01.01.2018 - 30.06.2018 INTERIM ACTIVITY REPORT



ULUSOY UN SANAYİ VE TİCARET A.Ş. 01.01.2018 - 30.06.2018 INTERIM
BOARD OF DIRECTORS REPORT ISSUED AS PER COMMUNIQUÉ SERIAL NUMBERED II-14.

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1969 **Fahrettin Ulusoy's First Step to Business Life**

By opening his own grain shop, he laid the foundations of Ulusoy Gida.



1970 **Development Period of Flour Trade**

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



1980 **Transition into the Largest Food Distribution Company of the Black Sea**

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



1989 **Entry to the Sector by Partnership With Hasanusta Flour**

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



1989 **Establishment of Ulusoy Un**

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



1995 **Commencement of Export and Import Activity**

Flour exports started to new countries as a result of the disintegration of the Soviet Union.



1996 **Raising Samsun Factory Capacity to 240 tons/day**

By expanding the export markets an extra capacity need was felt.

2000

Transfer of All Shares to Ulusoy Family

By purchasing the shares of Demirer Family, 100% of Ulusoy Un shares were passed to Ulusoy Family.



2003 **Establishment of 400 tons/day Capacity Çorlu Factory**

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

Entrance to Overseas Exports

After commencing operations at the Corlu factory, exports started to reach markets in containers through Istanbul Ambarli Port.

HISTORY



2007

Beginning National Raw Material Trade

Commercial wheat sales started by increasing export capacity with the aim of choosing high class wheat from imported wheat for its own production and facilitating stock management directed manufacturing.



2008

Increasing Capacity of Samsun Factory to 500 tons/day

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



2009

Establishment of 34,000 Tons Capacity Warehouse in Samsun

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



2011

Beginning International Transit Trade

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



2013

Purchasing 17% of SASBAS Shares

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



2014

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

600 ton/day Capacity Flour Factory Investment in Samsun Food OIZ.



2015

Establishment of Istanbul Office



2029

The Goal of Being Turkey's Biggest Company in Agricultural Industry

2069

The Goal of Being One of the Biggest Agricultural Industry Companies in the World at its 100th Year

OUR VISION



"To become a global company without compromising our principles, values and goals thanks to our team of experienced colleagues that gives strength to the company."

OUR MISSION



"Our mission is to become a preferred business partner in the sector by producing healthy products meeting needs of different customer segments as well as being a competitive company that keeps up with sector development, keeps an open line of communication"

OUR STRATEGIES

Being closest to the market with diverse production locations and delivering our products to the customers with the lowest logistics costs

Directing purchases from raw material roduction locations with the right costs to the logistically most suitable production facility

Achieving a product range that can cover all demands of the customers with product diversification

Creating new products through R&D and becoming a brandmarka haline getirmek

IN CONCLUSION

Becoming the company with the largest market share

OUR GOALS

Lowering costs by reducing distribution costs

Increasing total capacity by increasing our production locations

Addressing the whole market

Increasing market share in more efficient segments of the industrial and consumer market

BRIEF COMPANY BACKGROUND



Ulusoy Un Sanayi ve Ticaret Anonim Şirketi was established in 1989 to produce, trade, import and export all kinds of food products, such as flour, semolina, pasta and biscuits, produced with grains and legumes. The primary business activity of Ulusoy Un is domestic and foreign trade of various grains, particularly wheat as well as production, trade, domestic and foreign sales of wheat flour, bran and other feed raw materials.

The Company has two factories (208.000 tons/year flour production) with total wheat processing capacity of 900 tons/day; one in Samsun with 500 tons/day capacity and one in Çorlu with 400 tons/day capacity and silo, warehouses, free zone warehouses with total grain stocking capacity over 100.000 tons.

In 1995, Ulusoy Un started exportation operations and it has exported flour to 88 countries so far. In 2017, the company accounted for 5% of the sector's exportation operations in Turkey. According to data announced by the Turkish Exporters Assembly in 2018; our company is the 487th company on the top 1000 Turkish exporters list and 6th on its sector list in 2017. According to data announced by the Istanbul Chamber of Industry in 2018, the company is the 444th company on the 2017 list of top industrial manufacturers of Turkey and 5th on its sector in terms of sales out of total production.

The Company acquired 17% of SASBAŞ Samsun Serbest Bölgesi Kurucusu ve İşleticisi A.Ş. shares on March 28, 2013. This investment enabled Ulusoy Un to have an effective role in the management of Samsun Free Zone which is one of the most strategic locations by the Black Sea Region offering storage and logistics infrastructure required for improvement of transit foreign trade operations, particularly.

Ulusoy Un went public on 20.11.2014 and its shares are being traded at Istanbul Stock Exchange.

Ulidaş Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi, a 100% subsidiary of our company established on 27.02.2015, is an investment in the Licensed Warehousing system which is considered to be the future of agricultural sector.

At the end of the year 2016, first licensed warehouse with 41.950 tons constructed and has started its operations by buying license for 41.950 tons part on 16.06.2017.

Our affiliated company Rolweg SA that 100% belong to Ulusoy Un Sanayi ve Ticaret A.Ş. established on 15.03.2018 in Geneva, Switzerland.

Current Shareholding Structure as of 30.06.2018

Shareholder	Number of Shares	Group	Publicly Shared Yes/No	Ratio	Ratio Amount (TRY)
Fahrettin Ulusoy	4.550.000	A	No	5,38%	4.550.000,00
	1.950.000	B	No	2,31%	1.950.000,00
	1.944.229	C	Yes	2,30%	1.944.229,00
	8.444.000			**9,99%**	**8.444.229,00**
Nevin Ulusoy	650.000	A	No	0,77%	650.000,00
	1.300.000	B	No	1,54%	1.300.000,00
	12.207.627	C	No	14,45%	12.207.627,00
	14.157.627			**16,76%**	**14.157.627,00**
Onur Erhan Ulusoy	650.000	A	No	0,77%	650.000,00
	1.950.000	B	No	2,31%	1.950.000,00
	15.638.791	C	No	18,51%	15.638.791,00
	18.238.791			**21,59%**	**18.238.791,00**
Eren Günhan Ulusoy	3.900.000	A	No	4,62%	3.900.000,00
	1.300.000	B	No	1,54%	1.300.000,00
	16.781.279	C	No	19,86%	16.781.279,00
	1.126.118	C	Yes	1,33%	1.126.118,00
	23.107.397			**27,35%**	**23.107.397,00**
Kamil Adem	**26.941**	C	No	**0,03%**	**26.941,00**
Mithat Denizcigil	**95.362**	C	No	**0,11%**	**95.362,00**
Halka Açık	**20.429.653**	C	Yes	**24,17%**	**20.429.653,00**
Toplam	9.750.000	A		11,54%	9.750.000,00
	6.500.000	B		7,70%	6.500.000,00
	68.250.000	C		80,76%	68.250.000,00
	84.500.000			**100,00%**	**84.500.000,00**

MESSAGE FROM THE CHAIRMAN OF THE BOARD



In first half of 2018 our company has increased its revenues by 57% compared to the same period of the previous year with 1.299 million TL sales revenue. We aim sustainable growth with our active risk management especially under hard conditions. We would not apostasy in order to continue this performance.

Dear Shareholders,

Completing its 28th year in business, Ulusoy Un is managed by the experience, know-how and confidence brought in by the business life of our family that started with Ulusoy Gıda in 1969 and grew with all our colleagues joining this family in the following years. These long years have added significant values to our family. Initially, we learned how important our business, food industry is and to attach the highest importance to the responsibilities inherent with this importance. As employees and managers of Ulusoy Gıda group we made the golden rule of not producing or selling products we would not see fit for our own consumption and have adopted this philosophy as the essential priority of being a reliable food supplier.

With employees always open to novel ideas, working with team spirit and creating added value and management approach not compromising from its principles of quality, stability and confidence, Ulusoy Un started growing rapidly. With this approach it reached 900 tons per day capacity from its initial 180 tons per day capacity. As a reward of its hard work and acknowledgement of its clients, UIusoy Un started to take a place in 1000 Largest Industry Enterprises of İstanbul Chamber of Commerce starting in 1996.In November 2014, it became the first company to be quoted in the İstanbul stock exchange ever to achieve it in Samsun province and in its own industry. Finally,Ulusoy Un became 444th among largest 500 industrial enterprises in Turkey, with 5th place in its industry in the list which is announced in 2017. After long years of labor, I extend my gratitude to all that have played a part in this pride.

