

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

CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM ACCOUNT PERIOD OF
1 JANUARY 2019 - 30 SEPTEMBER 2019

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ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL POSITION STATEMENT DATED 30 SEPTEMBER 2019
(Unless otherwise specified, the currency shall be TRY.)

ASSETS	Footnote References	Not Audited Independently 30.09.2019	Audited Independently 31.12.2018
Current Assets		989,343,860	857,513,399
Cash and Cash Equivalents	4	135,960,694	233,269,456
Financial Investments	5	1,034,474	820,159
Trade Receivables	7	447,632,297	421,755,175
- Trade Receivables from Affiliates		2,518,585	216,003
- Trade Receivables from Non-Affiliates		445,113,712	421,539,172
Other Receivables	8	4,674,397	1,180,276
- Other Receivables from Affiliates		605,111	-
- Other Receivables from Non-Affiliates		4,069,286	1,180,276
Derivative Instruments	9	1,573,646	4,580,190
Inventories	10	241,225,508	148,876,878
Prepaid Expenses	11	144,629,856	37,766,646
Assets Related to Current Period Tax	14	810,029	-
Other Current Assets	20	11,802,959	9,264,619
(Subtotal)		989,343,860	857,513,399
Fixed Assets Classified for Sales		-	-
Fixed Assets		189,584,563	178,346,635
Financial Investments	5	-	67,500
Trade Receivables	7	8,836,255	8,822,866
Other Receivables	8	236,149	235,418
Derivative Instruments	9	-	-
Investments Valued by Equity Method	12	4,629,328	4,615,132
Investment Real Estates	13	9,800,000	9,800,000
Tangible Fixed Assets	15	154,797,395	138,747,769
Intangible Fixed Assets	16	389,735	414,889
- Goodwill		-	-
- Other Intangible Fixed Assets		389,735	414,889
Prepaid Expenses	11	3,042,014	3,042,014
Deferred Tax Asset	27	7,853,687	12,601,047
Other Fixed Assets	20	-	-
TOTAL ASSETS		1,178,928,423	1,035,860,034

The consolidated financial statements issued for the 1 January - 30 September 2019 period are approved at the Board of Directors meeting dated 11.11.2019 and they are signed on behalf of the Board of Directors by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol, Kemal Kitaplı.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL POSITION STATEMENT DATED 30 SEPTEMBER 2019
(Unless otherwise specified, the currency shall be TRY.)

LIABILITIES	Footnote References	Not Audited Independently 30.09.2019	Audited Independently 31.12.2018
Short-Term Liabilities		728,445,752	595,776,972
Short-Term Borrowings	6	183,906,247	98,238,325
Short-Term Amounts of Long-Term Borrowings	6	70,779,326	68,339,260
Trade Payables	7	430,096,247	379,799,207
- Trade Payables to Affiliates		217,125	7,276,056
- Trade Payables to Non-Affiliates		429,879,122	372,523,151
Payables Classified as Employee Benefits	19	1,465,569	977,037
Other Payables	8	492,821	32,117
- Other Payables to Affiliates		-	-
- Other Payables to Non-Affiliates		492,821	32,117
Derivative Instruments	9	11,108,416	34,210,890
Government Incentives and Subsidies		-	-
Deferred Incomes	11	26,167,223	6,543,756
Tax Liabilities on Period Profit	27	1,388,380	5,918,271
Short-Term Provisions	18-19	122,223	210,574
- Short Term Provisions for Employee Benefits	19	101,316	8,740
- Other Short-Term Provisions	18	20,907	201,834
Other Short-Term Liabilities	20	2,919,300	1,507,535
(Subtotal)		728,445,752	595,776,972
Liabilities on Asset Groups Classified for Sales		-	-
Long-Term Liabilities		183,316,795	196,594,217
Long-Term Borrowings	6	155,746,368	170,957,065
Trade Payables	7	19,025,357	16,482,888
Other Payables	8	-	-
Derivative Instruments	9	-	-
Deferred Incomes	11	-	291,915
Long-Term Provisions	19	1,486,346	1,283,161
- Long-Term Provisions for Employee Benefits		1,486,346	1,283,161
- Other Long-Term Provisions		-	-
Deferred Tax Liability	27	7,058,724	7,579,188
Other Long-Term Liabilities	20	-	-
Shareholders' Equity	21	267,165,876	243,488,845
Equity Holders of the Parent		267,165,876	243,488,845
Paid-In Capital	21	84,500,000	84,500,000
Reacquired Stock (-)	21	(3,445,108)	(3,445,108)
Share Premiums/Discounts	21	38,607,992	38,607,992
Other Accumulated, Comprehensive Incomes or Expenses That Cannot be Reclassified as Profit or Loss	21	26,757,420	26,779,271
Revaluation and Assessment Gains / Losses		26,757,420	26,779,271
- Revaluation Increases/(Decreases) for Tangible Fixed Assets		27,280,537	27,296,800
- Defined Benefit Plans Reassessment Earnings		(523,117)	(517,529)
Other Accumulated, Comprehensive Incomes or Expenses That Can be Reclassified as Profit or Loss	21	2,459,079	1,477,307
- Foreign Currency Conversion Adjustments		2,459,079	1,477,307
Reserves on Retained Earnings	21	11,171,315	9,138,328
Previous Year Profits/(Losses)	21	84,418,396	66,524,884
Net Period Profit/(Loss)	21	22,696,782	19,906,171
Non-Controlling Interests		-	-
TOTAL LIABILITIES		1,178,928,423	1,035,860,034

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(Unless otherwise specified, the currency shall be TRY.)

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED PROFIT OR LOSS STATEMENT OF THE INTERIM PERIOD OF 1 JANUARY 2019 - 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

	Footnote References	Not Audited Independently 01.01.2019 30.09.2019	Not Audited Independently 01.07.2019 30.09.2019	Not Audited Independently 01.01.2018 30.09.2018	Not Audited Independently 01.07.2018 30.09.2018
PROFIT OR LOSS ITEMS					
Revenues	22	2,294,905,376	784,108,461	2,264,874,651	965,711,512
Cost of Sales (-)	22	(2,180,673,704)	(754,186,543)	(2,190,443,981)	(929,340,404)
Gross Profit / (Loss) from Commercial Activities		114,231,672	29,921,918	74,430,670	36,371,108
GROSS PROFIT/(LOSS)		114,231,672	29,921,918	74,430,670	36,371,108
General Administration Expenses (-)	23	(9,511,621)	(3,264,711)	(7,241,093)	(2,497,151)
Marketing Expenses (-)	23	(31,101,073)	(10,560,863)	(25,072,755)	(9,111,194)
Research and Development Expenses (-)	23	(85,841)	(31,274)	(92,591)	(28,607)
Other Incomes from Main Activities	24	116,119,872	25,377,609	289,455,316	183,173,675
Other Expenses from Main Activities (-)	24	(76,743,486)	(26,957,089)	(93,516,746)	(56,402,867)
REAL OPERATING PROFIT / (LOSS)		112,909,523	14,485,590	237,962,801	151,504,964
Income from Investing Activities	24	523,426	258,217	750,710	129,483
Expenses from Investing Activities	24	-	-	-	-
Impairment Earnings (Losses) Determined As per TFRS 9 and Cancellation of Impairment Losses	24	31,676	(49,940)	-	-
Profit / Loss Shares of Investments Valued by Equity Method	25	456,195	180,971	664,260	288,457
OPERATING PROFIT / LOSS BEFORE FINANCIAL EXPENSES		113,920,820	14,874,838	239,377,771	151,922,904
Financial Incomes	26	111,443,655	49,904,611	170,961,568	120,331,075
Financial Expenses (-)	26	(197,046,776)	(61,720,431)	(374,474,414)	(250,883,653)
PRETAX PROFIT / (LOSS) FROM CONTINUING OPERATIONS		28,317,699	3,059,018	35,864,925	21,370,326
Tax Expense / Income from Continuing Operations	27	(5,620,917)	3,454,927	(5,641,225)	(3,573,519)
Period Tax Expense / Income		(1,388,380)	(181,049)	(3,562,976)	(1,976,194)
Deferred Tax Expense/Income		(4,232,537)	3,635,976	(2,078,249)	(1,597,325)
PERIOD PROFIT / (LOSS) FROM CONTINUING OPERATIONS		22,696,782	6,513,945	30,223,700	17,796,807
PERIOD PROFIT / (LOSS) FROM DISCONTINUING OPERATIONS		-	-	-	-
Period Profit / (Loss) from Discontinuing Operations After Tax		-	-	-	-
PERIOD PROFIT/(LOSS)		22,696,782	6,513,945	30,223,700	17,796,807
Distribution of Period Profit / (Loss)		-	-	-	-
Non-Controlling Interests		-	-	-	-
Equity Holders of the Parent		22,696,782	6,513,945	30,223,700	17,796,807
Earnings per Share	28				
Earnings per Share From Continuing Operations		0.2751	0.0790	0.3664	0.216
Earnings per Share From Discontinuing Operations		-	-	-	-
Diluted Earnings per Share		-	-	-	-
Diluted Earnings per Share From Continuing Operations		-	-	-	-
Diluted Earnings per Share From Discontinuing Operations		-	-	-	-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED OTHER COMPREHENSIVE INCOME STATEMENT OF THE INTERIM PERIOD OF 1 JANUARY 2019 - 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

		Not Audited Independently	Not Audited Independently	Not Audited Independently	Not Audited Independently
	Footnote References	01.01.2019 30.09.2019	01.07.2019 30.09.2019	01.01.2018 30.09.2018	01.07.2018 30.09.2018
OTHER COMPREHENSIVE INCOME					
Items Not to be Reclassified on Profit or Loss	21	(1,523)	89,379	27,511,690	27,517,416
Revaluation Increases / Decreases of Tangible Fixed Assets		-	-	30,854,039	30,854,039
Revaluation Increases / Decreases of Intangible Fixed Assets		-	-	-	-
Reassessment Gains / Losses of Defined Benefit Plans		(7,164)	109,377	33,282	43,390
Shares of Investments Valued by Equity Method but Not Classified Under Profit / Loss of Other Comprehensive Incomes		-	-	-	-
Other Comprehensive Income Items not Reclassified as Other Profit or Loss		-	-	-	-
Tax of Other Comprehensive Income not Reclassified as Profit or Loss		5,641	(19,998)	(3,375,631)	(3,380,013)
<i>Period Tax (Expense)/ Income</i>		-	-	-	-
<i>Deferred Tax (Expense)/Income</i>		5,641	(19,998)	(3,375,631)	(3,380,013)
Items to be Reclassified as Profit or Loss		981,772	(404,969)	2,996,750	2,451,363
Foreign Currency Conversion Adjustments		981,772	(404,969)	2,996,750	2,451,363
Revaluation and / or Reclassification Gains / Losses of Available-for-Sale Financial Assets		-	-	-	-
Gains/Losses of Cash Flow Hedging		-	-	-	-
Gains/Losses of Investment Hedging Related to the Foreign Business		-	-	-	-
Shares of Investments Valued by Equity Method but Classified Under Profit / Loss of Other Comprehensive Incomes		-	-	-	-
Other Comprehensive Income Items Reclassified as Other Profit or Loss		-	-	-	-
Tax Incomes / Expenses of Other Comprehensive Income to be Reclassified on Profit or Loss		-	-	-	-
<i>Period Tax (Expense)/ Income</i>		-	-	-	-
<i>Deferred Tax (Expense)/Income</i>		-	-	-	-
OTHER COMPREHENSIVE INCOME		980,249	(315,590)	30,508,440	29,968,779
TOTAL COMPREHENSIVE INCOME		23,677,031	6,198,355	60,732,140	47,765,586
Distribution of Total Comprehensive Income					
Non-Controlling Interests		-	-	-	-
Equity Holders of the Parent		23,677,031	6,198,355	60,732,140	47,765,586

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED EQUITY CHANGE STATEMENT OF THE INTERIM PERIOD OF 1 JANUARY 2019 - 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

	Footnote	Paid-in Capital	Reacquired Stocks	Share Premiums/Discounts	Accumulated Other Comprehensive Incomes and Expenses not Reclassified in Profit or Loss			Accumulated Other Comprehensive Incomes and Expenses Reclassified in Profit or Loss		Accumulated Profits / (Losses)		Total
					TFA Revaluation Increases/Decreases	Defined Benefit Plans Reassessment Earnings	Foreign Currency Conversion Adjustments	Reserves on Retained Earnings	Previous Years Profits / (Losses)	Net Period Profit/ (Loss)		
Balance on 31 December 2017		84,500,000	(3,445,108)	38,607,992	562,159	(489,899)	-	7,444,207	51,899,755	16,595,085	195,674,191	
Transfers	21	-	-	-	(12,136)	-	-	1,694,121	14,913,100	(16,595,085)	-	
Increase (Decrease) due to Stock Reacquisition Transactions		-	-	-	-	-	-	-	-	-	-	
Total Comprehensive Income	21	-	-	-	27,485,065	26,625	2,996,750	-	-	30,223,700	60,732,140	
Balance on 30 September 2018		84,500,000	(3,445,108)	38,607,992	28,035,088	(463,274)	2,996,750	9,138,328	66,812,855	30,223,700	256,406,331	
Balance on 31 December 2018	21	84,500,000	(3,445,108)	38,607,992	27,296,800	(517,529)	1,477,307	9,138,328	66,524,884	19,906,171	243,488,845	
Transfers	21	-	-	-	(20,328)	-	-	2,032,987	17,893,512	(19,906,171)	-	
Increase (Decrease) due to Stock Reacquisition Transactions	21	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive Income	21	-	-	-	4,065	(5,588)	981,772	-	-	22,696,782	23,677,031	
Balance on 30 September 2019	21	84,500,000	(3,445,108)	38,607,992	27,280,537	(523,117)	2,459,079	11,171,315	84,418,396	22,696,782	267,165,876	

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

CONSOLIDATED CASH FLOW STATEMENT OF THE INTERIM PERIOD OF 1 JANUARY 2019 - 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

		Not Independently Audited	Not Independently Audited
	Footnote References	01.01.2019 30.09.2019	01.01.2018 30.09.2018
A. Cash Flows from Operational Activities		(132,405,704)	15,871,976
Period Profit/(Loss)	21	22,696,782	30,223,700
Adjustments related to Period Net Profit / (Loss) Settlement		6,840,915	3,425,726
Adjustments related to Amortization and Redemption Expenses	23	4,272,892	2,552,841
Adjustments Related to Interest Income / Expense		(1,772,184)	(1,392,846)
Adjustments Related to Provisions		107,670	187,482
Adjustments Related to Tax Income/Expense		4,232,537	2,078,249
Changes in Working Capital		(161,943,401)	(17,777,450)
Adjustments related to Inventory Increases (Decreases)	10	(92,348,630)	107,029,469
Adjustments related to Trade Receivables Increases (Decreases)	7	(25,890,511)	(355,248,651)
Adjustments related to Increases (Decreases) in Other Operational Receivables	8	(3,494,852)	341,753
Adjustments related to Trade Payables Increases (Decreases)	7	52,839,509	242,889,149
Adjustments related to Increases (Decreases) in Other Operational Payables	8	460,704	46,850
Adjustments related to Other Increases / (Decreases) in Working Capital		(93,509,621)	(12,836,020)
Cash Flows from Operations		(132,405,704)	15,871,976
B. Cash Flows from Investing Activities		(40,554,305)	(47,397,223)
Cash Outflows from Buying Tangible and Intangible Fixed Assets	15/16	(20,389,214)	(36,185,691)
Cash Inflows from Selling Tangible and Intangible Fixed Assets	15/16	91,850	31,128
Cash Outflows from Buying Other Business or Fund Shares or Debt Instruments	5/13	(161,011)	-
Cash Inflows from Selling Other Business or Fund Shares or Debt Instruments	5/13	-	70,438
Cash Inflows from Derivative Instruments	9	(20,095,930)	(11,313,098)
Cash Outflows from Derivative Instruments	9	-	-
C. Cash Flows from Financing Activities		74,669,475	77,523,285
Cash Outflows from the Enterprise Purchasing its Own Shares and Other Equity Instrument		-	-
Cash Inflows from Borrowings		351,854,490	409,250,759
Cash Outflows for Debt Payments		(250,089,586)	(317,190,482)
Interest Earned	26	10,199,689	9,977,674
Interest Paid	26	(37,295,118)	(24,514,666)
Dividends Paid		-	-
Net Increase (Decrease) in Cash and Cash Equivalents before Foreign Currency Conversion Adjustments Impact (A+B+C)		(98,290,534)	45,998,038
D. Impact of Foreign Currency Conversion Adjustments on Cash and Cash Equivalents	21	981,772	2,996,750
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C+D)		(97,308,762)	48,994,788
E. Cash and Cash Equivalents at the Beginning of Period	4	233,269,456	140,562,922
Cash and Cash Equivalents at Period End (A+B+C+D+E)	4	135,960,694	189,557,710

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

1. ORGANIZATION AND AREA OF ACTIVITY OF THE COMPANY

Ulusoy Un Sanayi ve Ticaret Anonim Şirketi ("Company") was established in 1989 for producing, trading, importing and exporting all kinds of food items made up of grains and legumes such as flour, farina, pasta and biscuits.

