | 32.104.780 | 2.556.735 |

Long Term Financial Investments

None.

8. FINANCIAL BORROWINGS

Short Term Financial Borrowings

| | December 31, 2020 | December 31, 2019 |
|---|--------------------|--------------------|
| Short Term Borrowings | 340.126.709 | 101.222.155 |
| Short Term Portions of Long-Term Borrowings (net) | 185.994.988 | 81.548.763 |
| | 526.121.697 | 182.770.918 |

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Short Term Borrowings

| | December 31, 2020 | December 31, 2019 |
|------------------|-------------------|-------------------|
| Short Term Loans | 340.126.709 | 101.222.155 |

Detail of the short-term loans (net) as of December 31, 2020 is as follows:

| Currency | Interest Rate Corridor | Currency Amount | TL Amount |
|----------|--------------------------------|-----------------|--------------------|
| USD | %0,29-%1,84 Interest Corridor | 15.737.218-Usd | 115.519.049 |
| TL | %7,44-%16,20 Interest Corridor | - | 224.607.660 |
| | | | 340.126.709 |

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

| Currency | Interest Rate Corridor | Currency Amount | TL Amount |
|----------|-------------------------------|-----------------|--------------------|
| USD | %1,84-%5,70 Interest Corridor | 17.040.193-Usd | 101.222.155 |
| TL | | - | - |
| | | | 101.222.155 |

Short Term Portions of Long-Term Borrowings

| | December 31, 2020 | December 31, 2019 |
|---|--------------------|-------------------|
| Short Term Portions of Long-Term Loans (net) | 181.930.423 | 74.479.261 |
| Short Term Portions of Long-Term Leasing Payables (net) | 4.064.565 | 7.069.502 |
| | 185.994.988 | 81.548.763 |

Detail of the short-term portions of long-term loans as of December 31, 2020 is as follows:

| Currency | Interest Rate Corridor | Currency Amount | TL Amount |
|----------|-------------------------------|-----------------|--------------------|
| USD | %0,29-%7,43 Interest Corridor | 4.509.980-Usd | 33.105.506 |
| Euro | %3-%4 Interest Corridor | 2.256.317-Euro | 20.324.676 |
| TL | %7,5-%16,5 Interest Corridor | | 128.500.241 |
| | | | 181.930.423 |

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

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

Detail of the short-term portions of long term leasing payables as of December 31, 2020 is as follows:

| Currency | Currency Amount | TL Amount |
|----------|-----------------|------------------|
| USD | 445.171-Usd | 3.267.776 |
| Euro | | - |
| TL | | 796.789 |
| | | 4.064.565 |

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

| Currency | Currency Amount | TL Amount |
|----------|-----------------|------------------|
| USD | 1.169.802-Usd | 6.948.859 |
| Euro | | - |
| TL | | 120.643 |
| | | 7.069.502 |

Long Term Financial Borrowings

| | December 31, 2020 | December 31, 2019 |
|----------------------------------|--------------------|--------------------|
| Long Term Loans (net) | 286.395.403 | 190.728.621 |
| Long Term Leasing Payables (net) | 6.762.513 | 7.982.156 |
| | 293.157.916 | 198.710.777 |

Detail of the long-term loans (net) as of December 31, 2020 is as follows:

| Currency | Interest Rate Corridor | Currency Amount | TL Amount |
|----------|-------------------------------|-----------------|--------------------|
| USD | %0,29-%7,43 Interest Corridor | 16.348.967-Usd | 120.009.591 |
| Euro | %3- %4 Interest Corridor | - | - |
| TL | %7,5- %16,5 Interest Corridor | - | 166.385.812 |
| | | | 286.395.403 |

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

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

Detail of the long-term leasing payables (net) as of December 31, 2020 is as follows:

| Currency | Currency Amount | TL Amount |
|----------|-----------------|------------------|
| USD | 786.396-Usd | 5.772.539 |
| Euro | - | - |
| TL | - | 989.974 |
| | | 6.762.513 |

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

| Currency | Currency Amount | TL Amount |
|----------|-----------------|------------------|
| USD | 1.228.283-Usd | 7.296.245 |
| Euro | - | - |
| TL | - | 685.911 |
| | | 7.982.156 |

9. OTHER FINANCIAL LIABILITIES

None.

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10. TRADE RECEIVABLES AND PAYABLES

Short Term Trade Receivables

| | December 31, 2020 | December 31, 2019 |
|--|--------------------|--------------------|
| Trade Receivables from Related Parties | 904.662 | 711.701 |
| Trade Receivables from Other Parties | 403.520.504 | 518.836.838 |
| Notes Receivable from Related Parties | 480.049 | 2.362.923 |
| Notes Receivable from Other Parties | 28.260.053 | 21.244.946 |
| Deferred Maturity Difference Income (-) | (2.659.451) | (1.035.636) |
| Doubtful Trade Receivables | 7.521.114 | 7.588.747 |
| Provision for Doubtful Trade Receivables (-) | (7.521.114) | (7.588.747) |
| Trade Receivables (net) | 430.505.817 | 542.120.772 |

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

| | December 31, 2020 | December 31, 2019 |
|---------------------------|-------------------|-------------------|
| Opening Balance | 7.588.747 | 6.301.918 |
| Provisions for the Period | 520.408 | 1.589.173 |
| Transfer from GK Tarım | 10.613 | - |
| Provisions Cancelled* (-) | (598.654) | (302.344) |
| Closing Balance | 7.521.114 | 7.588.747 |

* Consists of collected doubtful trade receivables

Long Term Trade Receivables

| | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| Trade Receivables from Related Parties | - | - |
| Trade Receivables from Other Parties* | 10.197.097 | 8.822.866 |
| Long Term Trade Receivables (net) | 10.197.097 | 8.822.866 |

*Vide note 24.

Short Term Trade Payables

| | December 31, 2020 | December 31, 2019 |
|--|--------------------|--------------------|
| Trade Payables to Related Parties | 89.877 | 167.724 |
| Trade Payables to Other Parties* | 394.667.095 | 576.432.408 |
| Notes Payable to Related Parties | - | - |
| Notes Payable to Other Parties | - | 360.212 |
| Deferred Maturity Difference Expense (-) | (2.751.349) | (2.025.508) |
| Trade Payables (net) | 392.005.623 | 574.934.836 |

Long Term Trade Payables

None.

* As of December 31, 2020; 345.032.008-TL of trade payables to related parties consist of letter of credit payables (31 December 2018: 438.259.024-TL).

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11. OTHER RECEIVABLES AND PAYABLES

Other Short-Term Receivables

| | December 31, 2020 | December 31, 2019 |
|--------------------------------------|-------------------|-------------------|
| Deposits and Guarantees Given | 564.318 | 11.910 |
| Other Receivables from Other Parties | 917.753 | 23.458 |
| Receivables from Public Authority | 13.661.989 | 9.602.981 |
| | 15.144.060 | 9.638.349 |

Other Long-Term Receivables

| | December 31, 2020 | December 31, 2019 |
|-------------------------------|-------------------|-------------------|
| Deposits and Guarantees Given | 285.615 | 1.119.854 |
| | 285.615 | 1.119.854 |

Other Short-Term Payables

| | December 31, 2020 | December 31, 2019 |
|-----------------------------------|-------------------|-------------------|
| Other Payables to Other Parties | 519.359 | 241.751 |
| Other Payables to Related Parties | 14.959.964 | 3.540.013 |
| | 15.479.323 | 3.781.764 |

Other Long-Term Payables

None.

12. RECEIVABLES AND PAYABLES FROM FINANCIAL SECTOR ACTIVITIES

None.

13. DERIVATIVE INSTRUMENTS

Derivative Financial Assets

| | December 31, 2020 | December 31, 2019 |
|----------------------------------|-------------------|-------------------|
| Futures Market Collaterals | 7.426.028 | 4.094.473 |
| Derivative Financial Instruments | 3.242.525 | - |
| | 10.668.553 | 4.094.473 |

Derivative Financial Liabilities

| | December 31, 2020 | December 31, 2019 |
|----------------------------------|-------------------|-------------------|
| Futures Market Collaterals | - | - |
| Derivative Financial Instruments | 2.017.984 | 2.244.832 |
| | 2.017.984 | 2.244.832 |

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

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Fair Value of Financial Instruments

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

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

| December 31, 2020 | Level 1 | Level 2 | Level 3 |
|--|----------------|------------------|----------------|
| Foreign Exchange Forward Contracts (Held for Trading) | - | 8.650.569 | - |
| | | 8.650.569 | |
| December 31, 2019 | Level 1 | Level 2 | Level 3 |
| Foreign Exchange Forward Contracts (Held for Trading) | - | 1.849.641 | - |
| | - | 1.849.641 | - |

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

14. INVENTORIES

| | December 31, 2020 | December 31, 2019 |
|---|--------------------------|--------------------------|
| Raw Material and Supplies | 139.309.235 | 140.283.127 |
| Goods | 6.470.765 | 20.567.208 |
| Goods in transit* | 3.083.530 | 2.595.956 |
| Trade Goods | 309.705.504 | 141.168.506 |
| Other Inventories | 668.518 | 434.424 |
| Provision for Impairment of Inventories (-) | (123.727) | (2.079.980) |
| | 459.113.825 | 302.969.241 |

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

15. BIOLOGICAL ASSETS

None

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16. PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses

| | December 31, 2020 | December 31, 2019 |
|---------------------------------------|-------------------|-------------------|
| Advances Given to Related Parties | 415.012 | - |
| Advances Given to Other Parties | 46.750.495 | 44.847.059 |
| Insurance Expenses and Other Expenses | 1.731.434 | 1.637.207 |
| | 48.896.941 | 46.484.266 |

Long Term Prepaid Expenses

| | December 31, 2020 | December 31, 2019 |
|----------------------------------|-------------------|-------------------|
| Insurance Expenses | - | - |
| Advances Given to Other Parties* | 3.042.014 | 3.042.014 |
| | 3.042.014 | 3.042.014 |

*Vide note 24.

