ULUSOY UN SANAYİ VE TİCARET A.Ş.
AND IT'S SUBSIDIARY

CONVENIENCE TRANSLATION TO ENGLISH OF
AUDIT REPORT REGARDING
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE PERIOD ENDED DECEMBER 31, 2018

Report Date: 11.03.2019
Report Number: AU/2018/002

DMR Bağımsız Denetim ve Danışmanlık A.Ş.

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INDEPENDENT AUDITORS' REPORT

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

A.Report on the Audit of the Consolidated Financial Statements

1- Opinion

We have audited the accompanying consolidated financial statements of Ulusoy Un Sanayi ve Ticaret A.Ş. (the"Company") and its consolidated financial affiliates (together will be referred as to (the "Group") which comprise the consolidated statement of financial position as at 31 December 2018 and the consolidated statement of income, consolidated statement of income and expense items under shareholders' equity, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with Turkish Accounting Standards ("TAS").

2- Basis for Opinion

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

3-Key Audit Matters

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

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Key Audit Matter

a.1. Recoverability Of Trade Receivables

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

a.1.1 How Our Audit Addressed The Key Audit Matter

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

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

The Group's inventory is amounting TL 148.876.878 as of 31 December 2018. As of reporting period, inventory is 14% of the total assets. Since the inventory is material for the financial statements and related with the main daily operations, inventory is a key matter for our audit.

a.2.1 How Our Audit Addressed The Key Audit Matter

Procedures performed to ensure adequacy and existence of the inventory and to test the cost and net realizable value of the inventory. Observation of Group's inventory counts, obtaining purchases of Goods in Transit agreements, invoices and Customs declarations. Testing the cost value and net realizable value of the inventory. Understanding and evaluating the reasonableness of provisioning and the assessment of its compliance. Testing on a sample basis, inventory invoices in the current period are searched.

a.3. Trade Payables

As of reporting period, Group's trade payable account is 38% of the total liabilities. Since the trade payable is material for the financial statements, trade payable is a key matter for our audit.

a.3.1 How Our Audit Addressed The Key Audit Matter

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

a.4. Financial Liabilities

As of reporting period, Group's financial liabilities is 33% of the total liabilities. Since the financial liabilities is material for the financial statements, financial liabilities is a key matter for our audit.

a.4.1 How Our Audit Addressed The Key Audit Matter

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

a.5. Revenue Recognition

Revenue recognition is a key matter for our audit.

a.5.1 How Our Audit Addressed The Key Audit Matter

Audit procedures are designed to accuracy of the revenue recognition. Examination of transfer of risk and rewards through sales documents obtained for selected sample sales transactions and evaluation of appropriateness of revenue to accounting policies and taking of financial statements in the appropriate financial reporting period. Performing analytical reviews to determine the existence of unusual transactions and discounts. Testing the subsequent sales returns after the reporting period.

a.6. Derivative Financial Instruments

Group holds the derivative financial instruments for trading purposes. Difference between the cost and fair value of the derivatives are reflected to the profit or loss statements. Derivative Financial Instruments fair value is measured with evaluation techniques and assumptions. Since the Derivatives are material for the financial statements, and measurements are mainly based on the assumptions, Derivatives are key matter for our audit.

a.6.1 How Our Audit Addressed The Key Audit Matter

Audit procedures includes confirmation letters for derivatives to financial institutions by reconciling them with financial statements. Derivative agreements are obtained and the difference between the cost and fair value is recalculated as additional audit procedure.

a.7. Tangible Assets

As of 31 December 2018, the Group's property, plant and equipment comprise 13% of its total assets. Due to the size of the balance sheet, tangible fixed assets are considered as the main subject of the audit.

a.7.1 How Our Audit Addressed The Key Audit Matter

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

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

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

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

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

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

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

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

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

- ✓ Identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ✓ Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- ✓ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ✓ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- ✓ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- ✓ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

DMR Bağımsız Denetim ve Danışmanlık A.Ş.