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

The company's upper limit of registered capital is TRY 250,000,000. The upper limit of registered capital permit granted by the Capital Market Board ("CMB") is valid for (5 years) between the years of 2018 and 2022.

Through the Capital Market Board meeting dated November 7, 2014 and numbered 32/1095, Ulusoy Un Sanayi ve Ticaret A.Ş. was allowed to go public by book-building on 12, 13 and 14 November 2014. All of the shares with a total nominal value of TRY 23,500,000, which were offered through capital increase and joint sales, were sold. 27.81% of the shares of the company started to be traded at the Istanbul Stock Exchange as of November 20, 2014. The company's issued capital is equal to TRY 84,500,000 (eighty-four million five hundred thousand Turkish Liras). This capital is divided into 9,750,000 Group A shares, 6,500,000 Group B shares and 68,250,000 Group C shares, in total 84.500.000 shares, each having a nominal value of TRY 1. Group A and Group B shares are registered shares, Group C shares that are traded at the Istanbul Stock Exchange are bearer shares, while the other Group C shares are registered shares. Group A shares have a privilege to select Board of Directors, while Group A and B shares have a privilege in voting at the General Meeting; if the Board of Directors is composed of five members, excluding independent members, then minimum two members, if composed of six or seven members, then minimum three members, if composed of eight or nine members, then minimum four members, and if composed of ten or eleven members, then minimum five members should be elected among candidates to be nominated by the majority of Group A shareholders. Group A shareholders or their proxies attending to the Ordinary and Extraordinary General Meetings shall have 15 (fifteen) voting rights per share; Group B shareholders or their proxies shall have 10 (ten) voting rights per share, and Group C shareholders or proxies shall have 1 (one) voting right per share.

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

The Company's capital distribution is as follows:

Shareholders	Number of Shares	Group	Ratio (%)	Amount
Fahrettin Ulusoy	4,550,000	A	5.38	4,550,000
	1,950,000	B	2.31	1,950,000
	-	C	-	-
	6,500,000		7.69	6,500,000
Nevin Ulusoy	650,000	A	0.77	650,000
	1,300,000	B	1.54	1,300,000
	12,207,627	C	14.45	12,207,627
	14,157,627		16.76	14,157,627
Onur Erhan Ulusoy	650,000	A	0.77	650,000
	1,950,000	B	2.31	1,950,000
	15,638,791	C	18.50	15,638,791
	18,238,791		21.58	18,238,791
Eren Günhan Ulusoy	3,900,000	A	4.62	3,900,000
	1,300,000	B	1.54	1,300,000
	16,781,279	C	19.86	16,781,279
	21,981,279		26.02	21,981,279
Kamil Adem	26,941	C	0.03	26,941
	26,941		0.03	26,941
Mithat Denizcigil	95,362	C	0.11	95,362
	95,362		0.11	95,362
Public Shares	23,500,000	C	27.81	23,500,000
	84,500,000		100.00	84,500,000

As of 30 September 2019, the company has 282 active employees (246 on 31 December 2018).

The company has two subsidiaries as of the date of reporting. The share ratio in these subsidiaries is as follows:

Subsidiaries	30 September 2019 (Ratio)	31 December 2018 (Ratio)
Uludaş Tarım Ürünleri Lisanslı Depoculuk A.Ş.	100%	100%
Rolweg SA	100%	100%
Alfaway Gıda Sanayi ve Ticaret A.Ş.	100%	-

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

Established on 27 February 2015, the company carries out licensed warehousing activities for keeping agricultural products covered by its license under proper conditions and for storing the same for commercial purposes.

The Uludaş headquarter is located at Şabanoğlu Mahallesi Atatürk Bulvarı No: 180-1 Tekkeköy / Samsun. The company has 19 employees as of 30 September 2019. (December 31, 2018: 9 people)

The company capital is equal to TRY 5,000,000 as of 30 September 2019 and the company does not have any outstanding capital.

Rolweg SA (“Rolweg”)

Rolweg SA was established with a capital of 1.000.000 Swiss Francs (CHF) on 15 March 2018 to trade grain. 100% of the capital of Rolweg is owned by Ulusoy Un Sanayi ve Ticaret A.Ş. The head office address of Rolweg SA is Rue du Nant6, 1207 Geneva, Switzerland. Rolweg’s capital was increased by CHF 2,000,000 by a resolution taken on 23.07.2019. As of 30.09.2019, Rolweg SA’s capital is CHF 3,000,000.

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

It was established on 24.09.2019 to produce, purchase, sell and distribute all sorts of food items in bulk and retail forms, and to import and export the same. Alfaway’s headquarter is located at Şabanoğlu Mahallesi Atatürk Bulvarı N180/ 1-1 Tekkeköy Samsun. The company capital is equal to TRY 5,000,000 as of September 30, 2019, and the company has an outstanding capital of TRY 3,750,000. 100% of the capital of Alfaway is owned by Ulusoy Un Sanayi ve Ticaret A.Ş.

The Company shall be referred to as “Group” collectively with Uludaş, Rolweg and Alfaway.

2. PRINCIPLES REGARDING THE SUBMISSION OF FINANCIAL STATEMENTS

2.1. Basic Principles regarding the Submission

2.1.1. Declaration of Compliance

Legal records of the group are kept in accordance with the Turkish Commercial Code and Turkish Tax Laws, and thus the currency of the legal financial statements is Turkish Lira (“TRY”).

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The enclosed consolidated financial statements are issued based on the Capital Market Board's ("CMB") "Communique on Principles of Financial Reporting on Capital Market" ("Communique") bearing the Serial number II and number 14.1, which was published on the Official Gazette dated 13 June 2013 and numbered 28676, and in accordance with the Turkish Accounting Standards ("TAS") / Turkish Financial Reporting Standards ("TFRS") that are published and put into force by the Public Oversight, Accounting and Auditing Standards Institute ("KGK").

The consolidated financial statements issued for the 1 January - 30 September 2019 period are approved at the Board of Directors meeting dated 11.11.2019 and they are signed on behalf of the Board of Directors by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol, Kemal Kitaplı.

The Group's general assembly and / or legal authorities are entitled to amend the enclosed consolidated financial statements.

2.1.2. Principles of Preparing Financial Statements

The principles indicated in the provisions of "Communique on Principles Regarding Financial Reporting in Capital Market", serial number II, 14.1, by the Capital Market Board (CMB), which was published in Official Gazette Numbered 28676 and dated 13 June 2013, along with the Communique on Turkish Accounting Standards Taxonomy published by CMB are used in the preparation of the consolidated financial statements and the footnotes dated 30 September 2019. The interim condensed financial statements have been prepared in accordance with TAS 34. The interim condensed consolidated financial statements of the Group do not contain all of the explanations and footnotes required to be included in the year-end consolidated financial statements, and therefore should be read in conjunction with the Group's financial statements dated 31 December 2018.

The enclosed consolidated financial statements are prepared as a result of corrections and classifications made on the Group's legal records as per the communique published by the CMB.

The group has presented the consolidated financial statements and footnotes in the format that is required under the communique and resolutions published by the CMB.

Consolidated financial statements of the Group are prepared as per the principle of Group's continuity and under the assumption that Group shall obtain benefit from its assets and fulfill its obligations in the next one-year period and in the natural course of its activities.

2.1.3. Currency

The enclosed consolidated financial statements are presented in Turkish Lira (TRY), and all financial data available are included by getting rounded up to the closest TRY amount.

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2.1.4. Adjustment of Financial Statements on Periods of High Inflation

Turkish Accounting Standards 29 stipulates that financial statements issued in currency of economies with hyperinflation use the measurement unit valid on the date of reporting. The practice of adjusting the financial statements according to inflation stopped on 1 January 2005 due to the end of the high-inflation period, and also the majority of the indications related to continuity of the high-inflation period were eliminated significantly pursuant to the resolution of the CMB dated March 17, 2005 and numbered 11/367.

2.1.5. Principles of Consolidation

The financial statements dated 30 September 2019 and 31 December 2018 are presented in the form of **consolidated financial statements**.

Details of the Group's subsidiaries are as follows as of September 30, 2019 and 31 December 2018:

Subsidiaries	30 September 2019 (Ratio)	31 December 2018 (Ratio)
Uludaş Tarım Ürünleri Lisanslı Depoculuk A.Ş.	100%	100%
Rolweg SA	100%	100%
Alfaway Gıda Sanayi ve Ticaret A.Ş.	100%	-

The enclosed consolidated financial statements show the Company and subsidiary accounts as explained below in the "subsidiaries" article. Necessary adjustments and classifications are made while preparing the financial statements of the subsidiaries in order to assure compliance to legal records, reporting standards as well as accounting policies and presentation formats adopted by the Company.

2.1.5.1. Subsidiaries

The subsidiaries are companies directly or indirectly controlled by the Company. The Company receives shares from operations of the subsidiaries depending on its power of enforcing financial and operational policies adopted by the subsidiary companies. Existing and convertible voting rights are taken into consideration while determining the controlling power. Financial statements of the subsidiaries are included in the consolidated financial statements for the period between the dates the controlling power is gained and ended on.

The company owns 100% of Alfaway, Rolweg SA and Uludaş as of 30 September 2019. Since the Company has absolute controlling power over the operations of Alfaway, Rolweg SA and Uludaş, the financial statements of Alfaway, Rolweg SA and Uludaş are included in the enclosed consolidated financial statements by means of full consolidation.

2.1.5.2. Elimination in Consolidation Process

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Financial position statements and profit / loss statements of Alfaway, Ulidaş and Rolweg are consolidated by using the full consolidation method, and Alfaway's, Ulidaş' and Rolweg's recorded assets shown on the Company's books as subsidiaries and the shareholders' equity shown on Alfaway's, Ulidaş' and Rolweg's' books are mutually offset. Consolidated financial statements are free of all balances and transactions related to the operations between Alfaway, Ulidaş, Rolweg, and the Company, and of any unrealized incomes and expenses. If necessary, adjustments related to accounting policies are made on the financial statements of the subsidiaries in order to make sure that they comply with the accounting policies adopted by the Company. All in-group transactions, balances, incomes and expenses are eliminated on the consolidation process.

2.1.5.3. Non-Controlling Interests

Non-controlling interests in the net assets of consolidated subsidiaries are separately shown in the Group's shareholders equity. Non-controlling interests consist of the amount of shares arising from initial company mergers and the amount of non-controlling interests arising from shareholders equity changes starting from the date of merger.

2.1.6. Comparative Information and Adjustment of Financial Statements issued on the Previous Period

The information presented on the consolidated financial statements is compared with the previous period. In order to assure compliance with the current period's consolidated financial statements, the comparative information is reclassified, if necessary.

2.1.7. Netting

Financial assets and liabilities are included on the consolidated financial position statement with net values provided that there is a legal right of netting, that the net payment is made or the collection of payment is possible or if the acquisition of an asset and performance of the liability can be performed simultaneously.

2.1.8. Changes in Accounting Policies

Material changes made on the accounting policies are applied retrospectively, and the financial statements of the previous period are rearranged.

TFRS 16 Leasing Operations

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This standard is effective for the annual reporting periods beginning on or after 1 January 2019. This standard replaces the existing TAS 17 Leasing Operations. According to TAS 17, the lessors are required to make distinctions between financial leasing or operating leasing when they are a leasing party. However, in accordance with TFRS 16, lessors will be required to write down the lease obligations that they will pay in the future for all lease contracts and write down the rights to use an asset in return on the statement of financial position. Short-term lease contracts with a lease term of 12 months or less can continue to write off expenses for these contracts in the payment period that may be assessed within the scope of the exception defined by TFRS 16, when they are considered as low-value contracts.

The Group recognizes its leasing obligation on the financial statements by measuring the remaining leasing payments at the present value discounted at the borrowing interest rate of the lessee at the date of initial application. In the accounting of the right-of-use asset, however, the option to include in the

financial statements at an amount equal to the lease obligation is preferred as stated. In accordance with the initial accounting, no adjustments were made to retained earnings or comparative figures in the financial statements (balance sheet and income statement for 2018).

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

Statement of Financial Position	01.01.2019	30.09.2019
Right-of-Use Asset	1,502,723	1,591,101
Lease Obligation	1,502,723	996,250

As of 30 September 2019, a TRY 35,863 portion the of usage rights has been reported for the buildings, and TRY 1,555,238 TL for the vehicles. The amortization expenses of the right-of-use assets for the period ended on 30 September 2019 is TRY 599,736. The Group, while measuring the lease payables, discounts its lease payments using the alternative borrowing rate on 1 January 2019. The alternative borrowing rates used for TRY, USD and EUR are

19,32%, 4,4800% and 4,1900% respectively.

2.1.9. Changes and Errors in Accounting Forecasts

If the changes in accounting forecasts relate only to a single period, such change shall be applied to the current period of change, yet if the changes are related to the future periods, such changes are applied both on the current period of change and on future periods prospectively. Material accounting errors determined are examined retrospectively, and the financial statements of previous periods are rearranged.

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Group management refers to accounting estimates on matters like the determination of the useful life of tangible and intangible fixed assets, the determination of actuarial assumptions used in the calculation of the severance pay, along with the provisions to be reserved for litigation and execution proceedings pending in favor of or against the Group, and the determination of decrease in value of inventories.

Important Accounting Assessments, Estimates and Assumptions

Company management must make assumptions and estimates during the preparation of the financial statements that will be affecting the reported amount of assets and liabilities, and that will be determining the possible obligations and undertakings as of the reporting date, along with the income and expense amounts as of the reporting period.

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

- ❖ The Severance pay obligation is determined by using actuarial assumptions (rates of discount, upcoming salary increase rates, employee turnover possibility rates).
- ❖ Tangible and intangible fixed assets are subjected to depreciation in accordance with the useful life basis, using the linear depreciation method. Useful life is reviewed every year for the potential effects of the changes emerging in residual value and depreciation method estimates.
- ❖ If any suspicion (uncertainty) arises on the collection of the receivables, the Group makes provisions for these receivables, regardless of the status of the proceedings (whether a lawsuit being filed or not).
- ❖ Inventories are reflected on the financial statements over the lower of the acquisition cost or the net realizable value.