Short Term Deferred Income

| | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| Advances Received from Related Parties | - | - |
| Advances Received from Other Parties | 20.813.623 | 20.409.090 |
| Deferred Income | 100.000 | 400.206 |
| | 20.913.623 | 20.809.296 |

Long Term Deferred Income

None.

17. RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS

None.

18. INVESTMENTS VALUED BY EQUITY METHOD

| Associates | % | December 31, 2020 | % | December 31, 2019 |
|---|----|-------------------|----|-------------------|
| Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. | 17 | 4.936.299 | 17 | 4.612.490 |

As of December 31, 2020, 867.151-TL share from associates' profit increases the book value of associates and also is recognised as shares of investments evaluated by equity method in profit/(loss) in consolidated profit or loss statement.

The detail of the change in Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.'s value for the period of December 31, 2020 is as follows:

| | January 1- December 31, 2020 |
|--|---------------------------------|
| Value as of December 31, 2019 | 4.612.490 |
| The Share from Associate's Profit/Loss as of December 31, 2020 | 867.151 |
| Accrued Dividend Yield | (543.342) |
| | 4.936.299 |

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

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

| | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| Current Assets | 4.844.084 | 3.504.360 |
| Non-Current Assets | 11.425.865 | 4.998.894 |
| Short Term Liabilities | 677.534 | 549.523 |
| Long Term Liabilities | 6.512.261 | 778.340 |
| Revenue | 12.517.873 | 8.944.214 |
| Continuing Profit/(Loss) for the Period | 5.100.889 | 3.540.141 |
| The Period Profit/(Loss) After Tax for Discontinued Operations | - | - |
| Other Comprehensive Income | 5.100.889 | 3.540.141 |
| Total Comprehensive Income | 5.100.889 | 3.540.141 |

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

19. INVESTMENT PROPERTIES

| Acquisition | Land | Building | Total |
|-----------------------------------|------------------|------------------|-------------------|
| January 1, 2020 Opening Balance | 7.515.000 | 3.985.000 | 11.500.000 |
| Transferred from GK Tarım | 1.845 | 157.840 | 159.685 |
| Fair Value Differences | 766.386 | 437.614 | 1.204.000 |
| December 31, 2020 Closing Balance | 8.283.231 | 4.580.454 | 12.863.685 |

Investment properties are reported in financial statements at their fair values. On 15.02.2021, CMB authorized Varlık Taşınmaz Değerleme ve Danışmanlık A.Ş. A valuation report has been prepared for the determination of the values of investment properties dated 09.02.2021. In the valuation of the subject real estates, the market approach method, cost approach method and income approach methods were used. Due to the fact that the immovable property is an income-generating property, the income approach method is also used, but there are not many rented facilities similar to the immovable properties in the region and the industrial structure is not fully established in the region, and the result of the cost method is more realistic, and the value from the cost method is appreciated in the appraisal report is indicated. The fair values of the lands and buildings were appraised as TL 12,704,000. As of the reporting date, the fair value differences of investment properties are reported in the income/expense account from investment activities.

| Fixed Assets Distribution | Land | Buildings | Total |
|-----------------------------------|------------------|------------------|-------------------|
| January 1, 2019 Opening Balance | 5.696.555 | 4.103.445 | 9.800.000 |
| Fair Value Differences | 1.818.445 | (118.445) | 1.700.000 |
| December 31, 2019 Closing Balance | 7.515.000 | 3.985.000 | 11.500.000 |

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

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Investment properties are reported on the financial statements at fair value. On 27.02.2020, Varlık Taşınmaz Değerleme ve Danışmanlık A.Ş. authorized by CMB prepared a valuation report for the determination of values of investment properties dated 31.12.2019. The market value method, cost approach method and income approach methods were used in the valuation. It is stated in the valuation report that the value determined according to the cost approach method and the value determined according to the income approach method were seen to be consistent and compatible with each other in the report of 27.02.2020 and it is decided to accept the cost approach method as the final valuation method. The fair value of the lands and buildings are recognized as 11.500.000 TL. As of the reporting date, fair value differences of investment properties are reported as profit or loss.

20. CORPORATE TAX ASSETS

| | December 31, 2020 | December 31, 2019 |
|-------------------------|-------------------|-------------------|
| Prepaid Taxes and Funds | 1.262.430 | - |
| | 1.262.430 | - |

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

21. TANGIBLE ASSETS

Detail of the tangible assets as of December 31, 2020 is as follows:

| Acquisition Cost | Plant Machinery And Equipment | Underground and Overland Plants | Land | Buildings | Furniture and Fixtures | Vehicles | Leasehold Improvements | Usage Right of Assets | Constructions In Progress | Total |
|---|--|------------------------------------|-------------------|-------------------|------------------------------|-------------------|---------------------------|--------------------------|---------------------------------|--------------------|
| January 1, 2020 Opening Balance | 87.651.386 | 3.369.822 | 21.938.350 | 72.384.788 | 2.497.858 | 9.270.006 | 43.995 | - | - | 197.156.205 |
| Additions | 13.482.231 | 1.039.685 | 1.164.903 | 1.696.794 | 2.739.061 | 7.721.276 | 38.086 | 3.398.382 | 29.916.939 | 61.197.357 |
| Transferred | 20.909.710 | - | - | 1.210.154 | 104.304 | 117.519 | - | - | 120.867 | 22.462.554 |
| Disposals | - | - | - | - | (653.647) | (1.190.521) | - | (1.591.101) | - | (3.435.269) |
| Reclassification | 17.130.128 | 121.206 | 38.376 | 9.238.851 | 71.475 | (1.555.237) | - | 1.591.102 | (26.778.608) | (142.707) |
| Revaluation | 43.735.705 | - | - | - | - | - | - | - | - | 43.735.705 |
| December 31, 2020 Closing Balance | 182.909.160 | 4.530.713 | 23.141.629 | 84.530.587 | 4.759.051 | 14.363.043 | 82.081 | 3.398.383 | 3.259.198 | 320.973.845 |
| Accumulated Depreciation | Plant Machinery And Equipment | Underground and Overland Plants | Land | Buildings | Furniture and Fixtures | Vehicles | Leasehold Improvements | Usage Right of Assets | Constructions In Progress | Total |
| January 1, 2020 Opening Balance | 9.011.706 | 30.639 | - | 3.937.636 | 1.022.160 | 3.903.409 | 121 | - | - | 17.905.671 |
| Transferred | 3.264.858 | - | - | 128.851 | 85.193 | 106.719 | - | - | - | 3.585.621 |
| Charge for the Period | 8.741.513 | 82.698 | - | 2.065.360 | 602.701 | 885.066 | 12.458 | 1.174.071 | - | 13.563.867 |
| Disposals | - | - | - | (19.619) | (551.638) | (713.756) | - | (789.611) | - | (2.074.624) |
| Reclassification | - | - | - | (19.128) | - | (770.483) | - | 789.611 | - | - |
| December 31, 2020 Closing Balance | 21.018.077 | 113.337 | - | 6.093.100 | 1.158.416 | 3.410.955 | 12.579 | 1.174.071 | - | 32.980.535 |
| Net Book Value (As of December 31, 2020) | 161.891.083 | 4.417.376 | 23.141.629 | 78.437.487 | 3.600.635 | 10.952.088 | 69.502 | 2.224.312 | 3.259.198 | 287.993.310 |

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Right-of-use assets consist of assets capitalized within the scope of TFRS16. Right-of-use assets reported in buildings and vehicles as of December 31, 2019 were reclassified as right-of-use assets as of December 31, 2020. There are bank hypothecs on fixed assets amounting 41.400.000-USD (303.896.700-TL) and 8.475.000 TL in total. As of September 30, 2020, the Group uses the revaluation model for the plant machinery and equipment of the fixed assets included in the assets of the Group. On 04 June 2020, Aden Gayrimenkul Değerleme ve Danışmanlık A.Ş., authorized by the CMB, prepared machinery, plant and equipment valuation reports in which market approach, income approach and cost approach methods were used. The total value of plant, machinery and equipment at the reporting date was determined as 121.175.000 TL. The difference between the book value and the fair value at the revaluation date is 43.735.705 TL. The transfer of the fixed assets is due to the acquisition of GK Tarım Ürünleri Lisanslı Depoculuk by Uludaş Tarım.