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B. Other Responsibilities Arising From Regulatory Requirements

1) Audit report on early risk identification system and committee, which has been prepared in accordance with 6102 numbered Turkish Commercial Code's ("TCC") 398th article in paragraph 4, has been submitted to The Company's Board of Directors on March 11, 2019.

2) No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Company's bookkeeping activities concerning the period from 1 January to 31 December 2018 period are not in compliance with the TCC and provisions of the Company's articles of association related to financial reporting. In accordance with subparagraph 4 of Article 402 of the TCC, the Board of Directors submitted the necessary explanations to us and provided the documents required within the context of our audit.

The engagement partner on the audit resulting in this independent auditor's report is Defne Demir.

DMR BAĞIMSIZ DENETİM VE DANIŞMANLIK ANONİM ŞİRKETİ

Dr. Defne DEMİR
Partner

İstanbul, 11.03.2018

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ASSETS	**Note**	**31.12.2018**	**31.12.2017**
Current Assets		**857.513.399**	**758.865.094**
Cash and Cash Equivalents	6	233.269.456	140.562.922
Financial Investments	7	820.159	307.568
Trade Receivables	10	421.755.175	331.845.733
Receivables from Finance Sector Operations	12	-	-
Other Receivables	11	1.180.276	1.944.583
Derivative Financial Instruments	13	4.580.190	5.569.834
Inventories	14	148.876.878	222.341.158
Biological Assets	15	-	-
Prepaid Expenses	16	37.766.646	47.006.216
Corporate Tax Assets	20	-	720.097
Other Current Assets	28	9.264.619	8.566.983
(Sub Total)		*857.513.399*	*758.865.094*
Fixed Assets Held for Sale	35	-	-
Non-Current Assets		**178.346.635**	**97.982.763**
Financial Investments	7	67.500	15.000
Trade Receivables	10	8.822.866	8.772.802
Receivables from Financial Sector Activities	12	-	-
Other Receivables	11	235.418	169.558
Derivative Financial Instruments	13	-	-
Investments Valued by Equity Method	18	4.615.132	4.620.004
Biological Assets	15	-	-
Investment Properties	19	9.800.000	9.440.000
Tangible Assets	21	138.747.769	68.002.892
Intangible Assets	22	414.889	436.134
-Goodwill	*22*	-	-
-Other Intangible Assets	*22*	*414.889*	*436.134*
Prepaid Expenses	16	3.042.014	3.042.014
Deferred Tax Assets	36	12.601.047	3.484.359
Other Non-Current Assets	28	-	-
TOTAL ASSETS		**1.035.860.034**	**856.847.857**

Consolidated financial statements for the period ended December 31, 2018 were approved at the board meeting on March 11, 2019 and signed by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol and Kemal Kitaplı on behalf of the Board of Directors.