In first half of 2018 our company has increased its revenues by 57% compared to the same period of the previous year with 1.299 million TL sales revenue. Additionally, company tripled operating profit compared to the same period of last year by increasing it to 86,4 million TL and achived 12,4 million TL net profit. We aim sustainable growth with our active risk management especially under hard conditions. As part of this policy, by using derivatives our company hedged itself againist fluctuations in FX market.

Ulidaş Tarım Ürünleri Lisanslı Depoculuk Anonim Şirketi which established in 2015, started its warehouse investment with 41.950 ton capacity in Alaca, Çorum in 2016. It has started its operations in licensed warehouse sector which is agricultural sector's future, by buying its license on 16.06.2017 with 41.950 ton capacity. By completing our ongoing licence warehouse investments in Yozgat Sorgun and Samsun, we aim to increase our total capacity in licence warehouse sector in 2018.

Our aim is to take the activities of our company to global level without compromising our principles, values and objectives together with our experienced colleagues with the strength of teamwork we achieved in our company. In line with these goals, we, Ulusoy Un family will work with all our strength. I thank all our past and future shareholders, employees, clients and suppliers who have played a role in this success.

Eren Günhan ULUSOY
Yönetim Kurulu Başkanı

MESSAGE OF THE VICE CHAIRMAN OF THE BOARD



In first half of 2018, our company has achieved an important growth by increasing its revenue by 57% compared to the same period of last year . Our company has achieved 86,4 million TL operating profit from manufacturing and commercial activities. Company's risk management operates studiosly againist the fluctuations in FX markets. With our dynamic management, we are continuously producing staple food which has unended demand.

Dear shareholders,

Ulusoy Un, was founded on this land from where, wheat, the raw material of the holy bread was spread to the world. Born of this strong history of our country, from its people and potential, Ulusoy Un managed to achieve a significant place in both our country and the global industry within the past 28 years. Now we are proud to share this value with over 2700 shareholders who have become partners with our initial public offering.

With its 900 tons per day capacity in its two factories, Ulusoy Un completed the 5% of Turkey's flour export in 2017 where Turkey is the leading exporter. Our company became 487th company on the top of 1000 Turkish exporters list. With its direct sales, it became 444th among largest 500 producers according to İstanbul Chamber of Commerce data and 5th place in its own industry.

In line with the demands of both our domestic and global clients, we made sales with unconditional customer satisfaction principle without compromising quality and food safety. As a result, our company turnover rose from 109 million TRY in 2007 to 1,805 million TRY in 2017. Multiplying our turnover by 16 times in the past 10 years we realized an annual average 32% turnover growth.

In first half of 2018, our company has achieved an important growth by increasing its revenue by 57% compared to the same period of last year . Our company has achieved 86,4 million TL operating profit from manufacturing and commercial activities. Company's risk management operates studiosly againist the fluctuations in FX markets. With our dynamic management, we are continuously producing staple food which has unended demand.

I would like to thank our clients and employees who carried us to the top and did not hold back their support and to esteemed investors who placed their confidence in us by becoming partners after public offering. I wish 2018 to bring gains and happiness for our company. With its experience exceeding 49 years, Ulusoy Un will continue to create value for our partners, employees and clients...

Kamil Adem
Cheif Executive Officer

BOARD OF DIRECTORS



EREN GÜNHAN ULUSOY
Chairman of the Board

Born in 1981 in Samsun. Günhan Ulusoy graduated fr om Samsun Anatolian High School in 1999 and then graduated from Boğaziçi University, Faculty of Economics and Administrative Sciences, Department of Business Administration in 2003 and completed his Master's Degree in 2014 at 19 Mayı s University, Department of Agricultural Economics. In July 2003, he started working for exportation department of Ulusoy Un Sanayi. In Jul y 2004, he was appointed as the General Manager and he officiated as the General Manager until October 2010. He became the company's Chief Executive Officer in October 2010 and the company went public at the end of 2014. The Gene ral Meeting of Shareholders held in March 2015 appointed him as the Chairman of the Board of Ulusoy and authorized him to officiate for three years. He has been a Board of Directors Member of Samsun Serbest Bölgesi İşletici A.Ş. (SASBAŞ) since 2008. Günhan Ul usoy is a member of several social and professional societies and he is the Board Chairman of Turkish Flour Industrialists' Federation, Board Chairman of Black Sea Region's Flour Industrialists Association, Vice Chairman of Black Sea Cereal, Pulse and Oil Seeds Exporters Union and Vice Chairman of Samsun Commodity Exchange.



KAMİL ADEM
Vice Chairman of the Board of Directors

Born in 1965 in Amasya. He graduated from 19 Mayıs University, Amasya Vocational High School, Economics and Accounting Associate Degree Program in 1984. In 1987, he started his career as the Accounting Manager of Hasanusta Gıda San. ve Tic. A.Ş. In 1993, he was appointed as the Head of Accounting – Finance and Sales Departments of Ulusoy Un A.Ş. In 1998, he became the company's General Manager and he held his position until July 2004. He worked for Birsan Birlik A.Ş., a company in flour sector, as Domestic and Foreign Marketing Manager for a period between the end of 2004 and beginning of 2006. In 2006, he started working for another company of flour sector, namely Bafra Eriş Un Yem Gıda A.Ş., as the Factory Manager. In 2010, he was appointed as the General Manager of Ulusoy Un A.Ş. He has been officiating as the Chief Executive Officer and Vice Chairman of the Board of Directors since March 2015.



SALİH ZEKİ MURZİOĞLU
Board of Directors Member

Born in 1959 in Samsun. He graduated from Samsun Trade High School after primary and secondary schools. After holding positions such as Committee Member and Board Member at Samsun Chamber of Industry and Commerce, he was selected as the Board Chairman of Samsun Chamber of Industry and Commerce in 2009 and he is still the Board Chairman of this institution. Finely representing business life in Samsun in any platform and matching the tasks of leading commerce, Murzioğlu was awarded Board of Directors Membership of TOBB in TOBB General Assembly Elections in 2013.
Salih Zeki Murzioğlu also acts as Samsun Central OIZ Board of Directors Chairman, Samsun Kavak OIZ Vice President of the Executive Board, Samsun Gıda OIZ Board of Directors Chairman, Samsun TEKMER Advisory Board Member, SABEK A.Ş. Board of Directors Member and Büyük Anadolu Lojistik Organizasyonlar A.Ş. Board of Directors Member and Ulusoy Un A.Ş. Board of Directors member.



ÖZDEMİR EROL

Non-Executive Director

He was born in 1934 in Istanbul. Özdemir Erol completed his primary, secondary and high school education in Samsun and graduated from Istanbul Technical University Department of Civil Engineering in 1959 and completed his internship in Austria. Özdemir Erol started his professional life in 1960 as a Control Engineer of Samsun Port Construction. Özdemir Erol worked for a number of projects and did official contracting works until the year of 1966 and then started his business life in 1968 since Samsun had shortages in several kinds of materials. In 1980, he was the founding partner of Proftaş A.Ş. and he also officiated as a Board of Directors Member as well as being the founding partner and board of directors member of Odöksan Döküm Sanayi A.Ş. Özdemir Erol worked for Enka Holding during the incorporation process and then he became one of the partners of Enka Holding.

Özdemir Erol was the Deputy Mayor of Samsun Municipality, Councilor, President of Public Works Committee, President of Samsun Exhibition Association, Member of Chamber of Commerce Management Committee, Founding Member of Samsun DYP (True Path Political Party) Provincial Organization, Deputy Chairman of Samsun DYP Management Committee, Member of Decision and Enforcement Committee of DYP Ankara Headquarters as well as taking management and membership positions at Rotary Club.

Also, he officiated as the Founding Member of Samsun Religious Affairs Site Foundation, Deputy Chairman of Samsev Foundation, Management Board Member of Naval Forces Support Foundation, Management Board Member of Samsun Social Services, Member of Samsun Turkish Police Office Support Foundation, Member of Police Houses and Stations Construction and Restoration Foundation, Deputy Chairman of Samsun Sailing Club Management Board, Deputy Provincial President of DYP, Management Board Chairman of Samsiad as well as Deputy Board Chairman and General Manager of 19 Mayıs Hazır Beton Tesisi A.Ş.