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

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

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

| | | | | | | | | | |
|---|-------------------|------------------|-------------------|-------------------|------------------|------------------|---------------|----------|--------------------|
| Net Book Value (As of December 31, 2019) | 78.639.680 | 3.339.183 | 21.938.350 | 68.447.152 | 1.475.698 | 5.366.597 | 43.874 | - | 179.250.534 |
|---|-------------------|------------------|-------------------|-------------------|------------------|------------------|---------------|----------|--------------------|

There are bank hypothecs on fixed assets in the amount of 41,400,000-USD (245,924,280-TL) in total. As of December 31, 2019, the net registered value of right-of-use assets classified under tangible fixed assets is 801,489-TL. The depreciation expense of right-of-use assets for the period ending on December 31, 2019 is 789.612-TL. Right-of-use assets are reported within the period.

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22. INTANGIBLE ASSETS

Goodwill

None.

Other Intangible Assets

Detail of the intangible assets as of December 31, 2020 is as follows:

| Acquisition Cost | Rights (Computer Programs) | Trademark and Royalty | Constructions In Progress | Total |
|-----------------------------------|---|----------------------------------|--------------------------------------|------------------|
| January 1, 2020 Opening Balance | 227.370 | 324.724 | - | 552.094 |
| Additions | 468.768 | - | 784.547 | 1.253.315 |
| Disposals | (151.017) | - | - | (151.017) |
| Reclassification | - | - | - | - |
| December 31, 2020 Closing Balance | 545.121 | 324.724 | 784.547 | 1.654.392 |

| Accumulated Depreciation | Rights (Computer Programs) | Trademark and Royalty | Constructions In Progress | Total |
|-----------------------------------|---|----------------------------------|--------------------------------------|----------------|
| January 1, 2020 Opening Balance | 68.207 | 118.008 | - | 186.215 |
| Charge for the Period | 230.471 | 32.472 | - | 262.943 |
| Disposals | (151.017) | - | - | (151.017) |
| Reclassification | - | - | - | - |
| December 31, 2020 Closing Balance | 147.661 | 150.480 | - | 298.141 |

| | | | | |
|---|----------------|----------------|----------------|------------------|
| Net Book Value (As of December 31, 2020) | 397.460 | 174.244 | 784.547 | 1.356.251 |
|---|----------------|----------------|----------------|------------------|

Investments that are made are composed of investments made for ERP program in 2020.

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

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

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

| | | | |
|---|----------------|----------------|----------------|
| Net Book Value (As of December 31, 2019) | 159.163 | 206.716 | 365.879 |
|---|----------------|----------------|----------------|

23. GOVERNMENT GRANTS AND INCENTIVES

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

24. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Provisions

| | December 31, 2020 | December 31, 2019 |
|--|--------------------------|--------------------------|
| Short Term Provisions for Employee Benefits* | 45.101 | 10.842 |
| Other Short-Term Provisions** | 376.575 | 253.621 |
| Penalty Provisions of Competition Authority*** | 6.192.069 | - |
| | 6.613.745 | 264.463 |

* Vide note 26.

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

*** Vide note 32.

Long Term Provisions

| | December 31, 2020 | December 31, 2019 |
|---|--------------------------|--------------------------|
| Long Term Provisions for Employee Benefits* | 2.564.363 | 2.055.194 |
| Other Long-Term Provisions | - | - |
| | 2.564.363 | 2.055.194 |

* Vide note 26.

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Lawsuits

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

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

| | December 31, 2020 | December 31, 2019 |
|--|----------------------|----------------------|
| A. Total Amount of CPM Given by The Group's Own Legal Personality | 402.585.428 | 273.222.059 |
| B. Total Amount of CPM Given in Favour of Fully Consolidated Companies | 15.795.000 | 15.075.000 |
| C. Total Amount of CPM Given for Continuation of Its Economic Activities on Behalf of Third Parties | - | - |
| D. Total Amount of Other CPM | - | - |
| <i>i. Total Amount of CPM Given in Favour of Majority Shareholder</i> | - | - |
| <i>ii. Total Amount of CPM Is Given in Favour of Other Group Companies Which Are Not in the Scope of B and C</i> | - | - |
| <i>iii. Total Amount of CPM is Given in Favour of Third Parties Which Are Not in the Scope of C</i> | - | - |
| Total | 418.380.428 | 288.297.059 |

The details of receivables from Samsun Yem Sanayi ve Ticaret A.Ş. ("Samsun Yem"), Yemsel Tavukçuluk Hayvancılık Yem Hammaddeleri Sanayi ve Ticaret A.Ş. ("Yemsel") and Çakıroğlu Gıda Tarım Ürünleri Hayvancılık ve Yem Tavukçuluk Nakliyat Ticaret ve Sanayi A.Ş. ("Çakıroğlu") as of December 31, 2020 are as follows:

| Company Title* | Trade Receivable | Advances Given | Total | Mortgage Amount |
|----------------|-------------------|------------------|-------------------|-------------------|
| Samsun Yem | 1.232.128 | - | 1.232.128 | 700.000 |
| Yemsel | 1.293.727 | 3.042.014 | 4.335.741 | 6.000.000 |
| Çakıroğlu | 7.671.242 | - | 7.671.242 | 10.000.000 |
| Total | 10.197.097 | 3.042.014 | 13.239.111 | 16.700.000 |

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

Samsun Yem, Yemsel and Çakıroğlu applied to T.C. Samsun Commercial Court with a request for postponement of bankruptcy. The Company established hypothec on the properties of Samsun Yem, Yemsel and Çakıroğlu for its receivables detailed above. The hypothec established by the Company allows all receivables to be claimed over any hypothecary property belonging to Çakıroğlu Group.

The Company ranks first in hypothecs for Samsun Yem and Çakıroğlu and ranks 2nd in the hypothecs placed on Yemsel's properties. Akbank T.A.Ş. ranks 1st in Yemsel's property hypothecs. The total hypothecs amount of Akbank T.A.Ş. is 6.000.000-TL. A notification was sent to Çakıroğlu Group regarding the payment of its debts. Appraisal was requested for real estates on January 08, 2016. On 29.12.2016, a discovery was made with the court committee for appraisal. Experts submitted their reports to the court on 18.01.2017. A total value of 10,858,440.75-TL has been appraised for the properties for hypothecs of Çakıroğlu. A total value of 11.527.728,25-TL has been appraised for the properties for hypothecs of Yemsel. A total value of 263,249.19-TL has been appraised for the properties for hypothecs of Samsun Yem.

The bankruptcy postponement decision filed for Samsun Yem Sanayi ve Ticaret was rejected by Samsun Commercial Court on 30.09.2020. The Company requested a new appraisal for the properties. Samsun Commercial Court gave bankruptcy order on 30.09.2020 for Çakıroğlu Gıda

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Tarım Ürünleri Hayvancılık ve Yem Tavukçuluk Nakliyat Ticaret ve Sanayi A.Ş and Yemsel Tavukçuluk Hayvancılık Yem Hammaddeleri Sanayi ve Ticaret A.Ş.

As of the end of the year, Varlık Taşınmaz Değerleme ve Danışmanlık Şirketi prepared property appraisal reports as of 17.02.2021 for the hypothecary properties placed on the 1st ordinary of Çakıroğlu Gıda Tarım Ürünleri Hayvancılık ve Yem Tavukçuluk Nakliyat Ticaret ve Sanayi A.Ş. and Samsun Yem Sanayi ve Ticaret A.Ş, and the total value of the 2 relocations was determined as 13,364,000-TL. Since the fair value of the properties placed for the receivables in the valuation reports are sufficient to cover the amount of the receivables, no provision has been made.

25. COMMITMENTS

None.

26. EMPLOYEE BENEFITS

Payables Related with Employee Benefits

Details of payables related with employee benefits as of December 31, 2020 and December 31, 2019 are:

| | December 31, 2020 | December 31, 2019 |
|--------------------------------------|-------------------|-------------------|
| Social Security Institution Premiums | 512.100 | 428.516 |
| Due to Personnel | 1.306.209 | 1.015.748 |
| | 1.818.309 | 1.444.264 |

Short Term Employee Benefits

Short term employee benefits are consisting of provision for unused vacation.