LIABILITIES	**Notes**	**31.12.2018**	**31.12.2017**
Short Term Liabilities		**595.776.972**	**576.882.501**
Short Term Financial Borrowings	8	98.238.325	99.605.275
Short Term Portions of Long Term Financial Borrowings	8	68.339.260	40.334.032
Other Financial Liabilities	9	-	-
Trade Payables	10	379.799.207	406.112.570
Payables from Finance Sector Operations	12	-	-
Payables Related with Employee Benefits	26	977.037	972.577
Other Payables	11	32.117	68.889
Derivative Financial Instruments	13	34.210.890	1.330.043
Government Grants	23	-	-
Deferred Incomes	16	6.543.756	28.060.972
Corporate Tax Liabilities	36	5.918.271	-
Short Term Provisions	24	210.574	9.697
-Short Term Provisions for Employee Benefits	*26/24*	*8.740*	*9.697*
-Other Short Term Provisions	*24*	*201.834*	-
Other Short Term Liabilities	28	1.507.535	388.446
(Sub Total)		*595.776.972*	*576.882.501*
Liabilities of Fixed Assets Held for Sales Purpose	35	-	-
Long Term Liabilities		**196.594.217**	**84.291.165**
Long Term Financial Borrowings	8	170.957.065	79.405.595
Other Financial Liabilities	9	-	-
Trade Payables	10	16.482.888	-
Payables from Finance Sector Operations	12	-	-
Other Payables	11	-	-
Derivative Financial Instruments	13	-	-
Government Grants	23	-	-
Deferred Incomes	16	291.915	721.549
Long Term Provisions	24	1.283.161	1.232.972
-Long Term Provisions for Employee Benefits	*26/24*	*1.283.161*	*1.232.972*
-Other Long Term Provisions	*24*	-	-
Corporate Tax Liabilities		-	-
Deferred Tax Liabilities	36	7.579.188	2.931.049
Other Long Term Liabilities	28	-	-
Shareholder's Equity	**29**	**243.488.845**	**195.674.191**
Equity Holders of The Parent Company		**243.488.845**	**195.674.191**
Paid in Capital		84.500.000	84.500.000
Treasury Shares (-)		(3.445.108)	(3.445.108)
Share Premiums on Capital Stock		38.607.992	38.607.992
Accumulated Other Comprehensive (Income) Expenses not to be Reclassified in Profit and (Loss)		26.779.271	72.260
-Revaluation and Remeasurement Gains/ (Losses)		*26.779.271*	72.260
Tangible Assets Revaluation Increases/(Decreases)		*27.296.800*	*562.159*
Defined Benefit Plans Revaluation Gains/(Losses)		*(517.529)*	*(489.899)*
Other Accumulated Comprehensive Income or Expenses to be Classified in Profit or (Loss)		1.477.307	-
- Hedging Gains/(Losses)		*1.477.307*	-
Restricted Reserves		9.138.328	7.444.207
Retained Earnings		66.524.884	51.899.755
Net Profit/(Loss) for the Period		19.906.171	16.595.085
Non-Controlling Interests		**-**	**-**
TOTAL LIABILITIES		**1.035.860.034**	**856.847.857**

	Note	January 1 - December 31, 2018	January 1 - December 31, 2017
OPERATING ACTIVITIES			
Revenue	30	2.984.555.718	1.805.706.332
Cost of Sales (-)	30	(2.875.622.716)	(1.715.166.304)
Gross Profit/Loss From Commercial Activity		**108.933.002**	**90.540.028**
Income from Financial Sector Activities		-	-
Cost of Financial Sector Activities (-)		-	-
Gross Profit/(Loss) From Financial Sector Activities		-	-
GROSS PROFIT/(LOSS)		**108.933.002**	**90.540.028**
General Administrative Expenses (-)	31	(10.032.131)	(7.649.044)
Marketing Expenses (-)	31	(33.997.935)	(36.234.307)
Research and Development Expenses (-)	31	(125.242)	(77.533)
Other Operating Income	32	318.518.480	94.725.064
Other Operating Expenses (-)	32	(173.754.968)	(80.645.898)
OPERATING PROFIT/(LOSS)		**209.541.206**	**60.658.310**
Income from Investing Activities	32	990.528	429.633
Expenses from Investing Activities	32	-	(342)
Shares of Investments Evaluated by Equity Method in Profit/(Loss)	33	666.376	303.026
OPERATING PROFIT/(LOSS) BEFORE FINANCIAL EXPENSE		**211.198.110**	**61.390.627**
Financial Income	34	286.711.355	123.290.505
Financial Expenses (-)	34	(475.073.759)	(165.347.118)
CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAX		**22.835.706**	**19.334.014**
CONTINUING OPERATIONS PROFIT/(LOSS) BEFORE TAX	**36**	**(2.929.535)**	**(2.738.929)**
Current Period Tax Income/(Expenses)		(10.534.856)	(6.819.069)
Deferred Tax Income/(Expenses)		7.605.321	4.080.140
CONTINUING OPERATIONS PROFIT/(LOSS) FOR THE PERIOD		**19.906.171**	**16.595.085**
DISCONTINUED OPERATIONS PROFIT/(LOSS) FOR THE PERIOD		-	-
The Profit/(Loss) of Discontinued Operations After Tax		-	-
NET PROFIT/(LOSS) FOR THE PERIOD		**19.906.171**	**16.595.085**
NET PROFIT/(LOSS) FOR THE PERIOD		**19.906.171**	**16.595.085**
Non-Controlling Interests			
Equity Holders of The Parent Company		19.906.171	16.595.085
Earnings Per Share	**37**	**0,2413**	**0,2012**
Earnings Per Share from Continuing Operations		0,2413	0,2012
Earnings Per Share from Discontinued Operations		-	-
Diluted Earnings Per Share		-	-
Diluted Earnings Per Share From Continuing Operations		-	-
Diluted Earnings Per Share From Discontinued Operations		-	-