2.1.10. A Summary of the Accounting Policies Applied

2.1.10.1. Revenues

The TFRS 15, which entered into force as of 1 January 2018, abolishes the standards and related interpretations of the TAS 18 Revenue and TAS 11 Construction Contracts, enabling revenues to be recognized in financial statements. The standard introduces a new 5-stage model in the recognition of the revenues in financial statements.

1. Identification of customer contracts
2. Identification of acquisition obligations in the contract
3. Determination of transaction price
4. Allocation of transaction price in the contracts to each performance obligation
5. Recognition of revenue in financial statements upon the satisfaction of acquisition obligations by the company

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The Group's revenues consist of the sales of wheat, corn, flour, bran, razmol and glean.

2.1.10.2. Tangible Fixed Assets

The Group's underground and aboveground installations, fixtures, facilities, machines, devices and such other tangible fixed assets, including expenses incurred for making the assets operational, are shown by deducting the accumulated amortization and accumulated loss of value from the costs. Lands, buildings, and vehicles are included in the consolidated financial statements dated 30 September 2019 as per the revaluation model, and the realized difference of value is reported amongst shareholders equity under the tangible fixed asset revaluation fund, and on the comprehensive income statement of the related period. In the event that tangible fixed assets are sold, the cost and accumulated amortizations related to such assets are deducted from the related accounts, and then the profit or loss calculated is transferred to the statement of profit and loss. Assets, excluding lands, are subject to amortization, and the assets are subject to amortization by considering the ratios determined based on the useful life of the asset.

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

2.1.10.3. Intangible Fixed Assets

Intangible fixed assets are recorded based on the cost of acquisition, and they are subject to amortization by considering the ratios determined based on the useful life of the asset.

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

2.1.10.4. Impairment of Assets

Each asset, excluding financial assets, are evaluated to determine whether there are any indications suggesting any loss of value regarding any asset on each reporting date. All assets, excluding financial assets but including long-term assets, will have impairment provisions if the asset's recorded value is below the market value (the amount to be recovered).

2.1.10.5. Borrowing Costs

All financing expenses are recorded on the statement of profit or loss in the period of realization

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since there are no qualifying assets.

2.1.10.6. Inventories

Inventories are evaluated based on either net realizable value or cost value, whichever is less. Inventory costs include all purchasing costs, and other costs incurred for bringing the inventories to the current status and position. Net realizable value is the amount to be calculated by deducting total of estimated completion cost and estimated sales cost required for realizing the sales, from the estimated sales price associated with ordinary trading activity. As valuation method of inventory, weighted average cost method is used.

2.1.10.7. Financial Assets

2.1.10.7.1. Cash and Cash Equivalents

Cash and cash equivalent items include cash, demand deposit, time deposit (deposit with maturity date less than 3 months) and other short-term liabilities, which have a maturity date of 3 months or less than 3 months starting

from the date of purchasing and which have a high liquidity that is not subject to a material risk of value change.

2.1.10.7.2. Trade and Other Receivables

Trade and other receivables are subject to accounting based on fair values on the first day of recording. They are given based on the amortized value on the reporting periods following the date of recording by using the efficient interest method. If there are indications that the amounts to be paid cannot be collected, then provisions shall be retained for the estimated amount of trade receivables that cannot be collected, and the provisions are be included on profit / loss account.

2.1.10.7.3. Derivative Financial Instruments

Derivative financial instruments are retained for buying and selling purposes or for hedging. The Group holds all derivative financial instruments for buying and selling them. The difference between the cost of derivative financial instrument and its fair value is associated with the profit / loss statement.

2.1.10.8. Financial Liabilities

2.1.10.8.1. Financial Liabilities

Financial Liabilities at interest are initially recorded based on their fair value, and then appraised using the effective rate of interest.

2.1.10.8.2. Trade and Other Payables

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Trade and other payables are initially recorded based on their fair value, and then appraised based on their amortized value, through the use of the effective rate of interest.

Credit risk:

The group's credit risk might actually arise from its trade receivables. Trade receivables are evaluated by the Group management based on past experiences and current economic status, and it is written as a net amount on the financial position statement after retaining a sufficient amount of provisions for doubtful receivables.

Market risk:

The market risk is the change in the interest rates, exchange rates, or in the value of securities, or in other financial contracts that might have an impact on the Group.

Liquidity risk:

The group creates funds for itself by liquidating its short-term financial instruments. Amounts gained from these instruments are recorded using their fair values.

2.1.10.9. Impacts of Exchange Rate Change

The transactions accounted on the group's legal records in foreign currency (currencies excluding TRY) are converted to Turkish Liras by using the exchange rates on the date of transaction. Foreign exchange-based assets and debts included on the consolidated financial position statement are converted into Turkish Liras by using the exchange rates announced on the date of reporting. Foreign currency profits and losses resulting from this conversion, and from the collection and settlement of the foreign exchange transactions are included on the profit or loss statement.

2.1.10.10. Earnings per Share

According to the Turkish Accounting Standards 33, the amount of earning per share is calculated by dividing the period profit by the weighted average of number of ordinary shares in circulation.

2.1.10.11. Post-Reporting Period Incidents:

This means any incident that takes place between the date of reporting and the date of approval for publishing the consolidated financial status statement, which might be in favor of or against the Group. If there are new evidences proving the existence of the aforementioned incidents as of the reporting date, or if the incidents occur after the reporting date, the Group clarifies the matter on the relevant footnotes section.

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If incidents occur that require adjustments after the date of reporting, then the Group readjusts the consolidated financial statement amounts based on the new course of events.

2.1.10.12. Related Parties

The group shareholders, the companies owned by them, their executives, and other individuals and institutions known to be associated with them are defined as related parties on the enclosed consolidated financial statements. The related party expression used herein means any direct or indirect control of a Group, having any rights that will have material impact on the Group, or the Group's subsidiaries, board of directors members and executives such as general manager.

2.1.10.13. Taxes calculated on the basis of the Company's Earnings:

Corporate tax rate in Turkey is 22% for the fiscal year of 2019 (31 December 2018: 22%). This rate is applied to the tax base to be calculated by adding non-deductible expenses to the company's trade earnings and by deducting exemptions allowed under the tax laws (such as affiliation privilege) and discounts (investment discounts, R&D etc.). No other tax shall be paid unless the profit is distributed. The Corporate tax rate is determined as 22% for the 2018, 2019 and 2020 financial taxation periods according to 10th provisional article added to Law No. 5520 through article 9 of Law No.7061.

The group calculates a provisional tax of 22% over its quarterly financial profits, and declares the amount until the 14th day of second month following that period, and then pays it until the end of office hours on 17th day. Provisional tax paid in a year relates to that particular year, and it is deducted from the corporate tax to be calculated on the corporate tax return to be submitted on the following year. According to the Turkish tax legislation, financial losses indicated on the tax return can be deducted from the company's earnings in a period provided that it does not exceed 5 years.

2.1.10.14. Employee Benefits / Severance Pay Provisions and Pension Plans

According to the laws in force, the Group is obliged to pay a certain lump sum amount to the personnel leaving the company because of retirement, and to the personnel dismissed due to the reasons not included in the Labor Act.

Severance Pay provision is included in the enclosed consolidated financial statements by estimating the current value of the total liability to be paid based on the assumption that all employees entitled as of reporting date are dismissed, and the calculation is based on Turkish Accounting Standard 19 "Employee Benefits."

2.1.10.15. Government Incentives and Subsidies

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None of the government incentives, including the non-monetary government incentives that are monitored based on fair value, are included in the financial statements unless there is reasonable assurance that the following conditions shall be met.

- a) The Group complies with the prerequisites of obtaining it, and
- b) The Group acquires the incentive.

The way the government incentive is obtained does not affect the method of accounting of the incentive Accordingly, government incentives are accounted in the same manner even if they are received in cash, or as a relief of the liability to the government.

Any loan granted by the government at an interest rate lower than the market interest rate is considered as government incentive. The loan in question is accounted and measured according to “Turkish Accounting Standards 39 Financial Instruments: Recognition and Measurement”. The benefit of a lower interest rate is measured as the difference between the initial book value of the loan determined as per the Turkish Accounting Standard 39, and the earnings obtained. The benefit in question is accounted according to this Standard. Conditions and liabilities to be met are taken into consideration while determining the costs planned to be covered with the loan benefit offered.

There are two general approaches regarding the accounting of government incentives: (1) “Capital Approach” in which the incentive is accounted beyond the profit or loss (2) “Income Approach” in which accounts the incentive is accounted under profit or loss in one or multiple periods.

When it is considered that income tax and other taxes are a form of expenditure, the government incentives, which are part of financial policies, can be associated with profits or losses.

2.1.10.16. Investment Real Estates

As an accounting policy, the group has adopted the fair value method or cost method, and it has been applying the said method to all investment properties.

A company choosing the cost method after the initial accounting procedure measures all of its investment properties, using the cost method within the scope of the provisions in TMS (Turkish Accounting Standards) 16 for the said method.

A Group, which measures its investment properties using the fair value method, includes the revenue or loss derived from the changes in the fair value of the investment property into profit or loss in the corresponding period. Remarks about the investment properties of the Group are listed in footnote 19.

2.2. Important Accounting Assessments, Estimates and Assumptions

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In order to assure that the consolidated financial statements are prepared as per the Turkish Financial Reporting Standards, the Group management should make some estimations and assumptions that will have impact on the assets and liabilities reported and on the explanations regarding any possible assets and liabilities to be realized as of reporting date. Actual results might be different from current estimations. These estimations and assumptions are regularly revised, and related readjustments, if any, are reported on the consolidated profit or loss statement issued on the period of occurrence.

2.3. New and Revised Turkish Financial Reporting Standards

The group has complied with all standards issued by KGK as compulsory standards as of 30 September 2019, and with all of the remarks of KGK.

Changes and remarks the on previous standards brought by the new standards that came into force as of 30 September 2019

TFRS 9 shall be effective on 1 January 2019, and as of the reporting periods that start following this date. This amendment results in the accounting of the profit or loss directly in the profit / loss when the financial liability measured at amortized cost is changed without getting excluded from the financial statement. The p/l is calculated as the difference between the contractual cash outflows and the cash outflows amortized at the effective interest rate.

TFRS 16 Leasing Operations

It will be effective as of 1 January 2019. This standard will replace the TAS 17 standard, and bring in a comprehensive change especially in terms of lessors.

TFRS Interpretation 23 Uncertainties over Tax Practices

It will be effective as of the reporting periods starting on and after 1 January 2019. It clarifies some uncertainties over the implementation of the TAS 12 standard.

The 2015-2017 annual improvements apply to the annual reporting periods starting on and after 1 January 2019. These improvements include the following amendments:

- TFRS 3, "Business Mergers"; the company remeasures its previously held share in a joint operation when it obtains control of the business.
- TFRS 11, "Joint Agreements"; the company does not remeasure its previously held share in a joint operation when it obtains joint control of the business.
- TAS 12, "Income Taxes"; the company accounts the income tax consequences of the dividends in the same way.

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- TAS 23, “Borrowing Costs”; the company treats any borrowing, which is originally made to develop a specialized asset ready for its intended use or sale, as a part of general borrowings.

Standards and amendments published as of 30 September 2019, but not in effect yet:

Amendments to TFRS 3: This standard is effective for the annual reporting periods beginning on or after 1 January 2020. Its definition has been revised upon this amendment.

TFRS 17 “Insurance Contracts”: This standard is effective for the annual reporting periods beginning on or after 1 January 2021. This standard replaces TFRS 4, which currently allows many various practices.

TAS 1 Submission of Financial Statements, and TMS 8 Amendments to Accounting Policies; Changes and Errors in Accounting Policies - Definition of Materiality

Changes in the definition of “materiality” clarify this definition, while reviewing the definition and standards used within the Conceptual Scope.

3. REPORTING BASED ON DEPARTMENTS

30 September 2019	Wheat and Flour Trade	Licensed Warehousing	Elimination	Total
Sales	2,293,272,185	2,830,502	(1,197,311)	2,294,905,376
Cost of Sales	(2,180,503,475)	(1,019,248)	849,019	(2,180,673,704)
Gross Real Operating Profit	112,768,710	1,811,254	(348,292)	114,231,672
Research and Development Expenses	(85,841)	-	-	(85,841)
General Administration Expenses (-)	(9,017,106)	(884,579)	390,064	(9,511,621)
Marketing, Sales and Distribution Expenses (-)	(31,101,073)	-	-	(31,101,073)
Other Incomes from Main Activities	115,757,037	604,167	(241,332)	116,119,872
Other Expenses from Main Activities (-)	(76,672,528)	(274,710)	203,752	(76,743,486)
Operating Profit/(Loss)	111,649,199	1,256,132	4,192	112,909,523

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

Income from Investing Activities	523,426	-	-	523,426
Expenses from Investing Activities	-	-	-	-
The Earnings/(Losses) of Impairment Determined in Accordance with TFRS 9 and Cancellations of Impairment Losses	31,676	-	-	31,676
Profit / (Loss) Shares of Investments Valued by Equity Method	456,195	-	-	456,195
Operating Profit/Loss before Financial Expenses	112,660,496	1,256,132	4,192	113,920,820
Financial Incomes	112,826,759	14	(1,383,118)	111,443,655
Financial Expenses (-)	(197,337,100)	(1,088,602)	1,378,926	(197,046,776)
Pre-Tax Profits	28,150,155	167,544	-	28,317,699
Tax Expenses	(5,638,026)	17,109	-	(5,620,917)
Net Period Profit/(Loss)	22,512,129	184,653	-	22,696,782

30.09.2018	Wheat and Flour Trade	Licensed Warehousing	Elimination	Total
Sales	2,264,605,731	372,876	(103,956)	2,264,874,651
Cost of Sales	(2,189,931,346)	(612,319)	99,684	(2,190,443,981)
Gross Real Operating Profit	74,674,385	(239,443)	(4,272)	74,430,670
Research and Development Expenses	(92,591)	-	-	(92,591)
General Administration Expenses (-)	(6,950,258)	(347,147)	56,312	(7,241,093)
Marketing, Sales and Distribution Expenses (-)	(25,072,755)	-	-	(25,072,755)
Other Incomes from Main Activities	288,765,019	742,337	(52,040)	289,455,316
Other Expenses from Main Activities (-)	(93,117,015)	(399,731)	-	(93,516,746)
Operating Profit/(Loss)	238,206,785	(243,984)	-	237,962,801
Income from Investing Activities	750,710	-	-	750,710
Expenses from Investing Activities	-	-	-	-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

Profit / (Loss) Shares of Investments Valued by Equity Method	664,260	-	-	664,260
Operating Profit/Loss before Financial Expenses	239,621,755	(243,984)	-	239,377,771
Financial Incomes	171,748,415	48	(786,895)	170,961,568
Financial Expenses (-)	(374,450,743)	(810,566)	786,895	(374,474,414)
Pre-Tax Profits	36,919,427	(1,054,502)	-	35,864,925
Tax Expenses	(5,705,893)	64,668	-	(5,641,225)
Net Period Profit/(Loss)	31,213,534	(989,834)	-	30,223,700

30 September 2019	Wheat and Flour Trade	Licensed Warehousing	Elimination	Total
Total Assets	1,208,577,305	14,324,797	(43,973,679)	1,178,928,423
Total Liabilities	923,986,184	9,955,293	(22,178,930)	911,762,547
Equity Holders of the Parent	284,591,121	4,369,504	(21,794,749)	267,165,876
Non-Controlling Interests	-	-	-	-

31.12.2018	Wheat and Flour Trade	Licensed Warehousing	Elimination	Total
Total Assets	1,051,504,035	14,322,469	(29,966,470)	1,035,860,034
Total Liabilities	788,888,842	10,137,617	(6,655,270)	792,371,189
Equity Holders of the Parent	248,329,393	4,184,852	(9,025,400)	243,488,845
Non-Controlling Interests	-	-	-	-

30 September 2019	Wheat and Flour Trade	Licensed Warehousing	Total
Investment Expenditures*	20,200,874	188,340	20,389,214
In-Period Depreciation Expense	3,976,622	296,270	4,272,892

31.12.2018	Wheat and Flour Trade	Licensed Warehousing	Total
Investment Expenditures*	43,728,096	153,521	43,881,617
In-Period Depreciation Expense	2,549,173	356,499	2,905,672

4. CASH AND CASH EQUIVALENTS

	Interest Rate (30 September 2019)	30 September	
		2019	31.12.2018
Cash		93,511	35,006
Demand Deposits		35,231,887	53,402,311
Time Deposits	USD: 3.20% - 4% Interest range TRY: 13% - 14.50% Interest range EUR: 0.70% Interest Rate	100,162,576	179,774,361
POS Accounts		113,193	184,450
Fund Accounts		450,326	-

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

Expected Credit Loss	(90,799)	(126,672)
	703,087	233,269,456

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

5. FINANCIAL INVESTMENTS

Short-Term Financial Investments

Short-term financial assets are classified as financial assets, the fair value of which is reflected on the profit/(loss).