Details of short-term employee benefits as of December 31, 2020 and December 31, 2019 are as follows:

| | December 31, 2020 | December 31, 2019 |
|-------------------------------|-------------------|-------------------|
| Provision for Unused Vacation | 45.101 | 10.842 |

Short Term Employee Benefits

Short term employee benefits are consisting of provision for unused vacation.

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

As of December 31, 2020 provision for employee termination benefit ceiling on the respective reporting dates, is subject to a maximum of 7.117,17-TL per month for a working year (December 31, 2019: 6.379,86-TL). Provision for employee termination benefits are not subordinated any fund.

Provision for employee termination benefits is calculated by discounting potential liabilities of

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retirement to net present value. TFRS requires companies to improve actuarial valuation methods in the scope of retirement plans in order to estimate the termination benefits. Therefore, below mentioned actuarial estimations are used in order to calculate total employee termination benefits. Provisions for employee termination is calculated by the discount rate of 5,98%, which is determined by 6,14% inflation rate and 12,49 % interest rate. The release rate is 96% (December 31, 2019: inflation rate 6,35%, interest rate 10,77 % and discount rate 4,16%, release rate 96%).

Details of the provision for employee termination benefits as of December 31, 2020 and December 31, 2019 are as follows:

| | December 31, 2020 | December 31, 2019 |
|---|--------------------------|--------------------------|
| Provision for Employee Termination Benefits | 2.564.363 | 2.055.194 |

Details of provision for employee termination benefits are as follows:

| | December 31, 2020 | December 31, 2019 |
|-----------------------|--------------------------|--------------------------|
| Opening Balance | 2.055.194 | 1.283.161 |
| Interest Cost | 137.646 | 96.050 |
| Transferred | 56.896 | - |
| Service Cost | 949.356 | 880.163 |
| Payments (-) | (753.072) | (310.463) |
| Actuarial Differences | 118.343 | 106.283 |
| Closing Balance | 2.564.363 | 2.055.194 |

27. RETIREMENT BENEFITS

None.

28. OTHER ASSETS AND OTHER LIABILITIES

Other Current Assets

| | December 31, 2020 | December 31, 2019 |
|-------------------|--------------------------|--------------------------|
| Deferred VAT | 13.506.837 | 8.364.408 |
| Income Accruals | - | 594.468 |
| Business Advances | 47.232 | - |
| Other VAT | 3.350 | 3.350 |
| | 13.557.419 | 8.962.226 |

Other Short-Term Liabilities

| | December 31, 2020 | December 31, 2019 |
|--------------------------|--------------------------|--------------------------|
| Taxes and Funds Payables | 1.258.749 | 1.176.758 |
| Expense Accruals | 7.127.789 | 9.509.609 |
| | 8.386.538 | 10.686.367 |

Other Non-Current Assets

None.

Other Long-Term Liabilities

None.

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29. EQUITY

Capital and Reserves

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

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Shareholder structure of The Company as of December 31, 2020 is as follows:

| Shareholders | Number of Shares | Group | Rate (%) | Amount |
|--------------------|-------------------|-------|---------------|-------------------|
| Fahrettin Ulusoy | 4.550.000 | A | 5,38 | 4.550.000 |
| | 1.950.000 | B | 2,31 | 1.950.000 |
| | - | C | - | - |
| | 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 |
| Halka Açık | 23.500.000 | C | 27,81 | 23.500.000 |
| | 84.500.000 | | 100,00 | 84.500.000 |

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

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

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

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the profit in interim financial statements.

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

Share Premiums on Capital Stock

| | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| Share Premiums on Capital Stock | 60.511.037 | 41.925.000 |
| Expenses of Share Premiums on Capital Stock Expenses (-) | (3.317.008) | (3.317.008) |
| | 57.194.029 | 38.607.992 |

The company sold all of their shares that was purchased and 18.586.037-TL amount profit is classified in equity shares premiums on capital stock.

Treasury Shares (-)

| | December 31, 2020 | December 31, 2019 |
|---------------------|-------------------|-------------------|
| Treasury Shares (-) | - | 3.445.108 |

Other Equity Items

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

| | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| Tangible Assets Revaluation Differences(net) | 62.149.360 | 27.202.058 |
| Actuarial Profit/Loss Related with the Employee Benefits | (705.523) | (600.430) |
| | 61.443.837 | 26.601.628 |

Details of the actuarial differences as of December 31, 2020 and December 31, 2019 are as follows:

| | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| Actuarial Gains/(Losses) Related with the Employee Benefits | (885.447) | (754.080) |
| Deferred Tax | 179.924 | 153.650 |
| Actuarial Gains/(Losses) Related to Employee Benefits (net) | (705.523) | (600.430) |

Details of tangible assets revaluation surplus as of December 31, 2020 and December 31, 2019 are as follows

| | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| Revaluation Differences of Buildings and Lands (net) | 27.053.177 | 27.053.177 |
| Revaluation Differences of Vehicles (net) | 107.619 | 148.881 |
| Revaluation Differences of Furniture and Fixtures (net) | 34.988.564 | - |
| | 62.149.360 | 27.202.058 |

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Detail of the revaluation differences of lands and buildings as of December 31, 2020 and December 31, 2019 is as follows:

| | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| Total Lands and Buildings Revaluation Difference | 30.396.828 | 30.396.828 |
| Deferred Tax | (3.343.651) | (3.343.651) |
| Revaluation Differences of Buildings and Lands (net) | 27.053.177 | 27.053.177 |

Details of the vehicles revaluation surplus as of December 31, 2020 and December 31, 2019 are as follows:

| | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| Vehicles Revaluation Differences (net) | 107.619 | 148.881 |

| | December 31, 2020 | December 31, 2019 |
|---------------------------------------|-------------------|-------------------|
| Total Vehicle Revaluation Differences | 134.524 | 186.103 |
| Deferred Tax | (26.905) | (37.222) |
| 107.619 | 148.881 | |

Detail of the revaluation differences of furniture and fixtures as of December 31, 2020 and December 31, 2019 is as follows:

| | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| Revaluation Differences of Furniture and Fixtures (net) | 34.988.564 | - |

| | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| Total Revaluation Differences of Furniture and Fixtures | 43.735.705 | - |
| Deferred Tax | (8.747.141) | - |
| 34.988.564 | - | |

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

| | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| Foreign Currency Conversion Adjustments | 15.353.588 | 4.346.131 |
| 15.353.588 | 4.346.131 | |

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

| | December 31, 2020 | December 31, 2019 |
|-----------------------------|-------------------|-------------------|
| Legal Reserves | 7.726.207 | 7.726.207 |
| Reserves of Treasury Shares | - | 3.445.108 |
| 7.726.207 | 11.171.315 | |

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

| | December 31, 2020 | December 31, 2019 |
|---------------------------|--------------------|-------------------|
| Accumulated Profit/(Loss) | 115.008.531 | 84.516.493 |

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

| | December 31, 2020 | December 31, 2019 |
|--|--------------------|-------------------|
| Accumulated Profit/(Loss) | 84.516.493 | 66.524.884 |
| Transfer of Previous Year to the Accumulated Profit/(Loss) | 26.995.351 | 19.906.171 |
| Transfers to Legal Reserves | 3.445.108 | (2.032.987) |
| Tangible Assets Revaluation Transfer | 51.579 | 118.425 |
| | 115.008.531 | 84.516.493 |

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

| | December 31, 2020 | December 31, 2019 |
|----------------------------------|-------------------|-------------------|
| Net Profit/(Loss) For the Period | 43.282.290 | 26.995.351 |

30. REVENUE AND COST OF SALES

Details of revenue as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---------------------|---------------------------------|---------------------------------|
| Domestic Sales | 1.214.312.247 | 794.262.071 |
| Foreign Sales | 3.139.618.717 | 2.262.066.848 |
| Sales Returns (-) | (3.977.603) | (2.796.105) |
| Sales Discounts (-) | (4.218.985) | (895.867) |
| Other Discounts (-) | (925.247) | (599.141) |
| | 4.344.809.129 | 3.052.037.806 |

The Company generated 1.915.992.383-TL (273.580.315-USD) of revenue from its subsidiaries, Rolweg SA.