Since December 1, 2007, Özdemir Erol was working for Aydıner İnş. A.Ş. as General Manager in charge of aggregate production and, since 2013, as the General Coordinator of Aybet Beton Prefabrik Yapı Elemanları San. A.Ş. Also, he was appointed as the Non-Executive Director of Ulusoy Un San ve Tic. AŞ in September 2017.



KEMAL KİTAPLI

Non-Executive Director

Born in 1963 in Alaçam, Samsun. He completed his primary, secondary and high school education in Alaçam, Samsun. Graduating from İstanbul University Faculty of Law in 1985, Kitaplı started to work as a self-employed lawyer in Samsun. Apart from his pracatice he has made investments in textile sector through many partnerships.

He is currently officiating as the self-employed lawyer and has been officiating as the Non-Executive Director in Ulusoy Un A.Ş. since 2013.

BOARD OF COMMITTEES

Supervisory Board

Name-Surname	Position in Partnership	Position
Kemal Kitaplı	Non-Executive Director	Supervisory Board Chairman
Özdemir Erol	Non-Executive Director	Supervisory Board Chairman

Commitiee has convened 3 Times during the period. Reports prepared after the meeting can be reached at www.ulusoyunyatirimciliskileri.com under the heading of Corporate Governance- Commitiee.

Early Detection of Risk Commitiee

Name-Surname	Position in Partnership	Position
Kemal Kitaplı	Non-Executive Director	Early Detection of Risk Commitiee Chairman
Salih Zeki Murzioğlu	Board of Directors Member	Early Detection of Risk Commitiee Member

Commitiee has convened 3 Times during the period. Reports prepared atier the meeting can be reached at www.ulusoyunyatirimciliskileri.com under the heading of Corporate Governance- Commitiee.

Corporate Governance Commitiee

Name-Surname	Position in Partnership	Position
Özdemir Erol	Non-Executive Director	Corporate Governance Commitiee Chairman
Kemal Kitaplı	Non-Executive Director	Corporate Governance Commitiee Member
İlker Küçük	Risk Management, Capital Markets and Investor Relations Group Manager	Corporate Governance Commitiee Member

Commitiee has convened 1 Times during the period. Reports prepared after the meeting can be reached at www.ulusoyunyatirimciliskileri.com under the heading of Corporate Governance- Commitiee.

Factory with 1800 tons / day wheat processing capacity



Photography Date 13.08.2018

In Samsun Food Organized Industrial Zone, the construction of the 3rd plant with 1800 tons / day wheat processing capacity has beencompleted by 80% and approximately 6,000,000.00 USD has been spent up to now. The project is planned to be completed in the first half of 2019 and the planned total investment amount is USD 10,000,000.00.

It is aimed to increase the capacity of processing 900 tons / day of wheat in Samsun and Çorlu to 1,500 tons / day in the first stage and 2100 tons / day capacity by the end of 2019 with the start of the third factory.



Photography Date 08.08.2018

ONGOING INVESTMENTS

Licensed Warehousing



On February 27, 2015, with Ulidaş Agricultural Products Licensed Warehousing Company, which was established as a 100% subsidiary company, an investment in Licensed Warehousing System has been made, which we can consider as the future of agriculture sector.

In 2016, the first licensed warehouse was built in Alaca / Çorum and started its operations by obtaining licenses for 23,340 tons in 16.01.2017 and 41,950 tons in 16.06.2017.

Ulidaş's long-term licensed warehouse capacity target is 332,500 tons. Due to the stated total capacity of 332.500 tons licensed warehouse capacity, the company capital has been increased to 5 million TL. Planned licensed warehousing facilities are built with the latest technology in order to ensure that product quality and quantity are maintained at an optimum level.

Construction of Yozgat / Sorgun Grain Storage Facilities with 60 thousand tons capacity





Photography Date: 09.08.2018

Completion percentage: % 90

Estimated completion date: 30 September 2018

Investment amount planned: 16.735.000 TL

Photography Date: 09.08.2018

Samsun Silo Facility Construction with 30 thousand tons capacity;



Photograpy date: 09.08.2018

Completion percentage: Reinforced concrete construction %95

Estimated completion date: 30 October 2018

Investment amount planned: 11.000.000 TL

OUR SUBSIDIARY: ULİDAŞ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş



Our Company, a 100 % subsidiary of Ulusoy Un Sanayi ve Ticaret A.Ş., is a joint stock company established on February 27, 2015 with a cash capital of 2 million Turkish Liras and the company located in Samsun Province, Tekkeköy Merkez District operates in the field of Licensed Warehousing for cereal products pursuant to the Licensed Warehousing of Agricultural Products Act numbered 5300.

The incorporation of our company was announced on the Turkish Trade Registry Gazette dated March 4, 2015 and numbered 8771.

Investments

- The long-term licensed warehouse capacity target of our company is 332.500 tons.
- At the end of the year 2016, first licensed warehouse with 41.950 tons capacity constructed and has started its operations by buying licence for 41.950 tons part on 16.06.2017.
- The licensed warehouse capacity of our Ulidas Samsun Branch facilities is 68.000 tons, and the construction of first stage with capacity of 30.000 tons started in October/2017. It is planned to get the license for this stage in the first months of 2019.
- Land purchasing activities are being carried out for our Ulidaş Corlu Branch facilities. It is planned to start the construction of these facilities with a capacity of 60 thousand tons within 2018
- We have increased our company capital up to 5 million Turkish Liras because of our total 332.500 tons of licensed warehouse capacity goal, as described above.
- Our planned licensed warehousing facilities are constructed with the following specifications and state of the art technology for protecting product quality and quantity at optimum levels.

Specifications of our Licensed Warehousing Facilities

- Electronic scale operations
- Sampling with automatic devices
- Product analysis by Authorized Classifiers licensed by the Ministry
- State of the art physical analysis laboratory
- Fully automated silo operations
- Automatic temperature measurement system
- Automatic disinfection system
- Ventilation system
- Dust collecting system
- Fire extinguisher system
- Tele-technical and IT infrastructure equipped with hardware and technology sufficient for electronic product certificate movements.

What is it?

Licensed Warehousing of Agricultural Products Act numbered 5300 entered into force when it was published on the Official Gazette dated 17.02.2005 and numbered 25730.

Licensed Warehousing of Cereals is subject to;

- Licensed Warehousing of Agricultural Products Act numbered 5300,
- "Regulation on Licensed Warehouse for Agricultural Products" that entered into force when it was published on the Official Gazette dated 12 April 2013 and numbered 28616,
- Other related regulations and communiqués.
- The system is solely supervised by the Ministry of Customs and Trade. Licensed Warehousing of Cereals is subject to;
- Licensed Warehousing of Agricultural Products Act numbered 5300,
- "Regulation on Licensed Warehouse for Agricultural Products" that entered into force when it was published on the Official Gazette dated 12 April 2013 and numbered 28616,
- Other related regulations and communiqués.
- The system is solely supervised by the Ministry of Customs and Trade.

For agricultural products:

- Facilitating and improving trade,
- Establishing a widespread storage system,
- Making sure that qualities are confirmed by authorized classifier,
- Issuing a product certificate representing ownership and enabling finance, sales and delivery,
- Assuring safety and protecting quality,
- Extending the use of loans by making sure that the banks are incorporated in the system

Guarantees in Licensed Warehousing System

- Licensed Warehousing Compensation Fund: Licensed Warehousing Compensation Fund, which has a legal entity status, is established for the purpose of compensating damages arising from licensed warehouse operator's failure to comply with the liabilities stipulated under this Law and contracts to be executed with the depositors.

- Authorized Classifiers: Authorized Classifiers licensed by the Ministry of Customs and Trade are in charge of analysis and classification operations of the products.

- Commodity Exchanges or Product Specialization Exchanges: Commodity Exchanges or Product Specialization Exchanges authorized by the Ministry are in charge of product certificate buying and selling operations.

- Central Registry Agency (CRA): All records are kept by the Central Registry Agency.

What is Licensed Warehousing System?

Licensed Warehousing of Agricultural Products Act numbered 5300 entered into force when it was published on the Official Gazette dated 17.02.2005 and numbered 25730.

Licensed warehousing of following products is possible based on the Communiqués published under this Law:

- Cereals, legumes and oily seeds,
- Nuts,
- Cotion,
- Olive and olive oil,
- Dried apricot

Licensed warehousing can be briefly described as storing essential and processed agricultural products such as cereals, legumes, oily seeds, cotion, nuts, olive and olive oil and dried apricots, which are suitable for warehousing and can be standardized, in safe and healthy warehouses owned by licensed warehouse operators by established related standards and trading these products with electronic product certificates issued by these establishments.