	30 September 2019	31.12.2018
Bonds	1,034,474	820,159
	1,034,474	820,159

Long-Term Financial Investments

Long-term financial assets are classified as financial assets, the fair value of which is reflected on the profit/(loss).

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

Fair value difference reflected on profit/(loss)	%	30 September 2019	%	31.12.2018
Samsun Teknolojik Geliştirme Bölgesi Yönetici A.Ş.	-	-	0.5	22,500
				22,500
Outstanding Capital Subscriptions (-)				
Samsun Teknolojik Geliştirme Bölgesi Yönetici A.Ş.				3,750
			-	3,750
Cost Price		-		18,750
Fair Value Difference		-		48,750
Fair Value		-		67,500

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

Board of directors of the company made a resolution on 04.02.2019 concerning the sale of the shares of Samsun Teknoloji Geliştirme Bölgesi Yönetici AŞ classified in financial fixed assets. The financial fixed asset, the fair value difference of which is classified as profit/loss, has been sold to Fahrettin Ulusoy, a company shareholder, for a price of 67,500. Selling price is determined as the fair value of the financial fixed asset as of 31.12.2018, and the difference between this and the cost price, namely TRY 48,750, is reported in the income from investment activities account.

6. FINANCIAL LIABILITIES

Short-Term Financial Borrowings

	30 September 2019	31.12.2018
Short-Term Borrowings	183,906,247	98,238,325
Short-Term Amounts of Long-Term Borrowings (Net)	70,779,326	68,339,260
	255,258	166,577,585

Short-Term Borrowings

	30 September 2019	31.12.2018
Short-Term Loans	183,906,247	98,238,325

Short-Term Loans

	30 September 2019	31.12.2018
Short-Term Loans	186,111,453	100,412,624
Deferred Interests Expenses (-)	(2,205,206)	(2,174,299)
Short-Term Loans (Net)	188,975	98,238,325

Details of the short-term loans (net) are as follows as of 30 September 2019:

Currency	Interest Rate Range	Foreign Exchange	
		Amount	TRY Amount
US Dollars	1.66% - 6.64% Interest Range	USD 30,704,724	173,761,101
TL	22% - 23% Interest Range		10,145,146
			184,153

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

Currency	Interest Rate Range	Foreign Exchange	
		Amount	TRY Amount
US Dollars	1.66% - 3.85% Interest Range	USD 15,822,069	83,238,325
TL			15,000,000
			98,238,325

Short-Term Amounts of Long-Term Borrowings

	30 September 2019	31.12.2018
Short-Term Amounts of Long-Term Loans (Net)	62,587,812	60,980,766
Short-Term Amounts of Long-Term Leasing Payables (Net)	8,191,514	7,358,494
	72,104	68,339,260

Short-Term Amounts of Long-Term Loans

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

	30 September 2019	31.12.2018
Short-Term Amounts of Long-Term Loans	77,202,647	74,711,042
Deferred Interests Expenses (-)	(14,614,835)	(13,730,276)
Short-Term Amounts of Long-Term Loans (Net)	93,298	60,980,766

Details of the short-term amounts of the long-term loans (net) are as follows as of 30 September 2019.

Currency	Interest Rate Range	Foreign Exchange Amount	TRY Amount
US Dollars	4.12% - 4.44% Interest Range	USD 2,089,360	11,823,896
Euro	2.46% - 5.11% Interest Range	EUR 4,031,070	24,926,523
TL	14.80% - 24.55% Interest Range		25,837,393
			64,398

Details of the short-term amounts of the long-term loans (net) are as follows as of 31 December 2019.

Currency	Interest Rate Range	Foreign Exchange Amount	TRY Amount
US Dollars	4.12% - 4.44% Interest Range	USD 2,294,353	12,070,359
Euro	2.46% - 5.11% Interest Range	EUR 3,293,822	19,855,158
TL	14.80% - 17.77% Interest Range		29,055,249
			60,980,766

Short-Term Amounts of Long-Term Leasing Payables

	30 September 2019	31.12.2018
Short-Term Amounts of Long-Term Leasing Payables	8,191,514	7,358,494

Details of the short-term amounts of the long-term leasing payables (net) are as follows as of 30 September 2019.

Currency	Foreign Exchange Amount	TRY Amount
US Dollars	USD 1,392,655	7,881,175
Euro	EUR 34,099	210,855
TL		99,484
		318,395

Details of the short-term amounts of the long-term leasing payables (net) are as follows as of 30 December 2019.

Currency	Foreign Exchange Amount	TRY Amount
US Dollars	USD 1,398,714	7,358,494
Euro		-
TL		-
		7,358,494

Long-Term Financial Borrowings

	30 September 2019	31.12.2018
Long-Term Loans (Net)	147,363,461	158,376,270

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

Long-Term Leasing Payables (Net)	8,382,907	12,580,795
Long-Term Financial Borrowings (Net)	157,113	170,957,065

Long-Term Loans

	30 September 2019	31.12.2018
Long-Term Loans	170,030,459	186,245,464
Deferred Interests Expenses (-)	(22,666,998)	(27,869,194)
Long-Term Loans (Net)	194,153	158,376,270

Details of the long-term loans (net) are as follows as of 30 September 2019:

Currency	Interest Rate	Foreign Exchange	
		Amount	TRY Amount
US Dollars	4.12% - 4.44% Interest Range	USD 17,576,905	99,469,462
Euro	2.46% - 5.11% Interest Range	EUR 1,500,000	9,275,400
TL	14.80% - 24.55% Interest Range		38,618,599
			148,823

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

Currency	Interest Rate	Foreign Exchange	
		Amount	TRY Amount
US Dollars	4.12% - 4.44% Interest Range	USD 19,110,952	100,540,809
Euro	2.46% - 5.11% Interest Range	EUR 1,875,000	11,302,500
TL	14.80% - 17.77% Interest Range		46,532,967
			158,376,276

Long-Term Leasing Payables

	30 September 2019	31.12.2018
Long-Term Leasing Payables	8,382,907	12,580,795
Long-Term Leasing Payables (Net)	8,382,907	12,580,795

Details of the long-term leasing payables (net) are as follows as of 30 September 2019:

Currency	Foreign Exchange Amount	TRY Amount
US Dollars	USD 1,360,109	7,696,996
Euro	EUR 110,924	685,911
TL	-	-
		694,603

Details of the long-term leasing payables (net) are as follows as of 31 December 2019:

Currency	Foreign Exchange Amount	TRY Amount
US Dollars	USD 2,391,377	12,580,795
Euro	-	-
TL	-	-
		12,580,795

7. TRADE RECEIVABLES AND PAYABLES

Short-Term Trade Receivables

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

	30 September 2019	31.12.2018
Trade Receivables from Affiliates	97,804	216,003
Trade Receivables from Non-Affiliates	416,157,997	390,708,473
Notes Receivables from Affiliates	2,420,781	-
Notes Receivables from Non-Affiliates	31,430,334	33,204,859
Deferred Late Interest Income (-)	(2,474,619)	(2,374,160)
Doubtful Trade Receivables	6,632,698	6,301,918
Provisions for Doubtful Trade Receivables (-)	(6,632,698)	(6,301,918)
Short-Term Trade Receivables (Net)	14,66	421,755,175

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

	30 September 2019	31.12.2018
Doubtful Trade Receivables at the Beginning of Period	6,301,918	5,427,384
Provisions Retained in the Period	548,724	876,364
Accounting Policy Change	-	273,613
Cancelled Provisions (-)*	(217,944)	(275,443)
Doubtful Trade Receivables at the End of Period	337,999	6,301,918

* It includes the collected doubtful trade receivables

Long-Term Trade Receivables

	30 September 2019	31.12.2018
Trade Receivables from Affiliates	-	-
Trade Receivables from Non-Affiliates*	8,836,255	8,822,866
Long-Term Trade Receivables (Net)	8,836,255	8,822,866

*See footnote 18.

Short-Term Trade Payables

	30 September 2019	31.12.2018
Trade Payables to Affiliates	217,125	86,172
Trade Payables to Non-Affiliates*	432,502,494	376,250,338
Notes Payables to Affiliates	-	7,189,884
Notes Payables to Non-Affiliates	499,809	1,394,282
Deferred Late Interest Expense (-)	(3,123,181)	(5,121,469)
Short-Term Trade Payables (Net)	503,113	379,799,207

Long-Term Trade Payables

	30 September 2019	31.12.2018
Trade Payables to Non-Affiliates*	19,025,357	16,482,888
Long-Term Trade Payables (Net)	19,382	16,482,888

*As of 30 September 2019, a portion of TRY 305,516,511 of the trade payables to non-affiliates consists of payables arising from letters of credit. (31 December 2018: TRY 358,217,657)

8. OTHER RECEIVABLES AND PAYABLES

ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

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Other Short-Term Receivables

	30 September 2019	31.12.2018
Deposits and Guarantees Given	26,380	8,438
Receivables from Public Institutions	4,042,906	1,171,838
Other Receivables from Non-Affiliates	-	-
Other Receivables from Affiliates	605,111	-
	605,111	1,180,276

Other Long-Term Receivables

	30 September 2019	31.12.2018
Deposits and Guarantees Given	236,149	235,418

Other Short-Term Payables

	30 September 2019	31.12.2018
Other Payables to Non-Affiliates	492,821	32,117

Other Long-Term Payables

Not available.

9. DERIVATIVE INSTRUMENTS

Derivative Financial Assets

	30 September 2019	31.12.2018
Futures Market Guarantees	1,573,646	4,580,190
FV Difference of Derivative Financial Instruments	-	-
	1,573,646	4,580,190

Derivative Financial Liabilities

	30 September 2019	31.12.2018
Futures Market Guarantees	-	-
FV Difference of Derivative Financial Instruments	11,108,416	34,210,890
	11,108,416	34,210,890

Guarantees given for transacting on futures market are classified as futures market guarantees, and fair values of forward contracts and option contracts are classified as derivative financial instruments. Profits or losses arising from transactions during the period are shown on the profit or loss statement; financing incomes and expenses are shown as derivative financial instrument incomes, and fair value differences of the positions, which are open as of the date of reporting, are reported on financial incomes and expenses section.

Fair Values of Financial Instruments

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

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Level 1: Valuation techniques using the quotation prices of the identical assets or debts in active markets that the Group has access on the measurement date,

Level 2: Other valuation techniques that include inputs other than the quotation prices in Level 1, which are directly or indirectly observable in relation to assets or debts,

Level 3: Valuation techniques using the non-observable inputs in relation to assets or debts.

30 September 2019	Level 1	Level 2	Level 3
Forward Exchange Contracts (For purchase and sales)		(9,534,770)	
		(9,534,770)	

31.12.2018	Level 1	Level 2	Level 3
Forward Exchange Contracts (For purchase and sales)		(29,630,700)	
		(29,630,700)	

Foreign currency forward transactions (Level 2) have been valued by using the foreign currency exchange ratio in effect on the balance sheet date by discounting the fair value of the foreign currency futures contract as per the current date.

10. INVENTORIES

	30 September 2019	31.12.2018
Raw Materials and Materials	75,626,988	56,403,692
Products	10,735,118	22,825,892
Goods in Transit	2,289,845	2,575,042
Trade Goods	153,314,159	67,274,817
Other Inventories	302,003	346,060
Provision for Inventory Impairment (-)	(1,042,605)	(548,625)
	547,724	148,876,878

There are no mortgages, securities or liens on the inventories; the inventories are insured.

11. PREPAID EXPENSES AND DEFERRED INCOMES

Short-Term Prepaid Expenses

	30 September 2019	31.12.2018
Advances Given to Affiliates for Orders	-	-
Advances Given to Non-Affiliates for Orders	143,214,936	37,010,236
Insurance Expenses and Other Prepaid Expenses	1,414,920	756,410
	146,484	37,766,646

Long-Term Prepaid Expenses

	30 September 2019	31.12.2018
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FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

Insurance Expenses	-	-
Advances Given to Non-Affiliates for Orders*	3,042,014	3,042,014
	3,042,014	3,042,014

*See footnote 24.

Short-Term Deferred Incomes

	30 September 2019	31.12.2018
Advances Received from Affiliates	-	-
Advances Received from Non-Affiliates	25,767,017	6,114,123
Deferred Incomes	400,206	429,633
	425,99	6,543,756

Long-Term Deferred Incomes

	30 September 2019	31.12.2018
Deferred Incomes	-	291,915
	-	291,915

12. INVESTMENTS VALUED BY EQUITY METHOD

Name of Participation	%	30 September 2019	%	31.12.2018
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	17	4,629,328	17	4,615,132

As per article 32 of the TAS 28 "Investments in Participations and Joint Ventures", a participation investment may only be accounted as per the equity method as of the date the company invested in becomes a "participation". Based on the equity method, a participation investment is registered through an acquisition cost. Following the date of acquisition, however, the book value of the investment is either increased or decreased by adding in the financial statements the investor's share in the profit or loss of the company invested in. The share, which the investor shall take from the profit or loss of the company being invested in, is accounted as the profit or loss of the investor.

Details of value changes experienced by Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. as of 30 September 2019 are as follows:

	1 January - 30 September 2019
Value as of 31 December 2018	4,615,132
Profit Share of Ulusoy Un as of 30 September 2019	456,195
Dividend Income Accrued	(441,999)
	18,943

According to subparagraphs B12 (a) and (b) of the Turkish Financial Reporting Standard 12 titled "Explanations Regarding the Shares in Other Companies"; the summarized information of Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. to be disclosed as of 30 September 2019 and 31 December 2018 are as follows:*

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(Unless otherwise specified, the currency shall be TRY.)

	30 September 2019	31.12.2018
Current Assets	2,800,922	2,530,139
Fixed Assets	5,055,697	5,559,383
Short-Term Liabilities	967,489	385,370
Long-Term Liabilities	570,378	542,000
Revenues	6,314,088	6,864,761
Period Profit / (Loss) from Continuing Operations	2,683,502	3,919,858
Period Profit / (Loss) from Discontinuing Operations After Tax	-	-
Other Comprehensive Income	2,683,502	3,919,858
Total Comprehensive Income	2,683,502	3,919,858

*According to subparagraph B15 (b) of the Turkish Financial Reporting Standard 12 "Explanations regarding the Shares in other Companies"; financial information is obtained from the legal records of participations.