Details of cost of sales as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|--------------------------|---------------------------------|---------------------------------|
| Cost of Goods Sold | 757.952.730 | 557.096.610 |
| Cost of Merchandise Sold | 3.373.381.319 | 2.328.474.819 |
| Cost of Service Sold | 10.379.949 | 6.584.503 |
| | 4.141.713.998 | 2.892.155.932 |

Details of cost of service sold as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|----------------------------------|---------------------------------|---------------------------------|
| Depreciation Expenses | 1.592.669 | 343.634 |
| Vehicle Expenses | 3.079.307 | 224.140 |
| Outsourced Benefits and Services | 1.739.120 | 3.605.406 |
| Other Expenses | 203.275 | 67.148 |
| Personnel Expenses | 3.273.277 | 2.050.240 |
| Insurance Expenses | 412.165 | 289.991 |
| Taxes and Funds | 80.136 | 3.944 |
| Cost of Service Sold | 10.379.949 | 6.584.503 |

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

Details of total operating expenses as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|-----------------------------------|---------------------------------|---------------------------------|
| General Administrative Expenses | 20.376.206 | 13.890.975 |
| Marketing Expenses | 69.972.865 | 42.862.813 |
| Research and Development Expenses | 86.517 | 123.301 |
| | 90.435.588 | 56.877.089 |

Details of General Administrative Expenses as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---|---------------------------------|---------------------------------|
| Depreciation Expenses | 2.109.280 | 514.287 |
| Vehicle Expenses | 594.108 | 769.213 |
| Grants and Aids | 1.122.162 | 391.269 |
| Maintenance and Repair Expenses | 59.602 | - |
| Consultancy Expenses | 2.687.174 | 2.456.605 |
| Outsourced Benefits and Services | 3.154.520 | 1.354.288 |
| Other Expenses | 623.322 | 501.783 |
| Education and Publication Expenses | 104.731 | 264.240 |
| Exposition Expenses | 224.927 | 46.784 |
| Late Fees and Charges | 4.537 | 14 |
| Heat and Water Expenses | 91.760 | 43.339 |
| Rent Expenses | 97.661 | 392.755 |
| Court Expenses | 10.077 | 23.777 |
| Brand, Apl. and Ren. of Patent Expenses | 48.357 | 18.792 |
| Notary Expenses | 49.540 | - |
| Personnel Expenses | 8.266.054 | 4.748.490 |
| Advertising Expenses | 117.688 | 13.285 |
| Insurance Expenses | 80.164 | 635.432 |
| Registration and Announcement Expenses | 22.147 | - |
| Transportation Expenses | 24.329 | 340.240 |
| Taxes and Funds | 359.408 | 488.516 |
| Food Expenses | 350.356 | 653.488 |
| Health Expenses | - | 8.616 |
| Commission Expenses | 174.302 | 225.762 |
| General Administrative Expenses | 20.376.206 | 13.890.975 |

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Details of Marketing Expenses as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|----------------------------------|---------------------------------|---------------------------------|
| Depreciation Expenses | 857.686 | 461.596 |
| Vehicle Expenses | 606.970 | 1.266.629 |
| Consultancy Expenses | 17.060 | 53.971 |
| Outsourced Benefits and Services | 1.352.890 | 342.789 |
| Other Expenses | 232.356 | 257.877 |
| Exposition Expenses | 260.221 | 533.466 |
| Late Fees and Charges | 5.224 | 16.371 |
| Export Expenses | 22.686.291 | 6.909.318 |
| Rent Expenses | 175.601 | 336.399 |
| Sales Commissions Expenses | 1.487.165 | 1.733.396 |
| Freight Expenses | 34.534.056 | 25.690.626 |
| Personnel Expenses | 5.118.922 | 3.537.315 |
| Insurance Expenses | 713.281 | 667.033 |
| Transportation Expenses | 11.888 | 60.543 |
| Taxes and Funds | 1.656.815 | 742.300 |
| Food Expenses | 256.439 | 253.184 |
| Marketing Expenses | 69.972.865 | 42.862.813 |

Details of Research and Development Expenses as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|----------------------------------|---------------------------------|---------------------------------|
| Vehicle Expenses | 39.570 | 41.152 |
| Outsourced Benefits and Services | 4.597 | 11.483 |
| Other Expenses | 3.114 | 408 |
| Commission Expenses | 167 | 781 |
| Personnel Expenses | 37.118 | 59.037 |
| Insurance Expenses | 810 | 2.070 |
| Transportation Expenses | - | 6.394 |
| Taxes and Funds | 1.141 | 1.976 |
| | 86.517 | 123.301 |

32. OTHER INCOME AND OTHER EXPENSES

Other Income

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|--|---------------------------------|---------------------------------|
| Income Due to the Law No 5510 and 6661 | 1.588.331 | 1.056.565 |
| Balance Allocation Income | 565.652 | 38.865 |
| Other Income ** | 4.154.635 | 648.650 |
| Service Reflection Income* | 8.105.597 | 4.861.764 |
| Maturity Difference Income | 24.700.393 | 26.253.183 |
| Foreign Currency Income | 159.423.864 | 105.177.118 |
| Licensed Warehouse Rental Grant | 3.600.034 | 1.237.609 |
| Provisions no Longer Required | 598.654 | 302.344 |
| Income from Returned Expenses | 5.310.350 | 2.627.978 |
| Indemnity Income | 769.759 | 359.798 |
| Income from Grants and Supports | 228.984 | 827.747 |
| Inventory Excess | - | 14.586 |
| | 209.046.253 | 143.406.207 |

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

** 2.219.740-TL of other income occurred as a result of companies subsidiaries Uludağ Tarım Ürünleri ve Lisanslı Depoculuk A.Ş. purchasing GK Tarım Ürünleri ve Lisanslı Depoculuk A.Ş.. 1.616.319-TL consists of commission income.

Other Expenses

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---|---------------------------------|---------------------------------|
| Trust Expenses | - | - |
| Other Expenses | 1.135.287 | 485.639 |
| Balance Allocation Expenses | 399.320 | 13.784 |
| Provision Expenses | 520.410 | 1.589.173 |
| Foreign Currency Expenses | 95.721.963 | 56.824.478 |
| Price and Maturity Difference Expenses | 25.363.632 | 31.481.554 |
| Returned Expenses | 4.200.578 | 1.528.377 |
| Insurance Expenses (Indemnity) | - | 366.380 |
| Tax Penalty Expenses*** | 2.169.499 | - |
| Penalty Provisions of Competition Authority Expenses **** | 6.192.069 | - |
| | 135.702.758 | 92.289.385 |

*** As explained in the Public Disclosure Platform on 03.09.2019, the Company has exercised the right to request a reconciliation regarding the tax inspection reports prepared by the tax inspectors of the Ministry of Treasury and Finance Tax Inspection Board as a result of the tax inspection conducted by the Company regarding the taxation periods of 2017 and 2018. As a result of the agreement reached in the Tax Offices Coordination Reconciliation Commission on 23.06.2020, the tax inspection reports issued by the Company as a result of the tax examination conducted by the tax inspectors of the Ministry of Treasury and Finance Tax Inspection Board for the taxation periods of 2017 and 2018, a total of 800,000.00 TL has been agreed on the original tax and 307,890.85 TL default interest has been calculated for this agreed tax. Thus, a settlement was reached between the Company and the Tax Reconciliation Commission to pay a total of 2,161,498.61 TL public debt.

**** With the decision of the Competition Board dated 07.01.2021 and numbered 2101 / 18-8 in the letter of the Competition Authority published on the website and reached the Company with the number E-13183850-110.01.04-18808 dated 11.01.2021; it was decided to impose an administrative fine on the grounds that Article 4 of the Law No. 4054 was violated against the Company, an administrative fine of 8,256,092.61 TL was imposed on behalf of the Company, the reasoned decision will be notified to the Company separately, and can be filed to Ankara Administrative Court within 60 days from the date of notification. The administrative fine will be paid by the Company with a 25% discount, resulting 6.192.069,46 TL in accordance with the 6th paragraph of the 17th article of the Misdemeanor Law No.5326. Therefore, the provision for the reduced amount of 6.192.069-TL is recognized.

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Income from Investing Activities

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---|---------------------------------|---------------------------------|
| Asset Sales Revenue | 1.029.310 | 251.720 |
| Investment Properties Rent Income | 947.500 | - |
| Investment Properties Fair Value Difference | 1.204.000 | 1.818.445 |
| Sale and Lease Back Income | 400.206 | 321.342 |
| | 3.581.016 | 2.391.507 |

Expenses from Investing Activities

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---|---------------------------------|---------------------------------|
| Fixed Assets Sale Expenses | 102.008 | - |
| Investment Properties Fair Value Difference | - | 118.445 |
| Other Expenses | 3.622 | - |
| | 105.630 | 118.445 |

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

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---|---------------------------------|---------------------------------|
| Expected Credit Loss and Other Provisions | 76.521 | 34.110 |
| | 76.521 | 34.110 |

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

Details of profit/loss shares of investments evaluated by equity method as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|--|---------------------------------|---------------------------------|
| Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.* | 867.151 | 601.824 |

* (Vide note 18)

34. FINANCIAL INCOME AND EXPENSES

Financial Income

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|--|---------------------------------|---------------------------------|
| Interest Income | 12.962.869 | 13.732.229 |
| Foreign Exchange Profits | 257.351.702 | 101.966.674 |
| Derivative Financial Instruments Income | 95.327.509 | 14.165.071 |
| Profit on Sale of Marketables | 2.353.625 | 144.957 |
| Derivative Financial Instruments Fair Value Difference | 3.242.525 | - |
| | 371.238.230 | 130.008.931 |

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Financial Expenses

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|--|---------------------------------|---------------------------------|
| Foreign Exchange Losses | 393.152.847 | 180.011.001 |
| Interest Expenses | 67.277.007 | 48.841.991 |
| Marketable Securities Sales Loss | 671.666 | - |
| Derivative Financial Instruments Expenses | 50.901.438 | 19.900.473 |
| Derivative Financial Instruments Fair Value Difference | 5.750.924 | 2.244.832 |
| | 517.753.882 | 250.998.297 |

35. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUING OPERATIONS

None.