Licensed Warehousing System is a common practice in countries included in the system all around the world such as Bulgaria and Romania and particularly in the USA, India and Australia.

OUR SUBSIDIARY: ULİDAŞ Tarım Ürünleri Lisanslı Depoculuk San. ve Tic. A.Ş.

Goals of Licensed Warehousing operations:

Preventing drop of prices caused during the harvest times due to increased supply of agricultural products and balancing the market,

- Allowing particularly small farmers and produce owners having financial troubles to obtain loans and financing from banks within the product certificates issued in return for the products delivered to the licensed warehouses,
- Using products having generally acceptance standards for trade of agricultural products, encouraging high quality production, creating a safe market environment,
- Documenting trade of agricultural products,
- Carrying on agricultural reform that is currently being implemented in our country and increasing participation of private sector in trade of agricultural products,
- Minimizing government interventions in production and pricing, assuring huge savings in terms of costly expenses paid in this segment and avoiding interventions impairing free market and prices,
- Enabling producers to achieve a stable and higher income level through a system that can be easily marketed as well as being well protected and having minimized transportation costs
- Providing a new investment tool to investors as an alternative to foreign currency, gold, share certificate, interest and similar instruments,
- Allowing merchants and industrials in produce trade to easily supply products having quality confirmed based on scientific criteria and price stability,
- Trading agricultural products with product certificates or electronic product certificates without necessity of actually showing goods and samples,
- Transition of agricultural products to forward transaction and option markets with standardized product and licensed warehouse system,
- Creating new business areas for product storage, banking and insurance sectors,
- Enabling our country to have a crucial role in trade of agricultural produce in the nearby geographical areas such as the Middle East, Balkans, Turkic Republics and Asia.

Stakeholders of system:

- Ministry of Customs and Trade,
- Ministry of Food, Agriculture and Livestock,
- Licensed warehousing,
- Authorized classifiers,
- Producers,
- Merchants,
- Industrialists,
- Banking and insurance sector,
- Agriculture exchange and product specialization exchanges

First Licensed Warehouse:

Although the law governing the system entered into force in 2005, the first licensed warehousing company was established in 2011 by TMO (Turkish Grain Board) and TOBB (Turkish Union of Chambers and Commodity Exchanges).

Licensed Warehousing Companies in our country:

As of today, 103 companies have completed their establishment by declaring 9,704,300 tons of storage capacity and 42 of them have started to operate by obtaining a license for 1.822.000 tons capacity.

Summary of Licensed Warehousing

Licensed warehousing systems works in parallel to the product exchanges, a requirement of free market economy, and it is a modern, institutional infrastructure functioning as an important tool of facilitating agricultural product based trade, creating a general storage system all around the country for agricultural products, extending the market segment by offering a reliable protection to the depositors for safety and quality of commodities, contributing to the price stability in markets and preventing unrecorded economy.

Support and Incentives in Licensed Warehousing

• Tax Exemptions (up to 31.12.2018), Agricultural Stoppage Tax (%2), Income and Corporate Tax (%20), VAT (%1), stamp duty,

• Social Security Institution (Pension Fund for the Self-Employed) premium stoppage exemption (%2) until (01.01.2019)

• Storage Supports (up to 16.10.2019), For producers / producers associations and cooperatives (limited to the amount of productionregistered in the ÇKS up to 6 months); for Wheat, Barley, Rye, Oats, Corn, Rice, Rice, Lentils, Chickpeas, Beans, Peas, Sunflower; 6 TL / Ton / Month For all sectors; for Wheat, Barley, Rye, Oats, Corn, Rice, Rice, Lentils, Chickpeas, Beans, Peas, Sunflower; 3 TL / Ton / Month.

• Shipping Support (until 16.10.2019),Only Producer / Producer Associations and Cooperatives, For products delivered to licensed warehouse limited to registered amount of product in ÇKS, up to 25 TL per ton,

• Analysis Fee Support (up to 16.10.2019), Only Producer / Producer Associations and Cooperatives; Up to 25 TL per party for analysis by authorized classifiers,

• Loan Interest Support (up to 31.12.2020), 100% of the loan rate used for ELÜS from Agricultural Credit or Ziraat Bank (up to 75% of the ELÜS amount [maximum 9 month installations]) is paid for producers and agricultural production cooperatives, investments up to 10 Million TL for Capacity up to 10 thousand tons licensed warehousing investments, Interest reduction of %75 for investment credits and %50 interest reduction for working capital loan, up to 20 million for the investments with 10 thousand tons and more; %75 interest reduction for investment credits and %50 interest deduction for working capital loan,

• Investment Promotion; at regional incentives, the licensed warehouse investments make use of 5th region supports

ULİDAŞ Board of Directors

A legal entity, namely Ulusoy Un Sanayi ve Ticaret A.Ş. is the company's Board of Directors Member.

ULİDAŞ Capital Structure

• The company capital of 5.000.000,00 (five million) Turkish Liras is fully paid up in cash.

• This capital is divided into 5.000.000 (five million) shares, each worth 1.00 Turkish Lira.

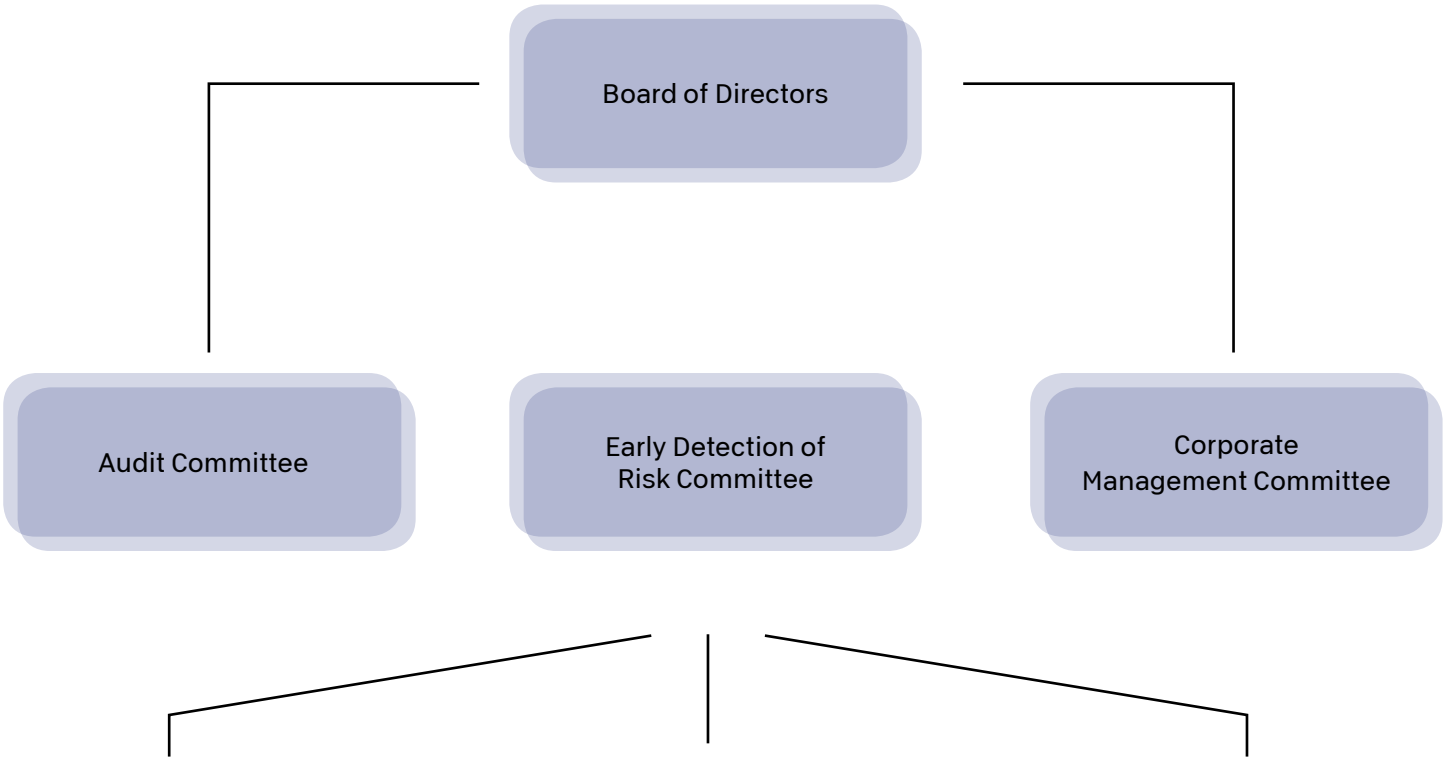
• The company capital of 5.000.000,00 TRY is equal to 5.000.000 shares and it is solely owned by the company's Board of Directors member Ulusoy Un Sanayi ve Ticaret A.Ş.