13. INVESTMENT REAL ESTATES

Fixed Asset Distribution	Lands and Plots	Buildings	Total
Opening Balance on 1 January 2018	5,610,000	3,830,000	9,440,000
Fair Value Difference	86,555	273,445	360,000
Closing Balance on 31 December 2018	5,696,555	4,103,445	9,800,000

Fixed Asset Distribution	Lands and Plots	Buildings	Total
Opening Balance on 1 January 2019	5,696,555	4,103,445	9,800,000
Closing Balance on 30 September 2018	5,696,555	4,103,445	9,800,000

14. ASSETS RELATED TO CURRENT PERIOD TAX

	30 September 2019	31.12.2018
Prepaid Taxes and Funds	810,029	-

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(Unless otherwise specified, the currency shall be TRY.)

15. TANGIBLE FIXED ASSETS

Details of the tangible fixed assets are as follows as of 30 September 2019:

Fixed Asset Distribution	Facilities, Machines and Devices	Underground and Aboveground Arrangements	Lands and Plots	Buildings	Fixtures	Vehicles	Special Costs	Ongoing Investments	Total
Opening Balance on 1 January 2019	46,175,028	1,315,000	21,938,350	44,077,729	1,980,239	7,593,199	-	29,479,681	152,559,226
Inputs	1,122,047	15,000	-	35,863	348,127	2,431,214	-	16,392,298	20,344,549
Outputs	(583,367)	-	-	-	(127,904)	(495,998)	-	-	(1,207,269)
Closing Balance on 30 September 2018	46,713,708	1,330,000	21,938,350	44,113,592	2,200,462	9,528,415	-	45,871,979	171,696,506

Accumulated Depreciation Distribution	Facilities, Machines and Devices	Underground and Aboveground Arrangements	Lands And Plots	Buildings	Fixtures	Vehicles	Special Costs	Ongoing Investments	Total
Opening Balance on 1 January 2019	6,853,860	72	-	2,593,189	790,286	3,574,050	-	-	13,811,457
Period Expenses	1,920,833	20,028	-	971,284	279,537	1,011,391	-	-	4,203,073
Outputs	(576,471)	-	-	-	(126,277)	(412,671)	-	-	(1,115,419)
Closing Balance on 30 September 2018	8,198,222	20,100	-	3,564,473	943,546	4,172,770	-	-	16,899,111

Closing Balance on 30 September 2018	38,515,486	1,309,900	21,938,350	40,549,119	1,256,916	5,355,645	-	45,871,979	154,797,395
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There is a bank lien imposed on the fixed assets amounting to USD 41,400,000 (TRY 233,015,760 TRY) in total.

As of 30 September 2019, the net registered value of the right-of-use assets, which are classified under the tangible fixed assets, is TRY 991,365. The amortization expenses of the right-of-use assets for the period ended on 30 September 2019 is TRY 599,736. The right-of-use assets are reported within the period inputs and period expenses.

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Details of the tangible fixed assets are as follows as of 31 December 2019:

Fixed Asset Distribution	Facilities, Machines and Devices	Underground and Aboveground Arrangements	Lands and Plots	Buildings	Fixtures	Vehicles	Special Costs	Ongoing Investments	Total
Opening Balance on 1 January 2018	30,822,895	304,427	9,294,898	17,070,235	2,247,195	7,716,880	467,566	14,735,272	82,659,338
Inputs	11,804,792	-	-	535,887	329,335	991,598	-	30,140,810	43,802,422
Outputs	(1,952,320)	-	-	-	(700,500)	(1,115,279)	-	-	(3,768,100)
Reclassification	5,499,661	1,010,573	-	9,249,524	104,209	-	(467,566)	(15,396,401)	5,299,901
Revaluation	-	-	12,643,452	17,222,083	-	-	-	-	29,865,535
Closing Balance on 31 December 2018	46,175,028	1,315,000	21,938,350	44,077,729	1,980,239	7,593,199	-	29,479,681	152,559,226
Accumulated Depreciation Distribution	Facilities, Machines and Devices	Underground and Aboveground Arrangements	Lands and Plots	Buildings	Fixtures	Vehicles	Special Costs	Ongoing Investments	Total
Opening Balance on 1 January 2018	7,660,114	62,660	-	1,486,077	1,167,531	4,034,006	246,088	-	14,656,476
Period Expenses	1,191,070	5,300	-	688,190	323,255	537,475	59,942	-	2,805,232
Outputs	(1,952,320)	-	-	-	(700,500)	(997,431)	-	-	(3,650,251)
Reclassification	(45,004)	(67,888)	-	418,922	-	-	(306,030)	-	1,005,020
Closing Balance on 31 December 2018	6,853,860	72	-	2,593,189	790,286	3,574,050	-	-	13,811,477
Closing Balance on 31 December 2018	39,321,168	1,314,928	21,938,350	41,484,540	1,189,953	4,019,149	-	29,479,681	138,747,770

*The Company uses the revaluation model for land and building account classes of the tangible fixed assets included in the assets of the Group. The valuation reports dated 28 September 2018, and the Real Estate Valuation Reports were issued by Varlık Taşınmaz Değerleme ve Danışmanlık Anonim Şirketi authorized by the Capital Markets Board for the buildings registered in the group's assets. In the valuation method, the cost method and market approach method are used. The total value of the real estate on the reporting date was determined as TRY 56,053,654. The difference between the book value and fair value on the revaluation date includes a gross revaluation difference of TRY 30,146,334, and a revaluation cost of TRY 280,799.

** There is a bank lien imposed on the fixed assets amounting to USD 41,400,000 (TRY 217,801,260) in total.

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16. INTANGIBLE FIXED ASSETS

Goodwill

Not available.

Other Intangible Fixed Assets

Details of the other intangible fixed assets are as follows as of 30 September 2019:

Distribution of Other Intangible Fixed Assets	Rights (Computer Programs)	Trademark and Royalty	Total
Opening Balance on 1 January 2019	362,686	324,724	687,410
Inputs	44,665	-	44,665
Outputs	(138,142)	-	(138,142)
Reclassification	-	-	-
Closing Balance on 30 September 2018	269,209	324,724	593,933

Accumulated Depreciation Distribution	Rights (Computer Programs)	Trademark and Royalty	Total
Opening Balance on 1 January 2019	186,985	85,536	272,521
Period Expenses	45,620	24,199	69,819
Outputs	(138,142)	-	(138,142)
Reclassification	-	-	-
Closing Balance on 30 September 2018	94,463	109,735	204,198

Net Book Value dated 30 September 2019	174,746	214,989	389,735
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ULUSOY UN SANAYİ VE TİCARET ANONİM ŞİRKETİ AND ITS SUBSIDIARIES

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Details of the other intangible fixed assets are as follows as of 31 December 2018:

Distribution of Other Intangible Fixed Assets	Rights (Computer Programs)	Trademark and Royalty	Total
Opening Balance on 1 January 2018	477,888	264,974	742,862
Inputs	19,445	59,750	79,195
Outputs	(134,647)	-	(134,647)
Reclassification	-	-	-
Closing Balance on 31 December 2018	362,686	324,724	687,410

Accumulated Depreciation Distribution	Rights (Computer Programs)	Trademark and Royalty	Total
Opening Balance on 1 January 2018	251,484	55,244	306,728
Period Expenses	70,148	30,292	100,440
Outputs	(134,647)	-	(134,647)
Reclassification	-	-	-
Closing Balance on 31 December 2018	186,985	85,536	272,521

Net Book Value dated 31 December 2018	175,701	239,188	414,889
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17. GOVERNMENT INCENTIVES AND SUBSIDIES

The government incentives are comprised of Insurance Premium Support, Freight support, Licensed warehouse rent incentive, and fair supports utilized by Law No. 5510.

18. PROVISIONS, CONTINGENT ASSETS, AND LIABILITIES

Short-Term Provisions

	30 September 2019	31.12.2018
Accumulated Leave Provisions*	101,316	8,740
Other Provisions**	20,907	201,834
	122,223	210,574

*See footnote 26.

**Other provisions consist of the return provisions reserved within TFRS 15.

Long-Term Provisions

	30 September 2019	31.12.2018
Long-Term Provisions for Employee Benefits*	1,486,346	1,283,161
Other Long-Term Provisions	-	-
	1,486,346	1,283,161

*See footnote 26.

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Litigations

No provisions have been reserved for the current obligations of the Group related to past events because of the slight possibility of a cash outflow.

Guarantees, Mortgages and Liens (GML) granted by the Group

	30 September 2019	31.12.2018
A. Total amount of GML granted on behalf of its legal entity	261,894,655	260,608,359
B. Total amount of GML granted in favor of partnerships included in complete consolidation	15,075,000	5,917,000
C. Total amount of GML granted for securing 3rd party debts for the purpose of conducting ordinary business operations	-	-
D. Total amount of other GML granted	-	-
i. Total amount of GML granted in favor of parent partner	-	-
ii. Total amount of GML granted in favor of other Group Companies not included under Item B and C	-	-
iii. Total amount of GML granted in favor of 3rd parties not included under Item C	-	-
Total	277,624	266,525,359

Below is the detailed information about the Company's receivables as of 30.09.2019 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"):

Company Title*	Trade Receivable	Advances Given for Orders	Total	Mortgage Taken
Samsun Yem	1,165,302	-	1,165,302	700,000
Yemsel	-	3,042,014	3,042,014	6,000,000
Çakıroğlu	7,670,953	-	7,670,953	10,000,000
Total	8,836,255	3,042,014	13,146	16,700,000

*Collectively referred to as Çakıroğlu Group.

Samsun Yem, Yemsel, and Çakıroğlu have applied to the Republic of Turkey's Samsun Commercial Court of First Instance for the suspension of bankruptcy. The court made an interim decision, stating that the proceeding will continue on 06.04.2016, and a trustee was appointed for their management. The decision of the Republic of Turkey's Samsun Commercial Court of First Instance was published in the trade registry gazette dated 8 December 2015.

The company has placed a mortgage on the real estates of Samsun Yem, Yemsel, and Çakıroğlu for the receivables detailed above. The mortgage established by the Company makes it possible for all receivables to be demanded, using any mortgaged real estate of Çakıroğlu Group.

It holds the 1st rank in the mortgages for Samsun Yem and Çakıroğlu. It holds the 2nd rank in the mortgage placed on Yemsel's real estate. The 1st rank in Yemsel's real estate is for Akbank T.A.Ş., which has a total mortgage of TRY 6,000,000.

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For the real estates, a real property valuation report was prepared by Standart Gayrimenkul Değerleme Uygulamaları A.Ş. on 28.06.2013. According to the valuation reports, the total fair value of the 3 mortgaged real estates is TRY 18,867,692.

A notification was served to Çakıroğlu Group, reminding the company to pay its debts. An appraisal was requested for the real estates on 8 January, 2016. A survey visit was made together with the court committee for the appraisal on 29.12.2016. Experts submitted their reports to the court on 18.01.2017. The real estate put in pledge belonging to Çakıroğlu was appraised to be TRY 10,858,440.75 in total. The real estate put in pledge belonging to Yemsel was appraised to be TRY 11,527,728.25 in total. The real estate put in pledge belonging to Samsun Yem was appraised to be TRY 263,249.19 in total. A request was made for the sale of the real estates, but it was rejected by the court as the companies were in the process of suspension of bankruptcy.

The trade receivables from Samsun Yem, Yemsel, and Çakıroğlu, and the advances given for purchases were classified in the long-term because of the application being filed for suspension of bankruptcy.

Since the fair values stated in the valuation reports for the real estates and for the mortgages established for receivables are sufficient to meet the total amount of receivables, no provision has been made.

The Samsun Tax Audit Board carried out a comprehensive tax audit over the books and documents of the Company related to the years 2017 and 2018. In the tax analysis reports issued, it was seen that the following amounts were imposed:

For 2017;

A total of TRY 21,100,589.81, which consists of a Corporate Tax of TRY 2,345,666.23, and a Tax Loss Penalty of TRY 3,518,499.35, a Provisional Corporate Tax of TRY 1,308,695.69, and a Tax Loss Penalty of TRY 1,963,043.54, a Value Added Tax of TRY 50,541.54, and a Tax Loss Penalty of TRY 75,812.31, and a Special Irregularity Penalty of TRY 110,000,000 over the tax base differential of TRY 11,728,331.15, which was offered;

For 2018;

A total of TRY 18,705,204.85, which consists of a Corporate Tax of TRY 1,110,362.61, and a Tax Loss Penalty of TRY 1,665,543.92, a Corporate Tax return receivable of TRY 1,053,607.76 from the year 2018 being registered as a revenue to the treasury, along with a Provisional Corporate Tax of TRY 1,008,747.65, and a Tax Loss Penalty of TRY 1,513,121.49, a Corporate (Withholding) Tax of TRY 908,495.45, and a Tax Loss Penalty of TRY 1,362,743.18, a Value Added Tax of TRY 50,541.54, and a Tax Loss Penalty of TRY 75,812.31, and a Special Irregularity Penalty of TRY 120,000,000 over the tax base differential of TRY 9,836,228.94, which was offered;

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Following those, the warnings issued were served to the taxpayer, a legal action was taken for the Special Irregularity penalty at the Samsun Tax Court, and a request of reconciliation was made to the Revenue Administration for other taxes and penalties, provided that the financial errors should be remedied. Furthermore, the company official made an application to the Revenue Administration with regards to the transaction of registering in treasury the Corporate Tax return receivable from 2018, which corresponds to TRY 1,053,607.76, by setting the same off against a tax which was not imposed based on the analysis report.

No provisions were reserved as no reliable determinations could be made with regards to the economic interest outcome, and due to the fact that the reports, which were issued following the analyses made both by our company and by the experts, stated that the tax base differentials put forward in the aforementioned tax analysis reports, and the tax loss penalties imposed due to such tax base differentials are not legal.

19. EMPLOYEE BENEFITS

Payables Classified as Employee Benefits

Details of the payables regarding employee benefits granted as of 30 September 2019 and 31 December 2018 are as follows:

	30 September 2019	31.12.2018
SSI Premiums to be Paid	422,663	302,240
Payables to Personnel	1,042,906	674,797
	424,611	977,037

Short-Term Employee Benefits

Short term benefits, which are considered as liabilities to employees, consist of accumulated leave provisions. Details of the accumulated leave provisions as of 30 September 2019 and 31 December 2018 are as follows:

	30 September 2019	31.12.2018
Accumulated Leave Provisions	101,316	8,740

Long-Term Employee Benefits

Long term benefits, which are considered as liabilities to employees, consist of severance pay provisions.

Within the scope of the current laws in Turkey, personnel dismissed without any valid cause after a period of one year of service, personnel called to military service, and deceased personnel are entitled to receive severance pay, provided that they have completed 25 years of service, which is the case for male employees, and 20 years of service, which is the case for female employees, or if they are of the retirement age (58 for women and 60 for men).

Severance pay to be paid as of 30 September 2019 is subject to the upper limit of TRY 6,379.86 based on one-month salary for each year of service (December 31, 2018: TRY 5,434.42). Severance pay liability is not legally subject to any funding.

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Severance pay liability is calculated by setting the possible liabilities, which may occur in the future due to the ordinary retirement situation of the employees, based on the current net value. The Turkish Financial Reporting Standards require the Group to develop actuarial appraisal methods within the framework of the salary-based pension plan in order to estimate the company's severance pay liability. Accordingly, the following actuarial insights are used for calculating the total liability.