36. TAX ASSETS AND TAX LIABILITIES

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

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

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

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

There is not a specific procedure for a final and definitive agreement on tax assessments in Turkey. Companies prepare their current year tax returns within April 1-25 of the following year (The duration for the companies which has private fiscal year between 1st and the 25th day of the fourth month following the closing date of the fiscal year). Tax authorities may, however, examine such returns and the underlying accounting records and may revise assessments within five years.

Income Withholding Tax:

In addition to corporate taxes, companies should also calculate income withholding taxes and funds surcharge on any dividends distributed, except for companies receiving dividends who are resident companies in Turkey and Turkish branches of foreign companies. The rate of income withholding tax is 10% beginning from April 24, 2003. This rate modified to 15% by the law No: 5520, article 15 valid from June 21, 2006. However, by the new cabinet decision the rate was stated to be 10% until it is modified. The income withholding tax becomes 15% by publishing on the official journal by the cabinet decision on July 23, 2006. Undistributed dividends incorporated in share capital are not subject to income withholding taxes.

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

Deferred Tax Assets / Liability:

The Group recognises deferred tax assets and liabilities based upon temporary differences arising from differences between its consolidated financial statements as reported based on the “Financial Reporting Standards in capital market” and its statutory tax financial statements. These differences are set out below. Deferred tax asset is only provided to the extent if it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Provision is provided for the deferred tax asset of which the realisation is not likely. Deferred tax rate is 22% for all temporary differences since there is investment incentive of The Group (December 31, 2019: 22%). The tax rate to be applied in 2018, 2019 and 2020 is increased to 22%.

Deferred tax liabilities are recognised for all taxable temporary differences.

Temporary difference and deferred tax as of December 31, 2020 are as follows:

| Deferred Tax Assets | Temporary Differences | Deferred Tax |
|--|------------------------------|---------------------|
| Doubtful Receivables | 6.860.167 | 1.372.033 |
| Adjustment on Receivables from Personnel | 68.895 | 13.779 |
| Adjustment on Advances Given | 3.225.609 | 645.122 |
| Adjustment on Tangible and Intangible Assets | 1.459.578 | 563.942 |
| Impairment of Inventories Expenses and Other Inventory Adjustments | 4.700.118 | 940.024 |
| Adjustment on Amortized Cost of Receivables | 2.682.353 | 536.471 |
| Adjustment on Interest Accrual | 81.860 | 16.372 |
| Adjustment on Loans | 19.666.785 | 3.933.357 |
| Other Adjustments | 6.985.420 | 1.397.086 |
| Actuarial Difference of Employee Termination Benefits | 885.447 | 179.924 |
| Investment Allowences | 18.324.661 | 3.968.206 |
| | 64.940.893 | 13.566.316 |

| Deferred Tax Liabilities | Temproray Differences | Deferred Tax |
|---|------------------------------|---------------------|
| Vehicles Revaluation Difference (Related with Equity) | 134.524 | 26.905 |
| Lands and Buildings Revaluation Difference (Related with Equity) | 30.396.829 | 3.343.651 |
| Furniture and Fixtures Revaluation Difference (Related with Equity) | 55.714.491 | 11.142.898 |
| Derivative Instruments Fair Value Difference Adjustment | 3.242.525 | 648.505 |
| Amortized Cost of Debt Adjustment | 2.823.782 | 564.756 |
| Tangible and Intangible Assets Depreciation Difference | 14.161.518 | 2.832.304 |
| Employee Termination Benefits Actuarial Difference | 5.661.992 | 1.131.747 |
| | 112.135.661 | 19.690.766 |

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

| Deferred Tax Assets | Temporary Difference | Deferred Tax |
|--|-----------------------------|---------------------|
| Doubtful Receivables | 1.164.728 | 256.240 |
| Adjustment on Receivables from Personnel | 68.895 | 15.157 |
| Adjustment on Advances Given | 79.424 | 17.473 |
| Adjustment on Tangible and Intangible Assets | 5.939.718 | 1.306.738 |
| Impairment of Inventories Expenses | 6.109.630 | 1.344.119 |
| Adjustment on Amortized Cost of Receivables | 4.580.802 | 1.007.776 |
| Adjustment on Interest Accrual | 23.014 | 5.063 |
| Adjustment on Deferred Income of Sell and Leaseback | 400.206 | 88.045 |
| Adjustment on Loans | 6.815.472 | 1.499.404 |
| Adjustments on Import Credit Interest | 593.859 | 130.649 |
| Change in Accounting Policy | 341.986 | 75.237 |
| Derivative Instruments Fair Value Difference Adjustment | 2.244.832 | 493.863 |
| Actuarial Difference of Employee Termination Benefits * | 754.080 | 153.650 |
| | 29.116.646 | 6.393.414 |
| Deferred Tax Liabilities | Temporary Difference | Deferred Tax |
| Vehicles Revaluation Difference (Related with Equity) | 186.104 | 37.222 |
| Lands and Buildings Revaluation Difference (Related with Equity) | 30.396.829 | 3.343.651 |
| Other Adjustments | 23.123 | 5.087 |
| Amortized Cost of Debt Adjustment | 2.025.508 | 445.612 |
| Tangible and Intangible Assets Depreciation Difference | 13.704.068 | 3.014.895 |
| Employee Termination Benefits Difference | 4.984.702 | 1.084.387 |
| | 51.320.334 | 7.930.854 |

Changes in the deferred tax as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|--|---|---|
| Opening Balance | 1.689.783 | 8.296.147 |
| Deferred Tax Income /(Expenses) for The Period | 3.300.607 | (6.606.364) |
| Transfer from GK Tarım | 822.933 | - |
| Tangible Assets Revaluation Surplus and Actuarial Difference Deferred Tax Effect | (11.937.773) | (3.227.223) |
| Closing Balance | (6.124.450) | (1.537.440) |

Tax expenses as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|--------------------------------------|---|---|
| Current Period Tax Income/(Expenses) | 3.771.719 | 2.439.522 |
| Deferred Tax (Profit)/ Loss | (3.300.607) | 6.606.364 |
| | 471.112 | 9.045.886 |

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

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

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---------------------------|------------------------------------|------------------------------------|
| Corporate Tax Liabilities | 371.748 | 2.533.635 |
| Prepaid Taxes and Funds | (310.523) | (961.490) |
| | 61.225 | 1.572.145 |

37. EARNINGS PER SHARE

Details of earning per share as of December 31, 2020 and December 31, 2019 are as follows:

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|--|------------------------------------|------------------------------------|
| Net Profit/(Loss) for the Period | 43.282.290 | 26.995.351 |
| Weighted Average Number of Ordinary Shares | 84.500.000 | 82.497.848 |
| Earnings Per Share | 0,5122 | 0,3272 |

38. RELATED PARTY DISCLOSURES

| | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| GFC Denizcilik ve Ticaret A.Ş. | 850.487 | 416.134 |
| Unay Un San. ve Tic. A.Ş. | 18.388 | 249.770 |
| Ulusoy Çay Gıda San. ve Tic. A.Ş. | 27.088 | 34.634 |
| Ulusoy Petrol Ürünleri Tic. A.Ş. | 8.699 | 11.163 |
| Trade Receivables from Related Parties | 904.662 | 711.701 |

| | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| Unay Un San. ve Tic. A.Ş. | - | 12.117 |
| Ulusoy Petrol Ürünleri Tic. A.Ş. | 31.538 | 49.142 |
| Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. | 58.339 | - |
| GK Tarım Ürünleri Depoculuk A.Ş. | - | 106.465 |
| Trade Payables to Related Parties | 89.877 | 167.724 |

| | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| Unay Un San. ve Tic. A.Ş. | 14.959.964 | 3.540.013 |
| Other Payables to Related Parties | 14.959.964 | 3.540.013 |

| | December 31, 2020 | December 31, 2019 |
|---|-------------------|-------------------|
| Unay Un San. ve Tic. A.Ş. | 480.049 | 2.362.923 |
| Notes Receivables from Related Parties | 480.049 | 2.362.923 |

| | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| Unay Un San. ve Tic. A.Ş. | 415.012 | - |
| Advances Given to Related Parties | 415.012 | - |