• This capital is divided into total 2.500.000 (two and half million) shares as follows and each share is worth 1 (one) TRY; 1.000.000 (one million) Group (A) shares, 1.500.000 (one and half million) Group (B) shares and 1.500.000 (one million five hundred thousand) Group (C) shares.

• Share certificates are registered shares.

• Share certificates are issued in share denominations.

RISK MANAGEMENT



SECTOR RISK

- Naturel and Geographic Risks
- Political and Legislative Risks

OPERATIONAL AND TRADING RISKS

- Production Risks
- Human Resource and Work Safety Risks
- Logistics Risks
- Sales and Marketing Risks
- Importation Risks
- Exportation Risks

FINANCIAL RISKS

- Exchange Rate and Interest Rısks
- Commodity Risks

SECTOR RISKS

Natural and Geographical Risks

Hail, frost, fire, drought, storm and flood are the leading natural risks related to agricultural production.

Although Turkey has a great potential in plant production and animal production, it has not achieved desired levels of agricultural production. Accordingly, fluctuations in demand – supply balance might have impact on the prices and thus disturb profit margins of the Company.

Production mainly depends on natural conditions and this dependency might cause product yield and producer income, profitability fluctuations.

Our country is exposed to product loss risk due to bacterial, fungal and viral plant diseases and harms.

Natural and geographical risks are defined as risks that cannot be fully foreseen and measured. However, the Company closely monitors the expected product harvests on regional and international level by bearing in mind the possibility of foregoing risks and increases the critical stock levels in order to prepare for potential raw material price increases to be caused by decreased product yields. Besides, the company manages the risk through derivatives on commodity exchanges.

Political and Legislative Risks

Any changes on the government's agricultural policies and any changes that might narrow the profit margin might have negative impact on the Company's profitability since the main input of the Company, namely wheat, is directly controlled by the government's agricultural policies.

The global economic problems and potential product price fluctuations caused by such problems might have negative impact on the agriculture sector. Production mainly depends on natural conditions and this dependency might cause product yield and producer income, profitability fluctuations.

Since the profit margins in the sector are low and a price oriented competition approach dominates the market, any potential increases on general expenses and production costs might have negative impact on the sector and reduce the profitability level.

The company manages the political and legislative risks related to the sector with methods similar to the ones used for natural and geographical risks.

OPERATIONAL AND TRADING RISKS

Production Risks

This category covers process risks that might prevent producing products according to the expected quality level, contents and standards.

Foreign substances might be mixed with the product in production line on each stage and between stages while transforming wheat into flour by processing wheat as a raw material.

Another risk would be flocculation, molding and infestation on nooks and obsolete sections of production facilities, production team and equipment, packing – shipment and warehouses.

If the main production machines are broken, broken down etc., such problems might cause the risk of suspending production.

Magnets and waste purifiers are used at raw material input processes in order to keep foreign substances away from related processes. Products are sampled and tested at specific stages in order to check quality.

Employees are continuously and regularly trained on such matters; cleaning and control processes are supervised using "random sampling and period" methods. Besides, the critical points are determined (Final Check Sieve and Metal Detector) and risks related to these points are eliminated.

Machines are regularly maintained and repaired; the company does not wait for machine malfunctions to do maintenance and repair works and to replace spare parts; qualified teams quickly eliminate any malfunctions and problems.

There are comprehensive insurance policies against all kinds of machine breakdowns.

Human Resource and Work Safety Risks

There might be occupational health & safety risks related to any potential work accident and other risks related to failing to employ manpower that is fit for the job and that will not interrupt business continuity.

Personnel trainings on potential work accidents are offered regularly. Besides, an Occupational Safety Specialist is hired pursuant to the legislation in force.

The Company has a Human Resources Department that is in charge of risks related to inefficient use of manpower available and confusion about employee roles and responsibilities; the department continues to take effective measures, plan employee backups for key roles and positions as well as duly reporting to and informing the management.

Logistic Risks

This category covers operational risks in purchasing (supply), storage and shipment processes.

There is a risk of being exposed to operational risks related to the processes of transporting purchased raw materials to the Company warehouses, keeping them in stock and transporting from warehouses to the production or sales locations. Loss, spillage, accident and such other risks related to all transportation / shipment processes of the Company are covered under comprehensive insurance policies. Besides, there are insurance policies against losses and damages suffered at the warehouse due to flood, fire, burglary etc. Efficient internal control mechanisms are in place particularly for shipment and storage processes.

Sales and Marketing Risks

The risks are current account balances due to credit sales made to margin trading customers as well as bounced, uncollected checks-bills and such other bonds.

Another risk would be misconduct attempts of the personnel assigned as collectors on local fields.

The rivals might prefer to practice aggressive competition in the domestic market and new players might be introduced to the market.

The Company performs necessary market searches before offering credit (forward) sales, as required under the Company's risk policy, and a risk score as well as a limit are specified for customers offered with such sales. These specified risk and limit restrictions are applied to subsequent operations.

Inspectors, assigned to the locations where the Company is present in the domestic market, do inspections at random periods and with random samplings and comprehensive insurance policies are issued against the misconduct attempts.

The risks related to introduction of new players into the market and existing players practicing more aggressive sales policies are always in agenda and the Company's Sales and Marketing Department keeps up with the developments in the domestic market in order to be prepared for such risks.

Importation Risks

This category covers all kinds of risk related to importation markets.

Any crisis, amendment related to production and tax policies in the country of importation is considered as a risk.

The company determines and keeps critical inventory levels in order to prepare for such negative incidents.

The company keeps a close eye on the global crop expectations and monitors alternative importation markets as well as keeping alternatives as backup.

There are comprehensive insurance policies covering logistic risks in importation processes.

Exportation Risks

This category covers all kinds of risks related to exportation markets.

Anti-damping practices in countries of exportation as well as political, economic and conjectural instabilities and negativities in these countries are the related risks.

Both in-house specialists and professional institutions of our sector take measures against the anti-damping practices.

The Company's Exportation Department always monitors the exportation markets and does active searches as well as keeping alternative markets as backup in order to be prepared for the risk of conjectural, political and economic depressions in these markets.

FINANCIAL RISKS

Exchange Rate and Interest Risk

This category covers risk of exchange rate changes on assets and debts in foreign currency as well as cost and cash flow risks related to increased interest rate applied to the financial debts.

The exchange rate risk is a result of foreign exchange gap between the Company's liabilities and assets in foreign currency. There will be a foreign exchange gap if the liabilities in foreign currency are more than the assets.

Foreign exchange gap of our company is being effectively managed against fluctuation risk through Futures Exchange transactions and forward transactions at banks and we are able to transform them into foreseeable financial outcomes.

The position acquired changes based on market developments and hedging model applied.

Since there is a risk of sudden increase in variable interest rate of short and long term liabilities, the company's Finance Department closely monitors the market and keeps an open mind for alternative methods.

Raw Material Price Change Risk

This category covers the risk of wheat price changes in the internationally organized markets which might be disadvantageous to the Company.

The exchange rate risk is a result of foreign exchange gap between the Company's liabilities and assets in foreign currency. There will be a foreign exchange gap if the liabilities in foreign currency are more than the assets.

TMO (Soil Products Office) regulates the wheat prices in our country. There are different methods used to control the market in order to protect the producers when the prices go down and to protect the consumer when the prices go up.

According to the actual wheat position available in our inventory; the risks are limited through partial hedging transactions on Cbot (Chicago Board of Trade) and Matif exchanges at levels where the domestic wheat price and overseas exchange price spreads are widened.