Severance pay provisions are calculated with a 5.02 % discount rate, which is based on a 10.5% annual inflation rate and a 16.05% interest rate. A dismissal rate of 96% is taken as basis (31 December 2018: Annual inflation rate is 10.5%, interest rate is 16.05%, and discount rate is 5.02%, and dismissal rate 96%).

Details of the severance pay provisions as of 30 September 2019 and 31 December 2018 are as follows:

	30 September 2019	31.12.2018
Severance Pay Provision	1,486,346	1,283,161

In-period transactions regarding the severance pay provisions as of 30 September 2019 and 31 December 2018 are as follows:

	30 September 2019	31.12.2018
Severance Pay Provision at the beginning of period	1,283,161	1,232,972
Interest Cost	71,996	169,771
Service Cost	306,020	391,371
In-Period Payments	(181,995)	(546,376)
Actuarial Difference	7,164	35,423
Severance Pay Provision at the end of period	7,164	1,283,161

Changes in interest rates and other rates, and the resigning of the personnel to receive severance pay in case of retirement cause actuarial difference. The group classifies service cost under general administration expenses, interest costs under financial expenses, and actuarial differences under shareholders equity.

20. OTHER ASSETS AND LIABILITIES

Other Current Assets

	30 September 2019	31.12.2018
Deferred VAT	11,286,121	8,361,558
Income Accruals	512,991	899,377
Business Advances	500	334
Other VAT	3,347	3,350
	1027,745	9,264,619

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Other Short-Term Liabilities

	30 September 2019	31.12.2018
Taxes and Funds Payable	2,083,121	1,163,922
Expense Accruals	836,179	343,613
	838,383	1,507,535

Other Fixed Assets

Not available.

Other Long-Term Liabilities

Not available.

21. CAPITAL, RESERVES AND OTHER EQUITY ITEMS

Capital and Reserves

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Through the Capital Market Board meeting dated November 7, 2014 and numbered 32/1095, Ulusoy Un Sanayi ve Ticaret A.Ş. was allowed to go public by book-building on 12, 13 and 14 November 2014. All of the shares with a total nominal value of TRY 23,500,000, which were offered through capital increase and joint sales, were sold. 27.81% of the shares of the company started to be traded at the Istanbul Stock Exchange as of November 20, 2014. The company's issued capital is equal to TRY 84,500,000 (eighty-four million five hundred thousand Turkish Liras). This capital is divided into 9,750,000 Group A shares, 6,500,000 Group B shares and 68,250,000 Group C shares, in total 84.500.000 shares, each having a nominal value of TRY 1. Group A and Group B shares are registered shares, Group C shares that are traded at the Istanbul Stock Exchange are bearer shares, while the other Group C shares are registered shares. Group A shares have a privilege to select Board of Directors, while Group A and B shares have a privilege in voting at the General Meeting; if the Board of Directors is composed of five members, excluding independent members, then minimum two members, if composed of six or seven members, then minimum three members, if composed of eight or nine members, then minimum four members, and if composed of ten or eleven members, then minimum five members should be elected among candidates to be nominated by the majority of Group A shareholders. Group A shareholders or their proxies attending to the Ordinary and Extraordinary General Meetings shall have 15 (fifteen) voting rights per share; Group B shareholders or their proxies shall have 10 (ten) voting rights per share, and Group C shareholders or proxies shall have 1 (one) voting right per share.

The partnership structure of the company is as follows as of 30 September 2019:

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Shareholders	Number of Shares	Group	Ratio (%)	Amount
Fahrettin Ulusoy	4,550,000	A	5.38	4,550,000
	1,950,000	B	2.31	1,950,000
	-	C	-	-
	6,500,000		7.69	6,500,000
Nevin Ulusoy	650,000	A	0.77	650,000
	1,300,000	B	1.54	1,300,000
	12,207,627	C	14.45	12,207,627
	14,157,627		16.76	14,157,627
Onur Erhan Ulusoy	650,000	A	0.77	650,000
	1,950,000	B	2.31	1,950,000
	15,638,791	C	18.50	15,638,791
	18,238,791		21.58	18,238,791
Eren Günhan Ulusoy	3,900,000	A	4.62	3,900,000
	1,300,000	B	1.54	1,300,000
	16,781,279	C	19.86	16,781,279
	21,981,279		26.02	21,981,279
Kamil Adem	26,941	C	0.03	26,941
	26,941		0.03	26,941
Mithat Denizcigil	95,362	C	0.11	95,362
	95,362		0.11	95,362
Public Shares	23,500,000	C	27.81	23,500,000
	84,500,000		100.00	84,500,000

The partnership structure of the company is as follows as of 31 December 2018:

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Shareholders	Number of Shares	Group	Ratio (%)	Amount
Fahrettin Ulusoy	4,550,000	A	5.38	4,550,000
	1,950,000	B	2.31	1,950,000
	-	C	-	-
	6,500,000		7.69	6,500,000
Nevin Ulusoy	650,000	A	0.77	650,000
	1,300,000	B	1.54	1,300,000
	12,207,627	C	14.45	12,207,627
	14,157,627		16.76	14,157,627
Onur Erhan Ulusoy	650,000	A	0.77	650,000
	1,950,000	B	2.31	1,950,000
	15,638,791	C	18.50	15,638,791
	18,238,791		21.58	18,238,791
Eren Günhan Ulusoy	3,900,000	A	4.62	3,900,000
	1,300,000	B	1.54	1,300,000
	16,781,279	C	19.86	16,781,279
	21,981,279		26.02	21,981,279
Kamil Adem	26,941	C	0.03	26,941
	26,941		0.03	26,941
Mithat Denizcigil	95,362	C	0.11	95,362
	95,362		0.11	95,362
Public Shares	23,500,000	C	27.81	23,500,000
	84,500,000		100.00	84,500,000

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According to the Turkish Commercial Code, legal reserves are divided into two categories; primary legal reserves and secondary legal reserves. According to the Turkish Commercial Code, the primary legal reserves are retained until the amount reaches up to 20% of the company's paid-in capital, and the amount retained shall be 5% of the legal net profit. Secondary reserves are retained at a rate of 1/11 of all cash dividend payments exceeding 5% of the company capital in the event that dividend payments are made according to the Capital Market Board regulations, and at a rate of 1/10 of all cash dividend payments exceeding 5% of the company capital in the event that all dividend payments are made according to the legal records.

Public companies pay dividends in accordance with the Dividend Communiqué Numbered II-19.1 issued by the Capital Market Board that is published on the Official Gazette dated 23 January 2014 and numbered 28891.

Partnerships pay dividends within the framework of the dividend payment policies to be determined by their general assemblies, and in compliance with the related regulations, and upon a resolution passed by the assemblies. According to the communiqué in question, there is no minimum distribution rate determined. The company pay dividends based on the method specified in their articles of association, or in their dividend payment policies. Besides, dividends can be paid in equal installments, or in installments of different amounts, and cash dividend advances might be paid over the profit shown on the interim period financial statements.

Unless reserves to be retained under the Turkish Commercial Code, and the dividend, which is determined for the beneficiaries as per the articles of association or dividend policy, are retained, it shall not be possible to decide that any other reserves be retained, deferred to the next as profit, or any dividends be paid to the beneficial owners, to board members, to partnership employees, or to individuals other than shareholders, nor shall it be possible to pay dividends to such individuals unless the dividend amount determined for shareholders is paid in cash.

Share Premiums/Discounts

	30 September 2019	31.12.2018
Premiums on Share Issue	41,925,000	41,925,000
Share Issue Expenses (-)	(3,317,008)	(3,317,008)
	38,607,992	38,607,992

Reacquired Stock (-)

	30 September 2019	31.12.2018
Reacquired Stock (-)	3,445,108	3,445,108

In the event that the company obtains its own shares, the cost of purchase for such shares are deducted from the equity, and are shown under the "Reacquired Stock (-)" item.

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The Company's own shares acquired as of 30 September 2019 are detailed as follows:

Date	Number of Shares Owned	Nominal Amount of the Shares Owned (TRY)	Total of Purchase Amounts of the Shares Owned (TRY)
30 September 2019	2,002,152	2,002,152	3,445,108

The Company's own shares acquired as of 31 December 2018 are detailed as follows:

Date	Number of Shares Owned	Nominal Amount of the Shares Owned (TRY)	Total of Purchase Amounts of the Shares Owned (TRY)
31.12.2018	2,002,152	2,002,152	3,445,108

Other Shareholders Equity Items

Other accumulated comprehensive incomes and expenses that cannot be reclassified in profit / loss are as follows as of 30 September 2019 and 31 December 2018.

	30 September 2019	31.12.2018
Revaluation Differences of Tangible Fixed Assets (net)**	27,280,537	27,296,800
Actuarial Gains / Losses related to employee benefits*	(523,117)	(517,529)
	(495,3)	26,779,271

*Actuarial differences are classified under the shareholders equity starting from 1 January 2013.

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

	30 September 2019	31.12.2018
Actuarial Gains / (Losses) related to employee benefits	(654,961)	(647,797)
Deferred Tax***	131,844	130,268
Actuarial Gains / (Losses Net) related to employee benefits (net)	(523,117)	(517,529)

Details of tangible fixed asset revaluation fund as of 30 September 2019 and 31 December 2018 are as follows:

	30 September 2019	31.12.2018
Land and Building Revaluation Differences (net)	27,053,177	27,053,177
Vehicles Revaluation Differences (net)	227,360	243,623
	254,59	27,296,800

Details of the land and building revaluation differences as of 30 September 2019 and 31 December 2018 are as follows:

	30 September 2019	31.12.2018
Total Land and Building Revaluation Difference	30,396,828	30,396,828
Deferred Tax***	(3,343,651)	(3,343,651)
Land and Building Revaluation Differences (net)	27,053,177	27,053,177

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Details of vehicle revaluation fund as of 30 September 2019 and 31 December 2018 are as follows:

	30 September 2019	31.12.2018
Vehicles Revaluation Differences (net)	227,360	243,623
	30 September 2019	31.12.2018
Total Vehicles Revaluation **	284,200	304,528
Deferred Tax***	(56,840)	(60,905)
	227,360	243,623

***According to Article 61-a of the Turkish Accounting Standard 12, period tax and deferred tax related to the items, which are accounted with the exception of profit or loss, are accounted in the same period, or in different periods with the exception of profit or loss. Hence, the period tax, and deferred tax related to the items accounted on the same or different periods are accounted under other comprehensive income if related items are accounted under other comprehensive income. Accordingly, deferred tax is classified under the shareholder's equity

Other comprehensive incomes and expenses that can be reclassified in profit / loss are as follows as of 30 September 2019 and 31 December 2018.

	30 September 2019	31.12.2018
Foreign Currency Conversion Adjustments	2,459,079	1,477,307
	2,459,079	1,477,307

Limited reserves on retained earnings are as follows as of 30 September 2019 and 31 December 2018:

	30 September 2019	31.12.2018
Legal Reserves	7,726,207	5,693,220
Reserves Regarding Reacquired Shares	3,445,108	3,445,108
	11,171,315	9,138,328

According to Article 520 of Law #6102, reserves are allocated to meet the acquisition value of reacquired shares. Since these reserves are released when such reacquired shares are transferred or canceled, such reserves are listed under the "Limited Reserves on Retained Earnings" item. Such reserves amounting to TRY 3,445,108 are reserved from prior years' profits and losses.

Previous years' profits / (losses) are as follows as of 30 September 2019 and 31 December 2018:

	30 September 2019	31.12.2018
Previous Year Profits/(Losses)	84,418,396	66,524,884

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Changes regarding the previous years' profits / losses are as follows:

	30 September 2019	31.12.2018
Previous Year Profits/(Losses)	66,524,884	51,899,755
Transferring the Profit of the Previous Period to Profits / (Losses) in Past Years	19,906,171	16,595,085
Transfer of Legal Reserves	(2,032,987)	(1,694,121)
Changes in Accounting Policies	-	(423,512)
Revaluation Transfer of Tangible Fixed Assets	20,328	147,677
	20,328	66,524,884

** In case a revalued tangible fixed asset is disposed of, the part of the revaluation fund, which is related with the asset sold, is directly transferred into the past year's profit.

Net period profits/(losses) are as follows as of 30 September 2019 and 31 December 2018:

	30 September 2019	31.12.2018
Net Period Profit/(Loss)	22,696,782	19,906,171

22. REVENUE AND COST OF SALES

Revenues from sales are as follows as of 30 September 2019 and 30 September 2018:

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Domestic Sales Revenues	579,678,369	201,010,510	742,666,544	201,293,064
Foreign Sales Revenues	1,717,973,344	584,164,820	1,531,725,690	767,694,822
Returns on Sales (-)	(2,192,284)	(766,474)	(9,320,471)	(3,172,819)
Sales Discounts (-)	(548,951)	(295,293)	(188,874)	(103,555)
Other discounts (-)	(5,102)	(5,102)	(8,238)	-
	31,504	784,108,461	558,835	870,309

The TRY 591,990,372 (USD 105,078,343) portion of the Company's revenue is obtained by Rolweg SA, one of its subsidiaries.

Costs of sales are as follows as of 30 September 2019 and 30 September 2018:

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Cost of Goods Sold	427,231,853	141,989,564	220,804,684	75,164,358
Cost of Commercial Goods Sold	1,748,675,593	610,412,078	1,966,002,905	852,892,892
Cost of Services Sold	4,766,258	1,784,901	3,636,392	1,283,154
	436,124	755,728	228,389	930,743

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	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Depreciation expenses	255,649	86,022	217,114	73,959
Outsourced benefits and services	2,616,575	988,375	1,855,779	545,804
Other expenses	47,512	7,342	13,550	1,292
Personnel Expenses	1,488,093	576,625	1,063,957	375,904
Insurance Expenses	200,589	75,715	167,244	57,119
Transportation Expenses	97,371	29,389	257,604	202,022
Taxes, Duties, and Fees	60,469	21,433	61,144	27,054
Cost of Services Sold	666,362	1784,901	721,31	1283,154

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

Total activity expenses are as follows as of 30 September 2019 and 30 September 2018:

	1 January - 30 September 2018	1 July- 30 September 2018	1 January - 30 September 2018	1 July- 30 September 2018
General Management Expenses	9,511,621	3,264,711	7,241,093	2,497,151
Marketing Expenses	31,101,073	10,560,863	25,072,755	9,111,194
Research and Development Expenses	85,841	31,274	92,591	28,607
	127,147	46,672	125,752	40,56

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Details of the general management expenses as of 30 September 2019 and 30 September 2018 are as follows:

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Depreciation expenses	360,506	126,380	333,572	113,301
Donations and Aids	188,510	20,879	198,189	15,647
Maintenance and Repair Expenses	115,989	72,536	71,664	13,852
Bank Transfer and Collection Expenses	164,712	48,399	124,305	25,085
Outsourced benefits and services	3,122,463	1,134,176	2,067,189	907,104
Other expenses	501,840	112,643	666,937	304,651
Training and Publication Expenses	215,914	105,071	118,774	33,332
Exhibition Expenses	1,530	0	51,746	21,755
Default Interests and Fines	59,110	20,765	13,484	5,137
Rental Expenses	301,812	119,474	165,349	35,139
Commission Expenses	26,213	2,714	68,797	2,662
Accommodation Expenses	202,269	38,456	82,351	7,856
Trademark, Patent Application and Renewal Expenses	-	-	10,846	3,456
Notary Expenses	10,952	6,849	65,473	15,339
Personnel Expenses	3,212,944	1,170,577	2,653,685	822,874
Advertising Expenses	6,700	6,700	22,185	5,585
Health Expenses	-	-	1,417	1,417
Insurance Expenses	559,733	153,908	194,782	111,533
Registration and Announcement Expenses	10,857	600	28,929	27,868
Transportation Expenses	237,910	73,451	193,365	21,253
Taxes, Duties, and Fees	211,657	51,133	108,054	2,305
General Management Expenses	9,511,621	3,264,711	7,241,093	2,497,151