	Note	January 1-December 31, 2018	January 1-December 31, 2017
OTHER COMPREHENSIVE INCOME			
Not to be Classified in Profit or (Loss)	**29**	**26.854.688**	**(20.180)**
Tangible Assets Revaluation Increases/(Decreases)		30.146.334	-
Intangible Assets Revaluation Increases/(Decreases)		-	-
Defined Benefit Plans Revaluation Gains/(Losses)		(35.423)	(26.382)
Shares Not to be Classified to Profit/(Loss) from Other Comprehensive Income of Investment Valued By Equity Method		-	-
Other Comprehensive Income Items Not to Classify to Other Profit/(Loss)		-	-
Taxes Related to Other Comprehensive Income Not to Reclassified to Profit/(Loss)		(3.256.223)	6.202
Current Period Tax Income /(Expenses)		-	-
Deferred Tax Income / (Expenses)		*(3.256.223)*	*6.202*
To be Classified in Profit or (Loss)		**1.477.307**	**-**
Foreign Currency Conversion Adjustments		1.477.307	-
Revaluation and/or Classification Gains/(Losses) of Available For Sale Financial Assets		-	-
Cash Flow Hedge Gains/(Losses)		-	-
Investment Hedge Gains/(Losses) Related to Foreign Business		-	-
Shares to be Classified in Profit/(Loss) from Other Comprehensive Income of Investment Valued By Equity Method		-	-
Other Comprehensive Income Items to Classify to Other Profit/(Loss)		-	-
Taxes Related to Other Comprehensive Income to Reclassify to Profit/(Loss)		-	-
Current Period Tax Income / (Expenses)		-	-
Deferred Tax Income / (Expenses)			-
OTHER COMPREHENSIVE INCOME		**28.331.995**	**(20.180)**
TOTAL COMPREHENSIVE INCOME		**48.238.166**	**16.574.905**
Total Comprehensive Income Attribute To:		**48.238.166**	**16.574.905**
Non-Controlling Interests			-
Equity Holders of The Parent Company		48.238.166	16.574.905