ULUSOY UN ANNOUNCEMENTS

As announced on our material disclosure dated January 21, 2018:

Subject of Tender	Procurement of Wheat Flour
Contracting Authority	United Nations World Food Programme (WFP)
Board Decision Regarding Bidding	None
Other Parties in Case of Bidding as a Group	None
Partnership Share in Case of Bidding as a Group	None
Date of Bidding	19.01.2018
Date on which Tender has been Won	19.01.2018
Tender Price	1.413.500,00 USD (5.399.570,00 Turkish Liras)
Proportion of the Tender Price Allocated to the Partnership Share	%100
Proportion of the Part allocated to the partnership Share to the Gross Sales Revenuein Final Income Statement Disclosed to the Public (%)	%0,43

The amount allocated to our company within the scope of our bidding to Wheat Flour tender issued by the United Nations World Food

Programme (WFP) on the date of 19.01.2018 will be delivered to Yemen on 15.02.2018.

Respectfully released to the public.

As announced on our material disclosure dated February 13, 2018:

According to the Decision dated 13.02.2018 and numbered 2018/002 of our company's board of directors;

Our board of directors has evaluated in detail the facts that Switzerland is a location mainly managing international raw material trade and also Switzerland is accountable for over 60 % of the financing provided to petrol, cereal products and all kinds of raw material trades; Switzerland has an economic environment and stability supporting trade as well as financing alternatives in the Switzerland banking system, ease of access to capital markets and such other advantages.

Accordingly, our company has decided to establish ROLWEG S.A. Company in Geneva, Switzerland at the address of Rue du Nant 6, 1207 Geneva and the company shall 100 % belong to Ulusoy Un Sanayi ve Ticaret A.Ş. with a capital of 1.000.000,00 Swiss Francs for making our company more competitive on the international markets, becoming a more influential player on those markets and also having advantages in access to raw materials and benefiting from cost advantages when accessing raw materials and thus the necessary formalities and procedures have been started.

I hereby inform the public accordingly.

As announced on our material disclosure dated March 15, 2018:

According to the Decision dated 13.02.2018 and numbered 2018/002 of our company's board of directors;

Establishment of ROLWEG S.A. , the company that 100 % belong to Ulusoy Un Sanayi ve Ticaret A.Ş. with a capital of 1.000.000,00 Swiss Francs, at the address of Rue du Nant 6, 1207 Geneva has finalized which we have announced our establishment decision by the announcement made on 14.02.2018.

Respectfully released to the public

As announced on our material disclosure dated March 20, 2018:

As a result of planning and evaluation made by our Board of Directors and and Executive Board, in 2018 our company's total revenue is expected to have an increase by 17% compared to 2017.

Respectfully released to the public

As announced on our material disclosure dated May 10, 2018:

According to the decision dated 02.05.2018 and numbered 2018/016

Ulusoy Un Sanayi ve Ticaret A.Ş. Çorum Brench was established with address Ulukavak Mahallesi Çiftlik Caddesi No:51A Merkez Çorum and registered in Çorum Chamber of Commerce on 09.05.2018

MAJOR DEVELOPMENTS AFTER PERIOD

Minutes of Ordinary General Meeting of Activity Year of 2017 which was held on 24.04.2018, Tuesday at 14:30 of ULUSOY UN SANAYİ ve TİCARET ANONİM ŞİRKETİ

The Ordinary General Meeting of Ulusoy Un Sanayi ve Ticaret Anonim Şirketi belonging to activity year of 2017 was held on April 24th, Tuesday at 14:30 in address of Park Inn by Radisson Samsun Oteli Cumhuriyet Mah. Değirmenci Sok. No:4 Tekkeköy 55310 Samsun - Turkey under supervision of Mr. Cemil Kocaoğlu who is Ministry Representative assigned with letter of Provincial Directorate of Commerce of Governorate of Samsun of the Ministry of Customs and Trade dated 19.04.2018 and numbered 39028009-431.03-E-00033712180.

Call for meeting was made in due of time by being announced in 943rd-944th page copies of the Turkish Trade Registry Gazette dated March 29th, 2018 and numbered 9547, web site of the Company (www.ulusoyun.com.tr), Public Disclosure Platform (PDP), e-Company application of Central Registry Agency and Electronic General Meeting System (EGMS) at least 21 days before the General meeting as stipulated in the law and articles of incorporation and in a way to include agenda.

It was understood from examination of list of attendants that 45.831.556 shares whose total nominal value is 45.831.556,00 TL of the total nominal values of 84.500.000,00 TL of the Company shares are represented personally and 18.238.791 shares whose total nominal value is 18.238.791,00 TL are represented by proxy. It was determined in the meeting that 64.070.347 shares whose total nominal value is 64.070.347,00 TL were represented, thus minimum quorum stipulated in the law and articles of incorporation was available. It was also determined that Mr. Cem DAĞLI was present in the meeting on behalf of Independent Auditing Team.

It was determined that the Company fulfilled its electronic general meeting preparations in accordance with legal regulations within the frame of Turkish Commercial Code, Capital Market Legislation and Central Registry Agency regulations. Upon understanding that Independent Auditor was present in the meeting, it was explained that general meeting shall be held synchronously by Mr. Kamil ADEM who is Vice-chairman of the Board of Directors and Chief Executive Officer both in physical and electronic environment and Mr. İlker KUCUK and Mr. Bihan ÖZTÜRK having Specialty Certificate on Electronic General Assembly System of the Central Registry Agency were assigned to use the electronic general assembly system. The General Assembly was informed about the fact that shareholders attending the meeting physically shall vote with open procedures and with raising hand procedure in the meeting and those who will cast dissentive vote should declare verbally save for the voting regulations in electronic environment, and the meeting was opened by Mr. Kamil ADEM who is Vice-chairman of the Board of Directors and Chief Executive Officer both in physical and electronic environment. All agenda articles were ready for the General Assembly and they started to negotiate agenda.

1. Offer given for selection of Meeting chairman was read for selection of opening and meeting chairman within the scope of first article of the agenda, it was asked whether there was other offer or not, and since there was no offer it was put to the vote. It was decided unanimously that Mr. Bihan ÖZTÜRK was selected as meeting chairman with 259.070.347 affirmative votes by the General Assembly

Mr. Bihan Öztürk was selected as Meeting chairman, Kader SALKIM was selected as minutes clerk and Mr. İlker KÜÇÜK was selected to fulfill requirements of electronic general assembly system.

Meeting Chairman determined that articles of incorporation of the Company, stock ledger, Independent Audit Report, Activity Report of the Board of Directors and Financial Statements were available in the meeting.

2. Second article of agenda was opened for negotiation. It was decided unanimously that meeting Chairman is authorized to sign documents of the General Assembly and meeting minutes.

3. Third article of agenda was opened for negotiation. It was accepted that consolidated activity report of 2017 was submitted for examination of our partners, thus there is no need to read whole report and offer given about it was read and counted, and it was submitted for voting of the General Assembly and it was accepted by the General Assembly with 259.070.347 affirmative votes as a result of voting. It was started to negotiate consolidated activity report. No one took the floor to state opinion.

4.Fourth article of agenda was opened for negotiation. Our independent audit report regarding our consolidated financial statements of 2017 was submitted for examination of our partners, thus there is no need to read whole report and offer given about it was read and counted, and it was submitted for voting of the General Assembly. It was accepted by the General Assembly with 259.070.347 affirmative votes as a result of voting. Mr. Cem DAĞLI who is representative of the Company titled Dmr Bağımız Denetim ve Danışmanlık Anonim Şirketi read summary of the Independent Auditing Report. It was started to negotiate report. No one took the floor to state opinion.

5. Fifth article of agenda was opened for negotiation. Since it was stated that Consolidated Balance sheet and Consolidated Income Statement that was regulated within the scope of Communique numbered II 14.1 of the Capital Market Board regarding 2017 and that was controlled by independent audit and Balance sheet and Income statement complying with General Communique on Accounting System Application were submitted for examination of our partners and that Consolidated Balance sheet and Consolidated Income Statement were examined and evaluated sufficiently by the attending partners, and due to agreement that there is no need to read it again, it was submitted for voting of the General Assembly It was accepted by the General Assembly with 259.070.347 affirmative votes as a result of voting.

6.Sixth article of agenda was opened for negotiation. Release of Members of the Board was submitted for voting regarding release of the Members of the Board due to their activities of 2017. The Members of the Board did not exercise their rights on voting that arise from their shares in their release. It was accepted by the General Assembly with 169.636.009 affirmative votes as a result of voting. It was started to discuss release of the members of the Board as a result of voting and all members of the Board were released separately with unanimity of shareholders attending the meeting.