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Details of the marketing expenses as of 30 September 2019 and 30 September 2018 are as follows:

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Depreciation expenses	1,029,942	346,634	883,528	288,882
Vehicle Expenses	590,888	195,284	1,060,341	382,773
Bank Transfer and Collection Expenses	684,411	257,317	415,204	140,697
Consulting Expenses	36,899	5,380	60,229	17,272
Outsourced benefits and services	407,773	135,117	890,866	647,956
Other Miscellaneous Expenses	731,679	240,393	590,824	90,446
Exhibition Expenses	344,850	30,193	254,030	-
Default Interests and Fines	8,000	2,350	9,296	5,709
Export Expenses	5,395,856	2,063,200	2,794,422	1,114,642
Rental Expenses	-	-	291,172	16,159
Commission Expenses	670,810	195,797	402,285	136,940
Shipping Expenses	17,816,357	5,833,331	13,596,811	4,742,816
Personnel Expenses	2,654,793	913,505	2,517,670	827,538
Advertising Expenses			10,812	10,812
Insurance Expenses	348,674	223,449	378,461	206,085
Transportation Expenses	45,367	7,753	60,133	5,120
Tax, Duty, and Fee Expenses	151,442	47,702	678,084	425,687
Food Expenses	183,332	63,458	178,587	51,660
Marketing Expenses	31,101,073	10,560,863	5125,722	1693,024

Details of the research and development expenses as of 30 September 2019 and 30 September 2018 are as follows:

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Vehicle Expenses	17,933	688	25,448	8,370
Outsourced benefits and services	14,450	13,524	5,442	4,437
Personnel Expenses	44,337	14,698	44,289	14,700
Insurance Expenses	1,547	521	1,474	501
Transportation Expenses	6,547	1,180	15,451	429
Tax, Duty, and Fee Expenses	1,027	663	487	170
	85,841	1901,402	579,104	1127,507

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Distribution of expenses based on their qualities between the 1 January 2019 - 30 September 2019 period is as follows:

	General Management Expenses	Marketing Expenses	Research and Development Expenses	Cost of Goods and Services Sold
Personnel Expenses	3,212,944	2,654,793	44,337	8,432,016
Depreciation expenses	360,506	1,029,942	-	2,882,444

Distribution of expenses based on their qualities between the 1 July 2019 - 30 September 2019 period is as follows:

	General Management Expenses	Marketing Expenses	Research and Development Expenses	Cost of Goods and Services Sold
Personnel Expenses	1,170,577	913,505	14,698	3,058,262
Depreciation expenses	126,380	346,634	-	965,350

Distribution of expenses based on their qualities between the 1 January 2018 - 30 September 2018 period is as follows:

	General Management Expenses	Marketing Expenses	Research and Development Expenses	Cost of Goods and Services Sold
Personnel Expenses	2,653,685	2,517,670	44,289	5,340,475
Depreciation expenses	333,572	883,528	-	1,335,249

Distribution of expenses based on their qualities between the 1 July 2018 - 30 September 2018 period is as follows:

	General Management Expenses	Marketing Expenses	Research and Development Expenses	Cost of Goods Sold
Personnel Expenses	822,874	827,538	14,700	1,847,149
Depreciation expenses	113,301	288,882	-	435,160

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24. OTHER REAL OPERATING INCOMES AND EXPENSES

Other Incomes

	1 January - 30 September 2018	1 July- 30 September 2018	1 January - 30 September 2018	1 July- 30 September 2018
Incomes earned from Laws numbered 5510 and 6661	761,855	297,153	736,667	363,990
Balance Allocation Incomes	4,657	433	80,652	70,847
Other Incomes	330,664	280,424	512,297	159,210
Service Reflection Incomes *	3,087,494	1,188,236	6,330,667	1,503,833
Late Interest Incomes	20,737,387	5,473,253	31,640,308	11,129,789
Price Difference Incomes	2,025,028	526,961	3,127,458	954,715
Compensation Incomes	315,490	55,411	150,106	130,426
Exchange Difference Incomes	86,182,512	16,970,599	239,634,818	168,268,285
Licensed Warehouse Rental Support	596,532	289,981	713,898	325,050
Incomes from Incentives and Supports	150,373	58,296	5,046,240	132,416
Provision No Longer Required	217,944	13,509	896,063	62,641
Incomes from Returned Expenses	1,709,936	223,353	586,142	72,473
	2493,612	2202,807	3964,093	2454,575

* Due to trusteeship, the reflection incomes, and service expenses consist of reflection incomes.

Other expenses

	1 January - 30 September 2018	1 July- 30 September 2018	1 January - 30 September 2018	1 July- 30 September 2018
Other expenses	158,291	84,518	165,272	21,386
Balance Allocation Expenses	11,447	3,033	9,176	1,324
Price Difference Expenses	-	-	1,282,014	-
Provision Expenses	548,724	336,844	4,829,422	(698,693)
Exchange Difference Expenses	52,319,899	20,854,638	66,565,161	54,276,600
Late Interest Expenses	22,124,563	5,500,134	19,671,104	2,303,495
Returned Expenses	1,291,801	177,922	555,493	59,651
Contractual Compensation Expenses	288,761	-	-	-

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Revaluation Loss on Tangible Fixed Assets	-	-	439,104	439,104
	915,482	541,892	93,516,746	56,402,867

Income from Investing Activities

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Fixed Asset Sales Incomes	202,084	149,926	69,368	21,192
Sale and Lease Back Income	321,342	108,291	321,342	108,291
Investment-Oriented Real Estate FV Difference	-	-	360,000	-
	523,426	258,217	750,710	129,483

Expenses from Investing Activities

Not available.

The Earnings/(Losses) of Impairment Determined in Accordance with TFRS 9 and Cancellations of Impairment Losses

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Expected Credit Loss and Other Provisions	31,676	(49,940)	-	-
	31,676	(49,940)		

25. PROFIT / LOSS SHARES OF INVESTMENTS VALUED BY EQUITY METHOD

Details of the profit / loss shares of investments valued by equity method as of 30 September 2019 and 30 September 2018 are as follows:

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.*	456,195	180,971	664,260	288,457

*(See footnote 18)

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26. FINANCIAL INCOMES AND EXPENSES

Financial Incomes

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Interest Incomes	10,199,689	4,391,112	9,977,674	5,106,041
Foreign Exchange Profits	90,486,103	45,418,014	108,664,323	87,727,642
Profits from Sales of Securities	121,710	92,395	65,276	3,265
Derivative Financial Instrument Incomes	10,636,153	1,629,066	40,791,737	22,523,191
Derivative Financial Instrument Fair Value Differences	-	(1,625,976)	11,462,558	4,970,936
	233,976	146,626	170,961,568	120,331,075

Financial Expenses

	1 January - 30 September 2018	1 July- 30 September 2018	1 January - 30 September 2018	1 July- 30 September 2018
Financial Expenses	37,295,118	12,155,016	24,514,666	9,795,181
Foreign Exchange Losses	138,825,078	38,201,804	337,576,226	235,360,010
Losses from Sales of Securities	-	-	58	-
Derivative Financial Instrument Expenses	9,818,164	255,195	12,383,464	5,728,462
Derivative Financial Instrument Fair Value Differences	11,108,416	11,108,416	-	-
	21,506	266,719	374,474,414	250,883,653

27. TAX ASSETS AND LIABILITIES

Corporate tax to be accrued over the taxable company profit is calculated based on the tax base remaining after adding non-deductible expenses from tax base, which is written as expense on

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determining commercial earnings, and by deducting the dividends received from companies located in the country, and incomes not subject to tax.

The corporate tax rate applied in 2019 is 22% (2018: 20 %). The Corporate tax rate is determined as 22% for the 2018, 2019 and 2020 financial taxation periods according to 10th provisional article added to Law No. 5520 through article 9 of Law No.7061.

Advance tax in Turkey is calculated and accrued quarterly. Provisional tax rate to be calculated over the company's earnings at the taxation stage in 2019, as of the provisional tax periods, is 22% (2018: 22%).

Rolweg, one of the subsidiaries of the Company, operates in Switzerland. The Swiss income tax rate is 12.5%.

Losses can be carried over for a maximum of 5 years, in order to be deducted from taxable profit to be earned in the future years. However, losses cannot be deducted from the profits of the previous years retrospectively.

The Turkish tax legislation does not permit parents and subsidiaries to issue consolidated tax declarations. Therefore, the tax provision reflected on financial statements is calculated on a company basis.

Deferred Tax Asset / Liability:

The Group accounts deferred tax receivables and liabilities for temporary timing differences, which arise from the differences between its tax-based legal financial tables, and the financial statements prepared under the Capital Market Board's "Communique on Principles of Financial Reporting in Capital Market" Serial No. II, and Numbered 14.1. Deferred tax asset is calculated only if there are temporary timing differences deductible from taxable profit. Provisions are retained for deferred tax assets, which probably will not be realized. Deferred tax rate is 22% for all timing differences (31 December 2018: 22%). Tax rate to be applied in 2018, 2019 and 2020 has been increased to 22%.

Deferred tax liability is calculated for all taxable timing differences.

Details of temporary differences and deferred tax impact are as follows as of 30 September 2019:

Deferred Tax Assets	Provisional Differences	Deferred Tax Impact
Doubtful Receivables	2,854,436	627,976
Adjustment of Receivables from personnel	68,889	15,156
Adjustment of Advances Given	79,410	17,470
TFA and IFA Value Adjustment	6,561,743	1,437,900

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Expense from Decrease in Value of Inventories and Other Stock Adjustments	8,311,065	1,211,598
Amortized Cost Value Adjustment of Receivables	3,265,036	718,308
Accrued interest adjustment	14,765	3,248
Sale and Lease Back Adjustment	400,206	88,045
Adjustment of Loans	4,655,179	1,024,139
Letter of Credit Interest Adjustment	398,129	87,588
Other Adjustments	211,643	46,563
Derivative Instrument FV Difference Adjustment	11,108,416	2,443,852
Severance Pay Actuarial Difference*	654,961	131,844
	38,583,878	7,853,687

Deferred Tax Liabilities	Provisional Differences	Deferred Tax Impact
Impact transfer where TFA valuation is associated with Shareholders Equity (Vehicles)	284,200	56,840
Impact transfer where TFA valuation is associated with Shareholders Equity (Lands and Buildings)	30,396,828	3,343,651
TFA and IFA Value Adjustment	-	-
Other Adjustments	457,005	100,538
Amortized Cost Value Adjustment of Payables	3,123,181	687,100
Amortization difference of tangible and intangible fixed assets	9,562,721	2,103,798
Severance Pay Provisions	3,541,109	766,797
	47,365,044	7,058,724

Details of temporary differences and deferred tax impact are as follows as of 31 December 2019:

Deferred Tax Assets	Provisional Differences	Deferred Tax Impact
Doubtful Receivables	3,693,578	812,587
Adjustment of Receivables from personnel	68,895	15,157
Adjustment of Advances Given	78,022	17,165
TFA and IFA Value Adjustment	6,860,466	1,503,211
Expense from Decrease in Value of Inventories and Other Stock Adjustments	4,904,220	1,078,928
Amortized Cost Value Adjustment of Receivables	2,374,160	522,315
Accrued interest adjustment	19,955	4,390
Sale and Lease Back Adjustment	721,549	158,741
Adjustment of Loans	3,365,676	740,449
Derivative Instrument FV Difference Adjustment	34,210,890	7,526,396
Accounting Policy Change	79,359	71,348

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Other Adjustments	45,340	20,092
Severance Pay Actuarial Difference*	647,797	130,268
	57,069,907	12,601,047

Deferred Tax Liabilities	Provisional Differences	Deferred Tax Impact
Impact transfer where TFA valuation is associated with Shareholders Equity (Vehicles)	304,528	60,905
Impact transfer where TFA valuation is associated with Shareholders Equity (Lands and Buildings)	30,396,828	3,343,651
Letter of Credit Interest Adjustment	34,046	7,490
Amortized Cost Value Adjustment of Payables	5,121,469	1,126,723
Amortization difference of tangible and intangible fixed assets	9,956,629	2,190,459
Severance Pay Provisions	3,919,127	849,960
	49,732,627	7,579,188

Deferred tax change as of 30 September 2019 and 31 December 2018 is as follows:

	1 January - 30 September 2019	1 January - 31.12.2018
Opening Balance**	8,296,147	571,375
Current Period Deferred Tax (Expense)/Income	(4,232,537)	7,605,321
Accounting Policy Changes	-	119,451
TFA Revaluation Fund and Actuarial Difference Deferred Tax Impact*	(3,268,647)	(3,274,288)
Closing Balance	794,963	5,021,859

According to Article 61-a of the Turkish Accounting Standard 12, period tax and deferred tax related to the items, which are accounted with the exception of profit or loss, are accounted in the same period, or in different periods with the exception of profit or loss. Hence, the period tax, and deferred tax related to the items accounted on the same or different periods are accounted under other comprehensive income if related items are accounted under other comprehensive income. Tangible fixed asset revaluation differences, and deferred tax liability calculated over the actuarial difference are accounted under other comprehensive income item.

** TFA Revaluation Fund, and Actuarial Difference Deferred Tax Impact are reported cumulatively, and they include the opening balance as well.

Tax expenses included in the gain and loss statement issued for the periods ended on 30 September are summarized below:

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Period Tax Expense / Income)	1,388,380	181,049	3,562,976	1,976,194

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FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

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Deferred Tax (Income)/Expense	4,232,537	(3,635,976)	2,078,249	1,597,325
	6,537	185,66	6,865	4,092

Tax provisions included in the financial position statements issued for the periods ended on 30 September 2019 and 31 December 2018 are summarized below:

	1 January - 30 September 2019	1 January - 31.12.2018
Current Year Corporate Tax Provision	1,388,380	10,534,856
Prepaid Taxes and Funds	-	(4,616,585)
	1,388,380	5,918,271

*The current year corporate tax provision reported as of 30 September 2019 consists of the tax provisions accrued in Rolweg SA, an affiliate of the company, within the scope of consolidation.

28. EARNINGS PER SHARE

Details of the earnings per share as of 30 September 2019 and 30 September 2018 are as follows:

	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Net Period Profit/(Loss)	22,696,782	6,513,945	30,223,700	17,796,807
Weighted Average Number of Total Ordinary Shares in Circulation	82,497,848	82,497,848	82,497,848	82,497,848
Earnings per Share	0.2751	0.0790	0.3664	0.216

29. AFFILIATES STATEMENTS

	30 September 2019	31.12.2018
GFC Denizcilik ve Ticaret A.Ş.	13,657	133,407
Unay Un San. ve Tic. A.Ş.	63,784	82,596
Ulusoy Çay Gıda San. ve Tic. A.Ş.	20,363	-
Trade Receivables from Affiliates	97,804	216,003

	30 September 2019	31.12.2018
Unay Un San. ve Tic. A.Ş.	2,420,781	-

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(Unless otherwise specified, the currency shall be TRY.)