					Accumulated Other Comprehensive Income or Expenses Not To Be Reclassified Under Profit Or Loss		Profit or Loss be classified Accumulated Other Comprehensive Income and Expenses		Accumulated Profit/(Loss)		
	Note	Paid in Capital	Treasury Shares	Share Premiums on Capital Stock	Tangible Assets Revaluation Increases/(Decreases)	Defined Benefit Plans Revaluation Gains/(Losses)	Foreign Currency Translation Differences	Restricted Reserves	Retained Earnings	The Profit /(Loss) of Period	Total
December 31, 2016 Balance		**84.500.000**	**(3.072.969)**	**38.607.992**	**565.860**	**(468.794)**	**-**	**6.403.284**	**38.139.327**	**14.796.725**	**179.471.425**
Transfers	**29**	-	-	-	(4.626)	-	-	668.784	14.132.567	(14.796.725)	-
Increase (Decrease) Due to Share Treasury Transactions		-	(372.139)	-	-	-	-	372.139	(372.139)	-	(372.139)
Dividends	**29**	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	29	-	-	-	925	(21.105)		-		16.595.085	16.574.905
December 31, 2017 Balance	**29**	**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	**29**	-	-	-	(147.677)	-	-	1.694.121	15.048.641	(16.595.085)	-
Increase (Decrease) Due to Share Treasury Transactions	**29**	-	-	-	-	-	-	-	-	-	-
Change in Accounting Policies		-	-	-	-	-	-	-	(423.512)	-	(423.512)
Total Comprehensive Income	**29**	-			26.882.318	(27.630)	1.477.307			19.906.171	48.238.166
December 31, 2018 Balance	**29**	**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**

The accompanying notes are an integral part of these consolidated financial statements.

	Notes	01.01.2018 31.12.2018	01.01.2017 31.12.2017
A. Cash Flow From Operating Activities		**(19.948.944)**	**4.186.562**
Net Profit/(Loss) For The Period	**29**	**19.906.171**	**16.595.085**
Adjustment Related to Period Profit/Loss Agreement		**(8.124.578)**	**(1.455.827)**
Adjustments Related to Depreciation and Amortisation Expense	31	2.905.672	3.220.904
Adjustments Related to Interest Income/Expense		(3.521.121)	(911.360)
Adjustments Related to Provisions		215.643	314.769
Adjustments Related to Tax Income/Expense		(7.724.772)	(4.080.140)
Changes in Working Capital		**(31.730.537)**	**(10.952.696)**
Adjustments Related to Increase/Decrease in Inventories	14	73.464.280	(81.357.165)
Adjustments Related to Increase/Decrease in Trade Receivables	10	(89.959.506)	(68.125.545)
Adjustments Related to Increase/Decrease in Other Receivables	11	698.447	1.012.350
Adjustments Related to Increase/Decrease in Trade Payables	10	(9.830.475)	149.609.275
Adjustments Related to Increase/Decrease in Other Payables	11	(36.772)	33.745
Adjustments Related to Other Increase/Decrease in Working Capital		(6.066.511)	(12.125.356)
Cash Flow From Operating Activities		**(19.948.944)**	**4.186.562**
B. Cash Flows From Investing Activities		**(10.532.698)**	**(299.119)**
Purchase of Tangible and Intangible Asset	21/22	(43.881.617)	(9.588.642)
Disposal of Tangible and Intangible Asset	21/22	38.647	35.996
Cash Outflows for Debt Instruments or Shares of Other Companies or Funds	7/18	(560.219)	(399.604)
Cash Inflows for Debt Instruments or Shares of Other Companies or Funds	7/18	-	-
Derivative Instruments Cash Inflows	13	-	-
Derivative Instruments Cash Outflows	13	33.870.491	9.653.131
C. Cash Flows From Financing Activities		**121.710.869**	**104.352.246**
Capital Contribution	29	-	-
Cash outflow arising from buying its own shares		-	(372.139)
Cash Inflows from Financial Borrowings		674.508.806	645.720.288
Cash Outflows from Financial Payments		(529.039.335)	(526.962.011)
Received Interest	34	13.642.790	7.978.000
Interest Paid	34	(37.401.392)	(22.011.892)
Dividends Paid	29	-	-
Net Increase/(Decrease) in Cash and Cash Equivalents Before The Effect Of Foreign Currency Exchange Differences (A+B+C)		**91.229.227**	**108.239.689**
D. Effect of Foreign Currency Exchange Adjustments on Cash and Cash Equivalents		**1.477.307**	**-**
Net Increase/Decrease in Cash and Cash Equivalents (A+B+C+D)		**92.706.534**	**108.239.689**
E. Cash and Cash Equivalents at the Beginning of the Period		**140.562.922**	**32.323.233**
Cash and Cash Equivalents at the End of the Period (A+B+C+D+E)	**6**	**233.269.456**	**140.562.922**

1. ORGANIZATION AND OPERATIONS OF THE COMPANY

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

The Company's registered head office address is Hançerli Mahallesi Necipbey Caddesi No:107 İlkadım / Samsun.