7.Seventh article of agenda was opened for negotiation. The subject was opened for negotiation in accordance with decision and proposal of the Board of Directors on distribution of profit share dated 26.03.2018 and numbered 2018/010. Said decision of the Board of Directors was read and was submitted for evaluation of the General Assembly, no one took the floor to state opinion and it was accepted with 259.070.347 affirmative votes.

Accordingly;

Net period profit of our Company remaining after allocating tax provision of 2.738.929,00 TL from Period profit of 19.334.014,00 TL, incluced in consolidated financial statements belonging to accounting period of 01.01.2017 - 31.12.2017 that was prepared in accordance with Turkish Accounting Standards / Turkish Financial Reporting Standards prepared inaccordance with "Communique on Principles regarding Financial Reporting in the Capital Market numbered (II-14.1) of the Capital Market Board and that was subject to audit by Independent Auditing Company titled DMR Bağımsız Denetim ve Danışmanlık A.Ş.", is 16.595.085,00 TL in accordance with provisions of the Capital Market Legislation, Articles of Incorporation of the Company and other legislation provisions.

Net period profit of our Company remaining after allocating tax provision of 6.819.067,05 TL in accordance with our articles of incorporation, tax and other laws from the period profit of 40.701.480,34 TL included in financial statements, which were prepared in accordance with provisions of the Corporate Tax Law, Income Tax Law, Tax Procedure Law and other legal legislation provisions belonging to accounting period of 01.01.2017 - 31.12.2017, is 33.882.413,29 TL.

According to Tax Distribution Table of our Company of 2017 in the annex that was prepared in accordance with Communique of the Capital Market Board numbered (II-19.1);

It was decided unanimously that 1.694.120,66 TL is allocated from the Net Period Profit as legal primary reserve of 5% within the frame of provisions of the Turkish Commercial Code numbered 6102 and other relevant legal legislation provisions,

Net Distributable Period Profit remaining after legal primary reserve is determined as 14.900.964,34 TL, and that 14.900.964,34 TL is not distributed, and is left within the Company as an excess reserve.teklifi toplantı başkanı tarafından Genel Kurul'un onayına sunuldu, Genel Kurul tarafından 259.070.347 adet kabul oyu ile oy birliği ile kabul edildi.

8. Eighth article of agenda was opened for negotiation. It was started to negotiate on acceptance of decision and proposals on selection of independent auditing firm, amendment and change or refusal which was made by the Board of Directors inaccordance with regulations of the Turkish Commercial Code and Capital Market Board. Offer of the Board of Directors, regarding re-selection and approval of DMR Bağımsız Denetim ve Danışmanlık A.Ş. that is an independent auditing firm for the period of 01.01.2018 – 31.12.2018 that was selected by the Board of Directors for independent auditing of our Consolidated Financial Statement and Activity Reports of 2018 in accordance with the Capital Market Board Law numbered 6362 and selection of DMR Bağımsız Denetim ve Danışmanlık A.Ş. as an independent auditor within the scope of the Turkish Commercial Code numbered 6102, was submitted for approval of the General Assembly by the meeting Chairman, and it was accepted by the General Assembly with 259.070.347 affirmative votes as a result of voting.

10. Ninth article of agenda was opened for negotiation. Members selected by the Board of Directors for memberships becoming vacant within 2017 were submitted for approval of the General Assembly in accordance with 363rd article of the Turkish Commercial Code.

Özdemir EROL was selected by the Board of Directors in accordance with 363rd article of the Turkish Commercial Code on the same date upon resignation dated 12.09.2017 of Vedat CEYHAN who is independent member of the Board of Directors, and 259.070.347 affirmative votes were accepted unanimously as a result of submitting selected member for approval of the General Assembly.

10. Tenth article of agenda was opened for negotiation. Selection of members of the Board and independent members of the Board whose term of office expired and determination of their term of office, Motion that was made by Mr. Fahrettin ULUSOY who is shareholder regarding selection of member of the Board was read. It was asked whether there is another motion or not. It was observed that there is no other motion and motion made was put to the vote.

In accordance with motion made;

Selection of Eren Günhan ULUSOY T.R. Identity No – 64723169390), Kamil ADEM (T.R. Identity No – 13462519584), Salih Zeki MURZİOĞLU (T.R. Identity No – 66049095582) who were present in the meeting as members of the Board to perform duty for 3 years (THREE YEARS) was unanimously accepted with 259.070.347 affirmative votes.

Selection of Kemal KİTAPLI (T.R. Identity No – 51406593306) and Özdemir EROL (T.R. Identity No – 68821028870) as Independent members of the Board, who are 2 independent members of the Board by being determined by the Board of Directors and declared to the public in accordance with Corporate Management Principles to perform duty for 3 years (THREE YEARS), was unanimously accepted with 259.070.347 affirmative votes.

11.Eleventh article of agenda was opened for negotiation. Motion that was taken by the shareholder Eren Günhan ULUSOY regarding wage to be given to members of the Board was read. It was accepted unanimously with 259.070.347 affirmative votes that monthly gross wage of 6.600,00.- TL is paid to Chairman of the Board, 5.500,00.- TL to Vice-chairman of the Board, 3.300,00.- TL to Members of the Board and 2.200,00.- TL to each of independent members of the Board to be valid as of April 2018 and during the period when they remain in office

12. Twelfth article of agenda was opened for negotiation. Subject on providing information to shareholders about donations of the Company within 2017 and determining upper limit for donations to be made in 2018 was opened for negotiation. General Assembly was informed regarding donations made within 2017. Offer given for determining 400.000,00.- TL as upper limit for the donations to be made in 2018 was read to the General Assembly. Given offer was submitted for approval of the General Assembly by the Chairman. Proposal on acceptance of 400.000,00 TL as an upper limit for 2018 was accepted by the General Assembly with 259.070.347 affirmative votes.

13. Thirteenth article of agenda was opened for negotiation. Chairman of the Board Eren Günhan Ulusoy informed shareholders about the fact that Company and affiliated companies did not give any guarantee, pledge and security on behalf of 3rd parties in 2017 in accordance with regulations of the Capital Market Board and there is no obtained income or interest. No one took the floor about this subject.

14. The fourth item of the agenda was negotiated. Eren Günhan ULUSOY, Chairman of the Board of Directors, provided information on the transactions carried out within the framework of the 395th and 396th articles of the Turkish Commercial Code and the Capital Markets Board Corporate Governance Communiqué in 2017. To the shareholders, the members of the Board of Directors, senior managers and their spouses and second degree relatives of blood and their relatives who are in possession of the management control; To be allowed to perform transactions under the articles 395 and 396 of the Turkish Commercial Code and in accordance with the Capital Markets Board Corporate Governance Principles Communiqué. It was also asked whether a member of the board of directors would be able to enter into a limited partnership with a company that engages in the same type of business and that it can do business of the type of business entered into the business by itself or another. This issue was accepted by the General Assembly with 259,070,347 admission votes.

15. The fifteenth item of the day was opened for negotiation.

In view of the permission received from the Capital Markets Board and the Ministry of Customs and Trade, the amendments to Article 6 entitled "Distribution of Capital, Share Certificates and Shares" of our Articles of Association regarding the amendment of the registered capital system period and ceiling were submitted to the examination of shareholders, and that the proposal was accepted by the general assembly, it was accepted by the General Assembly with 259.070.347 admission votes as a result of the voting. As a result of the voting on the amendments made in Article 6 of the Articles of Incorporation, unanimously, with the following new form 259.070.347 acceptance votes of Article 6.

New Form

ARTICLE 6- DISTRIBUTION OF CAPITAL, SHARE TYPES AND SHARES

The Company has accepted the registered capital system in accordance with the provisions of Law no. 6362 and passed this system with the permission of Capital Markets Board dated 01.10.2013 and numbered 33/1100. The registered capital of the Company is TL 250,000,000.00 (two hundred fifty million Turkish Liras) divided into 250,000,000 (two hundred and fifty million) shares each bearing a nominal value of TL 1.00 (one Turkish Lira).

The registered capital ceiling permit granted by the Capital Markets Board is valid for the years 2018-2022 (5 years). Even if theregistered capital ceiling is not reached at the end of 2022, a new one for the ceiling or a new ceiling which is allowed before the end of 2022 by taking the permission of the Capital Markets Board it is necessary to obtain authorization for the period. In case the competent authority is not taken, the company shall be deemed to have come out of the registered capital system.