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| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|--|---------------------------------|---------------------------------|
| Unay Un San. ve Tic. A.Ş. | 35.551.695 | 41.847.625 |
| GK Tarım Ürünleri Depoculuk A.Ş. | - | 9.342 |
| Ulusoy Çay Gıda San. ve Tic. A.Ş. | 9.000 | 64.564 |
| Sales to Related Parties | 35.560.695 | 41.921.531 |
| | | |
| | January 1- December 31, 2020 | January 1- December 31, 2019 |
| Unay Un San. ve Tic. A.Ş. | 7.071 | 155.892 |
| Sales Returns from Related Parties | 7.071 | 155.892 |
| | | |
| | January 1- December 31, 2020 | January 1- December 31, 2019 |
| Unay Un San. ve Tic. A.Ş. | 77.562 | - |
| GFC Denizcilik ve Ticaret A.Ş. | - | - |
| Sales Discounts to Related Parties | 77.562 | - |
| | | |
| | January 1- December 31, 2020 | January 1- December 31, 2019 |
| Unay Un San. ve Tic. A.Ş. | 33.894.537 | 40.146.325 |
| Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. | - | - |
| Ulusoy Çay Gıda San. ve Tic. A.Ş. | - | 27.885 |
| GK Tarım Ürünleri Depoculuk A.Ş. | - | 7.466 |
| First Article and Material Purchases from Related Parties | 33.894.537 | 40.181.676 |
| | | |
| | January 1- December 31, 2020 | January 1- December 31, 2019 |
| Ulusoy Çay Gıda San. ve Tic. A.Ş. | 15.404 | 4.657 |
| Ulusoy Petrol Ürünleri Tic. A.Ş. | 2.144.552 | - |
| Unay Un San. ve Tic. A.Ş. | 96.390.294 | 71.885.776 |
| Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. | 1.358.571 | - |
| GK Tarım Ürünleri Depoculuk A.Ş. | - | 149.409 |
| Commercial Goods and Other Purchases of Related Parties | 99.908.821 | 72.039.842 |
| | | |
| | January 1- December 31, 2020 | January 1- December 31, 2019 |
| Unay Un San. ve Tic. A.Ş. | 980.602 | 3.649.293 |
| GFC Denizcilik ve Ticaret A.Ş. | 1.288.140 | 438.733 |
| Ulusoy Petrol Ürünleri Tic. A.Ş. | 31.309 | 28.205 |
| Other Income from Related Parties | 2.300.051 | 4.116.231 |
| | | |
| | January 1- December 31, 2020 | January 1- December 31, 2019 |
| Unay Un San. ve Tic. A.Ş. | 96.090 | 990.332 |
| Ulusoy Petrol Ürünleri Tic. A.Ş. | 45.732 | 9.593 |
| General Production Expenses to Related Parties | 141.822 | 999.925 |

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

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---|---------------------------------|---------------------------------|
| Unay Un San. ve Tic. A.Ş. | 210.557 | 285.735 |
| Ulusoy Petrol Ürünleri Tic. A.Ş. | 393.975 | 484.444 |
| Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. | - | 50.220 |
| GFC Denizcilik ve Ticaret A.Ş. | - | 15.717 |
| Marketing Expenses to Related Parties | 604.532 | 836.116 |

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---|---------------------------------|---------------------------------|
| Ulusoy Çay Gıda San. ve Tic. A.Ş. | - | 1.110 |
| Ulusoy Petrol Ürünleri Tic. A.Ş. | 197.547 | 114.876 |
| Unay Un San. ve Tic. A.Ş. | 127 | 3.773 |
| General Administrative Expenses to Related Parties | 197.674 | 119.759 |

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|--|---------------------------------|---------------------------------|
| GFC Denizcilik ve Ticaret A.Ş. | - | 839 |
| Unay Un San. ve Tic. A.Ş. | 1.457.757 | 1.088.309 |
| Other Expenses from Related Parties | 1.457.757 | 1.089.148 |

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---|---------------------------------|---------------------------------|
| Unay Un San. ve Tic. A.Ş. | 2.221.523 | 7.863.456 |
| Interest Income from Related Parties | 2.221.523 | 7.863.456 |

| | January 1- December 31, 2020 | January 1- December 31, 2019 |
|---|---------------------------------|---------------------------------|
| Unay Un San. ve Tic. A.Ş. | 2.304.594 | 49.836 |
| Interest Expenses from Related Parties | 2.304.594 | 49.836 |

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

The benefits and fees of the Group to the top management amount to 1.892.640-TL as of 31 December 2020 (31 December 2019: 930.512-TL).

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

39. NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Liquidity Risk Management:

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

Credit Risk:

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

Market Risk:

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

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DECEMBER 31, 2020

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

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

Statement of Foreign Currency Position

| 31.12.2020 | TL (Its functional currency) | USD | Euro |
|--|------------------------------------|-------------------|--------------------|
| 1. Trade and Other Receivables | 366.624.547 | 49.384.032 | 457.494 |
| 2a. Monetary Financial Asset (Include Cash and Bank Account) | 305.316.284 | 41.155.663 | 356.702 |
| 2b. Non-Monetary Financial Assets | - | - | - |
| 3. Other | - | - | - |
| 4. CURRENT ASSETS | 671.940.831 | 90.539.695 | 814.196 |
| 5. Trade Receivables | - | - | - |
| 6a. Monetary Financial Asset | 34.500.221 | 4.699.982 | - |
| 6b. Non-Monetary Financial Assets | - | - | - |
| 7. Other | 6.356.983 | 633.802 | 189.229 |
| 8. NON-CURRENT ASSETS | 40.857.204 | 5.333.784 | 189.229 |
| 9. TOTAL ASSETS | 712.798.035 | 95.873.479 | 1.003.425 |
| 10. Trade Payables | 385.739.937 | 52.240.430 | 251.897 |
| 11. Financial Liabilities | 172.217.007 | 20.692.369 | 2.256.317 |
| 12a. Other Monetary Liabilities | 13.679.449 | 1.506.043 | 291.338 |
| 12b. Other Non- Monetary Liabilities | - | - | - |
| 13. SHORT TERM LIABILITIES | 571.636.393 | 74.438.842 | 2.799.552 |
| 14. Trade Payables | - | - | - |
| 15. Financial Liabilities | 125.782.130 | 17.135.363 | - |
| 16a. Other Monetary Liabilities | 260 | 35 | - |
| 16b. Other Non- Monetary Liabilities | - | - | - |
| 17. LONG TERM LIABILITIES | 125.782.390 | 17.135.398 | - |
| 18. TOTAL LIABILITIES | 697.418.783 | 91.574.240 | 2.799.552 |
| 19. Off Balance Sheet Net Asset and Liability Positions, which are Derivative Instruments (19a-19b) | 75.253.497 | 8.000.000 | 1.835.000 |
| 19a. Amount of Active Off Balance Sheet Foreign Currency Derivative Products | 75.253.497 | 8.000.000 | 1.835.000 |
| 19b. Amount of Passive Off Balance Sheet Foreign Currency Derivative Products | - | - | - |
| 20. Net Foreign Currency Asset / Liability Position (9-18+19) | 90.632.749 | 12.299.239 | 38.873 |
| 21. Monetary Items Net Foreign Currency Asset / Liability Position (1 +2a+3+5+6a-10-11 -12a-14-15-16a) | 15.379.252 | 4.299.239 | (1.796.127) |

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

| 31.12.2019 | TL (Its functional currency) | USD | EURO |
|---|------------------------------------|---------------------|--------------------|
| 1. Trade and Other Receivables | 492.658.385 | 82.796.944 | 124.496 |
| 2a. Monetary Financial Asset (Include Cash and Bank Account) | 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 Asset | - | - | - |
| 6b. Non-Monetary Financial Assets | - | - | - |
| 7. Other | 2.386.547 | 401.762 | - |
| 8. NON-CURRENT 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 Net Asset and Liability Positions, which are Derivative Instruments (19a-19b) | 243.839.150 | 38.250.000 | 2.500.000 |
| 19a. Amount of Active Off-Balance Sheet Foreign Currency Derivative Products | 243.839.150 | 38.250.000 | 2.500.000 |
| 19b. Amount of Passive Off Balance Sheet Foreign Currency Derivative Products | - | - | - |
| 20. Net Foreign Currency Asset / Liability Position (9-18+19) | 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) |

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| Foreign Currency Sensitivity Analysis | | |
|--|-------------------------------------|-------------------------------------|
| December 31, 2020 | | |
| | Profit/Loss | |
| | Appreciation of Foreign Currency | Depreciation of Foreign Currency |
| Change in 10% of USD Against TL | | |
| 1- Net USD Asset/Liability | 3.155.856 | (3.155.856) |
| 2- USD Hedging (-) | - | - |
| 3- Net USD Effect (1+2) | 3.155.856 | (3.155.856) |
| Change in 10% of EURO Against TL | | |
| 4- Net Euro Asset/Liability | (1.617.933) | 1.617.933 |
| 5- Euro Hedging (-) | - | - |
| 6- Net Euro Effect (4+5) | (1.617.933) | 1.617.933 |