The Company's registered capital ceiling is 250.000.000-TL. The permission of registered capital ceiling given by Capital Market Board ("CMB") is valid between 2018 – 2022 (for 5 Years).

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

Partnership structure of The Company is as follows:

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

The Company has 246 employees as of December 31, 2018 (December 31, 2017:241 employees).

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

Subsidiaries	December 31, 2018 (Ratio)	December 31, 2017 (Ratio)
Ulidaş Tarım Ürünleri Lisanslı Depoculuk A.Ş.	% 100	%100
Rolweg SA	% 100	-

Ulidaş Tarım Ürünleri Lisanslı Depoculuk A.Ş. ("Ulidaş")

Ulidas was established on February 27, 2015 in order to operate as licensed warehouse by stocking and retaining "agricultural commodity in scope of license" for commercial purpose in healthy conditions.
Ulidas's registered head office address is Şabanoğlu Mahallesi Atatürk Bulvarı No:180-1 Tekkeköy / Samsun'dur. Ulidas has 9 employee as of December 31, 2018. (December 31, 2017:11 employee).

The Capital as of December 31, 2018 is 5.000.000 TL and there isn't unpaid capital.

Rolweg SA ("Rolweg")

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

The Company and Ulidas and Rolweg all together, will be referred as the "Group".

2. BASIS OF THE FINANCIAL STATEMENTS

2.1. Basis of Presentation

2.1.1. Statement of Compliance

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

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

Consolidated financial statements for the period ended December 31, 2018 were approved at the board meeting on March 11, 2019 and signed by Eren Günhan Ulusoy, Kamil Adem, Salih Zeki Murzioğlu, Özdemir Erol and Kemal Kitaplı on behalf of the Board of Directors.

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

2.1.2. Basis of Financial Statements Preparation

31 December 2018 financial statements and footnotes are prepared in accordance with the Communiqué Serial II, No:14,1, "Basis for Financial Reporting in Capital Markets" ("the Communiqué") published in the Official Gazette numbered 28676 on 13 June 2013.

Paid in capital and restricted reserves are expressed by the amounts in legal records.

The accompanying consolidated financial statements contain adjustments and classifications of The Group's legal records according to the Communique promulgated by CMB.

The consolidated financial statements and notes were prepared in accordance with the formats required by CMB's communiques and decrees.

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

2.1.3. Reporting Currency

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

2.1.4. Adjustment of Financial Statements in Hyperinflation Period

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

2.1.5. Basis of Consolidation

Financial statements as of December 31, 2018 and December 31, 2017 are presented as **consolidated financial statements**.

The Company's subsidiary details as of December 31, 2018 and December 31, 2017 are as follows:

Subsidiary	**December 31, 2018 (Rate)**	**December, 31 2017 (Rate)**
Ulidaş Tarım Ürünleri Lisanslı Depoculuk A.Ş.	% 100	% 100
Rolweg SA	%100	-

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

2.1.5.1. Subsidiaries

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

The Group owns 100% of Ulidas and Rolweg SA as of December 31, 2018. Considering The Company has full control authority on the activities of Ulidas, financial statements of Ulidas are included in the accompanying consolidated financial statements with full consolidation method.

2.1.5.2. Elimination by Consolidation

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

2.1.5.3. Non-controlling Interests

Non-controlling interests in net assets of consolidated subsidiaries are expressed separately in shareholders' equity of The Group. Non-controlling interests consist of amount of these interests which realised in the beginning of merger and amount of non-controlling interests in the changes in equity since merging date.