The issued capital of the company is worth TL 84,500,000.00 (eighty four million five hundred thousand Turkish Liras). Each of these capital is divided into 84,500,000 bearer shares with a nominal value of TL 1.00, 9,750,000 A Groups, 6,500,000 Group B and 68,250,000 Group C shares, all of which have been fully paid out in arrears.

Unless otherwise decided by the Board of Directors in the capital increases, each group shall exercise the right of priority from its own group. In the case of A and B Group shareholders remaining outstanding shares of the right to use, these remaining shares shall be converted into C Group and bearer shares without further transaction. However, if the shareholders of the Board of Directors restrict the right to receive new shares, all new shares to be issued will be issued in Group C and bearer. In addition, the board of directors is also authorized to issue bearer shares for Group C in respect of shares A and B in the capital increases.

The Board of Directors is authorized to increase the capital issued by issuing shares and to make a share exceeding the nominal value, to restrict the rights of privileged shareholders and to restrict the shareholders' right to receive new shares, in accordance with the provisions of the Capital Markets Legislation between the years 2018 and 2022, to make decisions on

Shares A, B and C can be freely transferred in accordance with the provisions of the relevant legislation. In the transfer of shares, the Turkish Commercial Code, Capital Markets Law, Capital Markets Board Regulations, other relevant regulations of Capital Marketslegislation, Central Registry System rules and other regulations related to dematerialization of shares are applied.

The capital of the Company may be increased or decreased within the framework of the Turkish Commercial Code, Capital Markets Law and related legislation.

It shall be monitored within the framework of dematerialization principles shares representing the capital.

16. In the wishes and opinions of the sixteenth article of the day, Mr. Fahrettin ULUSOY took the floor.

Fahrettin Ulusoy took the floor and said, "I was pleased to follow the point that our company, which was founded in 1989, came today as a founding stakeholder. I would like to thank all the members of the board of directors, including Eren Günhan Ulusoy and Kamil Adem, and all of my employees who have passed the test. We are able to perceive the point where our company is coming from the next studies. Our company Ulusoy, which is a small tea first, is now like a waterfall. As founders, I thank all the stakeholders and employees who provided us with this great happiness. Hopefully, we will be able to realize our bigger ideals at other general assembly meetings. Thanks to my life partner and our shareholder Sayın Nevin Ulusoy'a I want to leave.

Nevin Ulusoy took the floor and said, "I am grateful to all of you, our stakeholders and valued junior, all of you with respect and affection, and I thank you all for your cooperation with our employees and stakeholders today. However, at a previous general meeting, one of our stakeholders suggested that at least one female member should be in the governing board. I would like to emphasize that I need to be more sensitive to this issue by repeating my vision in this direction insistently. Thank you, "he concluded his words.

Chairman Bihan ÖZTÜRK thanked the stakeholders. The meeting ended with the members of the Board of Directors wishing the success in their duties.

This report was issued on 5/4/2018 at 15:15 at the meeting place in 5 copies and read and signed.

HUMAN RESOURCES



Essential Human Resources Policy of Ulusoy Un Sanayi ve Ticaret A.Ş. can be defined as follows; creating an employee profile that will contribute to sustainable increase of intellectual capital for protecting our competitive edge on developing and improving market environment as well as being experts of the sector, having advanced social skills, highly motivated for team work and enriching the company; creating a selection process based on modern criteria and equal opportunities and implementing an effective performance measurement system to plan professional life; sustaining long term cooperation; properly managing, guiding and developing human resources.

Primary principles of our human resources policy can be summarized as follows:

- Personnel planning in terms of qualifications and head count; hiring the best candidate for a job
- Maximizing personnel productivity and efficiency
- Preparing an effective training plan, program and offering personal development opportunities to the entire personnel
- Protecting and improving pecuniary and non-pecuniary rights of personnel
- Creating a work environment where the staff is encouraged to cooperate with their superiors; creating an environment of open communication.
- Offering equal opportunities to everyone in terms of career planning; supporting professional, personal and social developments of employees.

Human Resources management is one of the primary functions that offer crucial support to the organization. The primary goal of human resources management is to make sure that human resources are used in the most accurate, efficient and effective way and that right people are hired at the right time and for the right positions in parallel to company goals.

The purpose of Human Resources Department is not to impose methods of working a lot but methods of working effectively and also to create a company employees want to work and are proud to be working at.

We had 238 personnel on 30.06.2017 and this number increased up to 260 as of 30.06.2018; the details of personnel numbers are given

PERSONNEL					
Period	Samsun Factory		Çorlu Factory		Total
	Blue Collars	White Collars	Blue Collars	White Collars	
2017 June	64	108	43	23	238
2017 December	69	111	47	25	252
2018 June	68	117	48	27	260

CONDENSED(*) FINANCIAL STATEMENTS

ASSETS	2013	2014	2015	2016	2017 2Ç	2017	2018 2Ç
Current Assets	288.866.127	440.546.330	430.476.542	478.299.924	688.160.380	758.865.094	801.887.775
Fixed Assets	51.116.025	53.336.233	72.630.710	90.347.969	94.445.041	97.982.763	119.949.969
TOTAL ASSETS	**339.982.152**	**493.882.563**	**503.107.252**	**568.647.893**	**782.605.421**	**856.847.857**	**921.837.744**
LIABILITIES							
Short Term Liabilities	244.262.605	319.988.236	326.793.283	370.936.821	515.824.398	576.882.501	611.989.517
Long Term Liabilities	8.327.037	11.005.694	6.545.630	18.239.647	75.105.948	84.291.165	101.207.482
Shareholder's Equity	87.392.510	162.888.633	169.768.339	179.471.425	191.675.075	195.674.191	208.640.745
TOTAL LIABILITIES	**339.982.152**	**493.882.563**	**503.107.252**	**568.647.893**	**782.605.421**	**856.847.857**	**921.837.744**
MAJOR RATIOS							
Current Ratio (Current Assets/S. T. Liabilities)	1,18	1,38	1,32	1,29	1,33	1,32	1,31
Liquidity Ratio (Cur. As.-Invent./S.T. Liabilities)	0,76	0,83	0,89	0,91	1,12	0,93	1,17
Capital Structure (Total Liabilities/Equity)	2,89	2,03	1,96	2,17	3,08	3,38	3,42
Asset Structure (Current Assets/Total Assets)	**0,85**	**0,89**	**0,86**	**0,84**	**0,88**	**0,89**	**0,87**

CONTINUING OPERATIONS	2013	2014	2015	2016	2017 2Ç	2017	2018 2Ç
Revenues	682.163.343	921.577.365	1.030.479.354	1.151.991.130	826.616.221	1.805.706.332	1.299.163.139
Gross Profit/Loss	48.379.777	59.384.462	78.022.472	76.060.730	53.994.914	90.540.028	38.059.562
Real Operating Profit/Loss	28.824.924	35.409.419	44.986.689	63.557.663	27.835.952	60.658.310	86.457.837
Pre-Tax Profit/Loss from Continuing Operations	10.632.436	17.547.029	10.274.276	17.520.588	15.240.731	19.334.014	14.494.599
Profit/Loss for the Period from Continuing Ops.	8.048.779	14.189.389	8.303.209	14.796.725	12.586.111	16.595.085	12.426.893
Period Profit/Loss	8.048.779	14.189.389	8.303.209	14.796.725	12.586.111	16.595.085	12.426.893

MAJOR RATIOS	2013	2014	2015	2016	2017 2Ç	2017	2018 2Ç
Gross Profit Margin	7,09%	6,44%	7,57%	6,60%	6,53%	5,01%	2,93%
Net Profit Margin	1,18%	1,54%	0,81%	1,28%	1,52%	0,92%	0,96%
EBITDA(**)	30.208.902	37.032.930	47.360.937	66.340.678	29.430.417	63.879.214	88.173.089
EBITDA Margin	4,43%	4,02%	4,60%	5,76%	3,56%	3,53%	6,79%

(**)EBITDA: Real operating profit+Depreciation

(*) Our financial statements of 31.12.2017, 30.06.2017, 31.12.2016, 31.12.2015 and 31.12.2014 were audited by DMR Bağımsız Denetim ve Danışmanlık A.Ş. and positive opinion was expressed. Independent Audit Report for 2013 was issued by Avrasya Bağımsız Denetim ve YMM A.Ş. and positive opinion was issued.

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