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

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED THEN DECEMBER 31, 2020

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Credit Risk

| December 31, 2020 | Receivables | | | | Deposits | Derivative Instruments | Other |
|--|-------------------|--------------------|-------------------|-------------------|--------------------|------------------------|--------------------|
| | Trade Receivables | | Other Receivables | | | | |
| | Related Party | Other Party | Related Party | Other Party | | | |
| Maximum credit risk as of reporting dates (A+B+C+D+E) | 1.384.711 | 439.318.203 | - | 15.144.060 | 309.093.561 | 10.668.553 | 106.101.153 |
| - The part of maximum is under guarantee with collateral | - | - | - | - | - | - | - |
| A. Carrying value of financial assets that not past due nor impaired | 1.384.711 | 439.218.203 | - | 15.144.060 | 309.093.561 | 10.668.553 | 106.101.153 |
| B. Net book value of financial assets that terms are reassessed, if not accepted as past due or impaired | - | - | - | - | - | - | - |
| C. Carrying value of financial assets that past due not impaired | - | - | - | - | - | - | - |
| - The part under guarantee with collateral etc. | - | - | - | - | - | - | - |
| D. Net book value of impaired assets | - | - | - | - | - | - | - |
| - Past due (gross book value) | - | 7.521.114 | - | - | - | - | - |
| - Impairment (-) | - | (7.521.114) | - | - | - | - | - |
| - The part of net value under guarantee with collateral etc. | - | - | - | - | - | - | - |
| - Not past due (gross book value) | - | - | - | - | - | - | - |
| - Impairment (-) | - | - | - | - | - | - | - |
| - The part of net value under guarantee with collateral etc. | - | - | - | - | - | - | - |
| E. Off balance sheet items that include credit risk | - | - | - | - | - | - | - |

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

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

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Liquidity Risk

December 31, 2019

Maturities Based on Agreement

| Non-Derivative Financial Liabilities | Book Value | Cash Outflow According to Contract | Less Than 3 Month | 3-12 Month | 1-5 Year | More Than 5 Years |
|--------------------------------------|-------------|------------------------------------|-------------------|-------------|-------------|-------------------|
| Financial Liabilities | 819.279.613 | 819.279.613 | 92.746.556 | 433.375.141 | 263.818.680 | 29.339.236 |
| Debt Securities Issuance | - | - | - | - | - | - |
| Trade Payables | 392.005.623 | 392.005.623 | - | 392.005.623 | - | - |
| Other Payables | 15.479.323 | 15.479.323 | - | 15.479.323 | - | - |

December 31, 2019

Maturities Based on Agreement

| Non-Derivative Financial Liabilities | Book Value | Cash Outflow According to Contract | Less Than 3 Month | 3-12 Month | 1-5 Year | More Than 5 Years |
|--------------------------------------|-------------|------------------------------------|-------------------|-------------|-------------|-------------------|
| Financial Liabilities | 381.481.695 | 381.481.695 | 37.207.850 | 145.563.068 | 147.633.151 | 51.077.626 |
| Debt Securities Issuance | - | - | - | - | - | - |
| Trade Payables | 574.934.836 | 574.934.836 | 51.651.605 | 523.283.231 | - | - |
| Other Payables | 3.781.764 | 3.781.764 | - | 3.781.764 | - | - |

Fair Value of Financial Instruments

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

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

| Financial Assets (December 31, 2020) | Level 1 | Level 2 | Level 3 |
|--------------------------------------|------------|------------|---------|
| Derivative Assets | - | 10.668.553 | - |
| Short Term Financial Investments | 32.104.780 | - | - |

| Financial Liabilities (December 31, 2020) | Level 1 | Level 2 | Level 3 |
|---|---------|-----------|---------|
| Derivative Liabilities | - | 2.017.984 | - |

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

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

41. SUBSEQUENT EVENTS

- With the decision of the Competition Board dated 07.01.2021 and numbered 2101 / 18-8 in the letter of the Competition Authority published on the website and reached the Company with the number E-13183850-110.01.04-18808 dated 11.01.2021; it was decided to impose an administrative fine on the grounds that Article 4 of the Law No. 4054 was violated against the Company, an administrative fine of 8,256,092.61 TL was imposed on behalf of the Company, the reasoned decision will be notified to the Company separately, and can be filed to Ankara Administrative Court within 60 days from the date of notification. The administrative fine is announced on the Public Disclosure Platform by the Company with a 25% discount, resulting 6.192.069,46 TL in accordance with the 6th paragraph of the 17th article of the Misdemeanor Law No.5326. Since the payment to be made by the Company will not affect the right to go to law, a lawsuit will be filed before the Ankara Administrative Courts against the administrative fine imposed against the Company with the decision of the Competition Board dated 07.01.2021 and numbered 2101 / 18-8, within the legal period and it was published on Public Disclosure Platform with the same explanation. The Company recognized provision for the relevant penalty in its financial statements dated 31.12.2020.

- The Company, TSKB and the EBRD (European Bank for Reconstruction and Development) within the scope of co-financing signed loan agreement amounting to 40.000.000 TL for a two-year term.

- At the Company's extraordinary general assembly meeting dated 02.02.2020, it was decided to change the capital article, which is the 6th article of the main contract, as follows:

- The registered capital ceiling of the company is 422.500.000,00 TL (Four hundred twenty two million five hundred thousand Turkish Liras), and it is divided into 422,500,000 (Four hundred twenty two million five hundred thousand) shares each with a nominal value of 1 TL (One Turkish Lira). The registered capital ceiling permit issued by the Capital Markets Board is valid for the years 2020-2024 (5 years). Even if the permitted registered capital ceiling is not reached at the end of 2024, in order for the board of directors to take a capital increase decision after 2024, for the previously permitted ceiling or a new ceiling amount, not exceeding 5 years from the general assembly by obtaining permission from the Capital Markets Board. It is mandatory to obtain authorization for a new period. In case the said authorization is not obtained, capital increase cannot be made with the decision of the board of directors. The issued capital of the company is 84.500.000,00 TL (eightyfour million five hundred thousand Turkish Liras). This capital consists of 9.750.000 Group A shares,

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6.500.000 Group B shares and 68.250.000 Group C shares and each worth 1,00TL that makes a total of 84.500.000 TL. Unless otherwise agreed by the board of directors in capital increases, each group uses the priority right from its own group. If the A and B group shareholders have remaining shares from the use of the pre-emptive right, these remaining shares turn into C group and bearer shares without the need for any other transaction. If the Board of Directors restricts the shareholders' right to purchase new shares, all of the new shares to be issued shall be issued in written form as Group C and bearer. In addition, the board of directors is authorized to issue C group bearer shares in return for A and B group registered shares in capital increases. The Board of Directors, between the years of 2020-2024, in accordance with the provisions of the Capital Market legislation, to increase the issued capital by issuing shares up to the registered capital ceiling and issuing shares above the nominal value, restricting the rights of privileged shareholders and limiting the rights of shareholders to purchase new shares. Group A, B and C shares can be freely transferred in accordance with the provisions of the relevant legislation. In the transfer of shares, Turkish Commercial Code, Capital Market Law, Capital Markets Board regulations, other relevant regulations of the Capital Market legislation, Central Registration System rules and other regulations regarding the dematerialization of shares are complied with. The capital of the Company can be increased or decreased within the framework of the Turkish Commercial Code, Capital Market Law and relevant legislation. It shall be monitored within the framework of dematerialization principles shares representing the capital.

- In the extraordinary general assembly meeting dated 02.02.2021, the Company decided to increase the paid capital of 84.500.000 TL to 190.470.000 TL without charge, by covering all of it from internal resources.

- In the special circumstances disclosure made on 17.02.2021, it was disclosed that the shares of Söke Değirmencilik Sanayi ve Ticaret A.Ş. ("Söke Un") owned by Moms Kitchen International SARL, which operates under the control of Mediterra Capital Partners, to be bought partially or wholly by Ulusoy Un Sanayi ve Ticaret A.Ş ("Ulusoy Un"), or the merger of Ulusoy Un and Söke Un into Ulusoy Un (the taker), and a confidentiality agreement was signed between Ulusoy Un and Söke Un in order to evaluate the alternatives.

42. OTHER MATTERS THAT MAY AFFECT THE FINANCIAL STATEMENTS TO A SIGNIFICANT EXTENT OR MATTERS WHICH ARE REQUIRED TO BE EXPLAINED IN ORDER FOR THE FINANCIAL STATEMENTS TO BE CLEAR, INTERPRETABLE AND UNDERSTANDABLE

None.