	30 September 2019	31.12.2018		
Notes Receivables to Affiliates	3,201	-		
Unay Un San. ve Tic. A.Ş.	605,111	-		
Other Receivables to Affiliates	605,111	-		
	30 Eylül 2019	31.12.2018		
Unay Un San. ve Tic. A.Ş.	-	11,829		
Ulusoy Petrol Ürünleri Tic. A.Ş.	55,759	56,567		
Ulusoy Çay Gıda San. ve Tic. A.Ş.	-	17,776		
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	161,366	-		
Trade Payables to Affiliates	161,366	86,172		
	30 September 2019	31.12.2018		
Unay Un San. ve Tic. A.Ş.	-	7,189,884		
Notes Payables to Affiliates	-	7,189,884		
	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Unay Un San. ve Tic. A.Ş.	31,100,334	9,169,270	46,943,084	28,919,488
Ulusoy Çay Gıda San. ve Tic. A.Ş.	38,450	28,800	-	-
GFC Denizcilik ve Ticaret A.Ş.	9,342	-	-	-
Sales Revenues from Affiliates	79,226	38,239	46,943,084	28,919,488
	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Ulusoy Çay Gıda San. ve Tic. A.Ş.	22,319	6,030	19,533	1,851
Ulusoy Petrol Ürünleri Tic. A.Ş.	-	-	86,244	86,244
Unay Un San. ve Tic. A.Ş.	76,620,241	29,809,700	80,427,142	33,200,583
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	-	-	488,638	167,555
GK Tarım Ürünleri Depoculuk A.Ş.	17,988	-	395,609	-
GFC Denizcilik Ticaret A.Ş.	2,560	2,560	1,908	454
Raw material and material purchase from Affiliates	20,548	2,56	81,419,074	33,456,687
	1 January - 30 September 2019	1 July- 30 September 2019	1 January -	1 July-
Unay Un San. ve Tic. A.Ş.	574,440	152,496	6,842,144	5,919,350
GFC Denizcilik ve Ticaret A.Ş.	59,243	50,125	380,814	147,750

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Other Incomes from Affiliates	633,683	202,621	387,8	154,019
	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Unay Un San. ve Tic. A.Ş.	755,483	461,098	394,789	6,334
Ulusoy Petrol Ürünleri Tic. A.Ş.	6,784	4,047	41,583	17,455
General Production Expenses to Affiliates	762,267	465,145	436,372	23,789
	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Ulusoy Petrol Ürünleri Tic. A.Ş.	84,408	28,771	71,508	26,694
Unay Un San. ve Tic. A.Ş.	3,773	-	-	-
General Management Expenses to Affiliates	88,181	28,771	71,508	26,694
	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
Unay Un San. ve Tic. A.Ş.	180,910	90,438	162,450	61,891
Ulusoy Petrol Ürünleri Tic. A.Ş.	360,393	121,757	349,962	118,438
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	14,410	8,871	16012	16012
GK Tarım Ürünleri Depoculuk A.Ş.	13,157	1,440	-	-
Marketing Expenses to Affiliates	568,87	222,506	528,424	196,341
	1 January - 30 September 2019	1 July- 30 September 2019	1 January - 30 September 2018	1 July- 30 September 2018
GFC Denizcilik Ticaret A.Ş.	-	-	2,114	-
Unay Un San. ve Tic. A.Ş.	476,258	53,272	1,146,945	936,643
Other Expenses from Affiliates	476,258	53,272	1,149,059	936,643
	1 January - 30 September 2018	1 July- 30 September 2018	1 January - 30 September 2018	1 July- 30 September 2018
Unay Un San. ve Tic. A.Ş.	5,531,409	3,138,344	6,581,110	4,532,161
Financial Revenues from Affiliates	5,94	3,482	6,581,110	4,532,161

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The group's senior management consists of board of directors members, general manager, and department managers.

Benefits and wages provided to the Group's senior management amount to TRY 671,818 as of 30 September 2019 (31 December 2018: TRY 894,175).

30. NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

Liquidity Risk Management:

The Group regularly monitors the cash flows, and assures the continuity of sufficient funds by matching the maturity dates of the financial assets and liabilities in order to manage the liquidity risk. Prudent liquidity risk management means keeping sufficient amount of cash, availability of sufficient credit transactions, and fund resources, as well as the capacity to close market positions

Credit risk:

The group's credit risk might actually arise from its trade receivables. Trade receivables are evaluated by the Group management based on past experiences and current economic status, and it is written as a net amount on the financial position statement after retaining a sufficient amount of provisions for doubtful receivables.

Market risk:

The market risk is the change in the interest rates, exchange rates, or in the value of securities, or in other financial contracts that have an impact on the Group.

31. FINANCIAL INSTRUMENTS (FAIR VALUE REMARKS, AND REMARKS WITHIN THE FRAMEWORK OF HEDGING ACCOUNTING)

Foreign Currency Position

30 September 2019

	TRY Provision	US Dollars	Euro
1. Trade and Other Receivables	398,311,144	70,219,160	151,024
2a. Monetary Financial Assets	71,508,574	11,329,636	1,195,585
2b. Non-Monetary Financial Assets	-	-	-
3. Other	92,513,675	16,257,490	82,624
4. CURRENT ASSETS	562,333,393	97,806,286	1,429,233
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. FIXED ASSETS	-	-	-
9. TOTAL ASSETS	562,333,393	97,806,286	1,429,233
10. Trade Payables	441,173,764	77,933,476	22,707
11. Financial Liabilities	335,731,319	53,123,753	5,676,093
12a. Other Monetary Liabilities	18,328,189	2,801,957	399,708
12b. Other Non-Monetary Liabilities	-	-	-

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FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

(Unless otherwise specified, the currency shall be TRY.)

13. SHORT-TERM LIABILITIES	795,233,272	133,859,186	6,098,508
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. LONG-TERM LIABILITIES	-	-	-
18. TOTAL LIABILITIES	795,233,272	133,859,186	6,098,508
19. Off-balance sheet derivative financial instruments net asset/liability position (19a-19b)	271,533,275	45,250,000	2,500,000
19a. Amount of off-balance sheet derivative products with asset characteristics in foreign currency	271,533,275	45,250,000	2,500,000
19b. Amount of off-balance sheet derivative products with liability characteristics in foreign currency	-	-	-
20. Net foreign currency asset /liability position	38,633,396	9,197,100	(2,169,275)
21. Monetary items net foreign currency asset /liability position (1 +2a+3+5+6a-10-11 -12a-14-15-16a)	(232,899,879)	(36,052,900)	(4,669,275)

31.12.2018

	TRY Provision	US Dollars	Euro
1. Trade and Other Receivables	367,791,158	69,789,791	105,184
2a. Monetary Financial Assets	187,396,621	35,545,929	65,202
2b. Non-Monetary Financial Assets	-	-	-
3. Other	29,280,204	4,271,321	1,129,597
4. CURRENT ASSETS	584,467,983	109,607,041	1,299,983
5. Trade Receivables	-	-	-
6a. Monetary Financial Assets	-	-	-
6b. Non-Monetary Financial Assets	-	-	-
7. Other	-	-	-
8. FIXED ASSETS	-	-	-
9. TOTAL ASSETS	584,467,983	109,607,041	1,299,983
10. Trade Payables	388,199,011	73,781,869	6,632
11. Financial Liabilities	246,946,440	41,017,465	5,168,822
12a. Other Monetary Liabilities	36,892,082	6,732,475	244,393
12b. Other Non-Monetary Liabilities	-	-	-
13. SHORT-TERM LIABILITIES	672,037,533	121,531,809	5,419,847
14. Trade Payables	-	-	-
15. Financial Liabilities	-	-	-
16a. Other Monetary Liabilities	-	-	-
16b. Other Non-Monetary Liabilities	-	-	-
17. LONG-TERM LIABILITIES	-	-	-
18. TOTAL LIABILITIES	672,037,533	121,531,809	5,419,847
19. Off-balance sheet derivative financial instruments			

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net asset/liability position (19a-19b)	139,194,600	26,000,000	400,000
19a. Amount of off-balance sheet derivative products with asset characteristics in foreign currency	139,194,600	26,000,000	400,000
19b. Amount of off-balance sheet derivative products with liability characteristics in foreign currency	-	-	-
20. Net foreign currency asset /liability position	51,625,050	14,075,232	(3,719,864)
21. Monetary items net foreign currency asset /liability position (1 +2a+3+5+6a-10-11 -12a-14-15-16a)	(87,569,550)	(11,924,768)	(4,119,864)

Foreign Exchange Rate Sensitivity Analysis Table		
30 September 2019		
	Loss/(Profit)	
	Value increase in Foreign Currency	Value decrease in Foreign Currency
If US Dollar exchange rate changes by 10 %		
1-US Dollar Net Asset / Liability	(20,402,696)	20,402,696
2- Amount protected from US Dollar Risk (-)	-	-
3- US Dollar Net Impact (1+2)	(20,402,696)	20,402,696
If Euro exchange rate changes by 10 %		
4 - Euro Net Asset / Liability	(2,887,292)	2,887,292
5- Amount protected from Euro Risk (-)	-	-
6- Euro Net Impact (4+5)	(2,887,292)	2,887,292

Foreign Exchange Rate Sensitivity Analysis Table		
31.12.2018		
	Loss/(Profit)	
	Value increase in Foreign Currency	Value decrease in Foreign Currency

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FOOTNOTES REGARDING THE CONSOLIDATED FINANCIAL STATEMENTS OF THE INTERIM PERIOD THAT ENDED ON 30 SEPTEMBER 2019

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If US Dollar exchange rate changes by 10 %		
1-US Dollar Net Asset / Liability	(6,273,501)	6,273,501
2- Amount protected from US Dollar Risk (-)	-	-
3- US Dollar Net Impact (1+2)	(6,273,501)	6,273,501
If Euro exchange rate changes by 10 %		
4 - Euro Net Asset / Liability	(2,483,454)	2,483,454
5- Amount protected from Euro Risk (-)	-	-
6- Euro Net Impact (4+5)	(2,483,454)	2,483,454

Credit Risk

	Receivables						
	Trade Receivables		Other Receivables		Deposit at Banks	Derivative Instruments	Other
	Affiliated Party	Non-Affiliated Party	Affiliated Party	Non-Affiliated Party			
30 September 2019							
Maximum credit risk the company is exposed to as of reporting date (A+B+C+D+E)	2,518,585	453,949,967	605,111	4,305,435	135,394,463	1,573,646	152,484,271
- Part of maximum risk covered by guarantees etc.	-	-	-	-	-	-	-
A. Net book value of undue financial assets or financial assets without impairment	2,518,585	453,949,967	605,111	4,305,435	135,394,463	1,573,646	152,484,271
B. Book value of financial assets that are subject to renegotiated conditions, but otherwise would be considered as overdue or exposed to impairment	-	-	-	-	-	-	-
C. Net book value of overdue assets that are not subject to impairment	-	-	-	-	-	-	-
Amount guaranteed with guarantee, etc.	-	-	-	-	-	-	-

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D. Net book values of impaired assets	-	-	-	-	-	-	-
Overdue (gross book value)	-	6,632,698	-	-	-	-	-
- Impairment (-)	-	(6,632,698)	-	-	-	-	-
- Amount of net value secured with guarantee, etc.	-	-	-	-	-	-	-
- Undue (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- Amount of net value secured with guarantee, etc.	-	-	-	-	-	-	-
E. Off-balance sheet items involving credit risk	-	-	-	-	-	-	-

	Receivables				Deposit at Banks	Derivative Instruments	Other
	Trade Receivables		Other Receivables				
	Affiliated Party	Non-Affiliated Party	Affiliated Party	Non-Affiliated Party			
31.12.2018							
Maximum credit risk the company is exposed to as of reporting date (A+B+C+D+E)	216,003	430,362,038	-	1,415,694	233,176,672	4,580,190	45,739,491
- Part of maximum risk covered by guarantees etc.	-	-	-	-	-	-	-
A. Net book value of undue financial assets or financial assets without impairment	216,003	430,362,038	-	1,415,694	233,176,672	4,580,190	45,739,491
B. Book value of financial assets that are subject to renegotiated conditions, but otherwise would be considered as overdue or exposed to impairment	-	-	-	-	-	-	-
C. Net book value of overdue assets that are not subject to impairment	-	-	-	-	-	-	-
Amount guaranteed with guarantee, etc.	-	-	-	-	-	-	-
D. Net book values of impaired assets	-	-	-	-	-	-	-
Overdue (gross book value)	-	6,301,918	-	-	-	-	-
- Impairment (-)	-	(6,301,918)	-	-	-	-	-
- Amount of net value secured with guarantee, etc.	-	-	-	-	-	-	-

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- Undue (gross book value)
 - Impairment (-)
 - Amount of net value secured with guarantee, etc.
 E. Off-balance sheet items involving credit risk

Liquidity Risk

30 September 2019

Contractual Terms

Non-Derivative Financial Liabilities	Book Value	Total Cash Outflow Under Contracts	Less than 3 Months	Between 3-12 Months	Between 1-5 Years	More than 5 Years
Financial Liabilities	410,431,940	410,431,940	103,074,532	151,611,042	119,198,013	36,548,355
Debt Instruments Issued	-	-	-	-	-	-
Trade Payables	449,121,604	449,121,604	10,749,597	419,346,650	19,025,357	-
Other Payables	492,821	492,821	-	492,821	-	-

31.12.2018

Contractual Terms

Non-Derivative Financial Liabilities	Book Value	Total Cash Outflow Under Contracts	Less than 3 Months	Between 3-12 Months	Between 1-5 Years	More than 5 Years
Financial Liabilities	337,534,650	337,534,650	25,635,556	140,942,029	130,185,090	40,771,975
Debt Instruments Issued	-	-	-	-	-	-
Trade Payables	396,282,095	396,282,095	183,521,157	196,278,050	16,482,888	-
Other Payables	32,117	32,117	-	32,117	-	-

30 September 2019	Receivables		Deposit at Banks	Derivative Instruments	
	Trade Receivables	Other Receivables			Other
Overdue by 3-12 months	535,216				

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Overdue by 1-5 years 6,097,482

31.12.2018	Receivables		Deposit at Banks	Derivative Instruments	Other
	Trade Receivables	Other Receivables			
Overdue by 3-12 months	874,534	-	-	-	-
Overdue by 1-5 years	5,427,384	-	-	-	-

Fair Value of Financial Instruments

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

Level 1: Valuation techniques using the quotation prices of the identical assets or debts in active markets that the Group has access on the measurement date,

Level 2: Other valuation techniques that include inputs other than the quotation prices in Level 1, which are directly or indirectly observable in relation to assets or debts,

Level 3: Valuation techniques using the non-observable inputs in relation to assets or debts.

Financial Assets (30 September 2019)	Level 1	Level 2	Level 3
Derivative assets	-	1,573,646	-
Short-Term Financial Investments	1,034,474	-	-

Financial Assets (31 December 2019)	Level 1	Level 2	Level 3
Derivative assets	-	4,580,190	-
Short-Term Financial Investments	820,159	-	-

Financial Liabilities (30 September 2019)	Level 1	Level 2	Level 3
Derivative liabilities	-	11,108,416	-

Financial Liabilities (31 December 2018)	Level 1	Level 2	Level 3
Derivative liabilities	-	34,210,890	-

Interest Position and Relevant Sensitivity Analysis

Fixed-Interest Financial Instruments	1 January - 30 September 2019	1 January - 31.12.2018
Cash and Cash Equivalents (Time Deposits)	100,162,576	179,774,361
Financial Liabilities	410,431,940	337,534,650

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(Unless otherwise specified, the currency shall be TRY.)

Company has fixed-interest bank deposits, and fixed-interest financial liabilities as of 30 September 2019 and 31 December 2018. As it has no financial assets or liabilities with variable interests, it is not exposed to interest rate risk arising from the impact of interest rate change.

32. POST-REPORTING PERIOD INCIDENTS

Not available.