2.1.6. Comparative Information and Prior Period Financial Statement Correction

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

2.1.7. Offsetting

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

2.1.8. Changes in Accounting Policies

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

The Group has applied TFRS 9 "Financial Instruments'' and TFRS 15 "Revenue from Contracts with Customers'' for the first time since 1 January 2018.

The impact of the first-time adoption of such accounting policy changes and related standards is as follows:

TFRS 15 First Pass:

The group has evaluated the cumulative effect of TFRS 15 " Revenue From Contracts with Customers" in detail as of 1 January 2018, the first application date. Geçiş yöntemi uyarınca Grup, bu standardı sadece ilk uygulama tarihi olan 1 Ocak 2018 tarihi itibarıyla uygulamaktadır.

TFRS 9 First Pass:

Grup, "TFRS 9 Finansal Araçlar" standardını, ilk uygulama tarihi olan 1 Ocak 2018 tarihi itibarıyla, ilgili standardın 7.2.15 numaralı paragrafında yer alan geçiş muafiyeti çerçevesinde geriye dönük olarak finansal tablolarında muhasebeleştirmektedir. Söz konusu yöntem ile, TFRS 9 standardının ilk kez uygulanması sonucu oluşan toplam etki, ilk uygulama tarihini kapsayan yıllık raporlama dönemine ilişkin geçmiş yıllar karları hesabının açılışında "muhasebe politikalarındaki değişikliklere ilişkin düzeltmeler" altında muhasebeleştirilmektedir. Bu yönteme göre, TFRS 9 "Finansal Araçlar" standardına ilk geçiş kapsamında finansal tabloların karşılaştırmalı bilgilerinde yeniden düzenleme gerekmemektedir.

The changes in the classification of financial assets and liabilities in accordance with TFRS 9 is

explained below.

Financial assets	According to TAS 39 previous classification	According to TFRS 9 new classification
Cash and cash equivalents	Loans and receivables	Amortised cost
Trade receivables	Loans and receivables	Amortised cost
Derivative instruments	Fair value through profit or loss	Fair value through profit or loss
Finansal Yatırımlar (UV)	Satılmaya hazır finansal varlıklar	Gerçeğe uygun değer farkı kar /(zarara) yansıtılan
Finansal Yatırımlar (KV)	Gerçeğe uygun değer farkı kar /(zarara) yansıtılan	Gerçeğe uygun değer farkı kar /(zarara) yansıtılan

Financial liabilities	According to TAS 39 previous classification	According to TFRS 9 new classification
Derivative instruments	Fair value through profit or loss	Fair value through profit or loss
Borrowings	Amortised cost	Amortised cost
Trade payables	Amortised cost	Amortised cost

TFRS 9 standardına geçişin 1 Ocak 2018 tarihli konsolide finansal tablolara etkisi aşağıdaki gibidir:

	Geçiş Öncesi	Etki Tutarı	1 Ocak 2018 Bakiyesi
Ticari Alacaklar	331.845.733	(273.613)	331.572.120
Satış İadeleri Karşılığı	-	(171.965)	(171.965)
Nakit ve Nakit Benzerleri	140.562.922	(97.385)	140.465.537
Ertelenmiş Vergi Varlığı	3.484.359	119.451	3.603.810
Geçmiş Yıl Karları / (Zararları)	51.899.755	(423.512)	51.476.243

2.1.9. Changes in Accounting Estimates and Errors

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

The preparation of financial statements; Group management makes judgments, estimates and assumptions. The estimates are used particularly in the following notes: determining the useful lives of tangible and intangible assets, determining the actuarial assumptions used in the retirement pay account, provisions to be set aside for lawsuits and enforcement proceedings against the Group, and determination of inventory impairment.

Significant Accounting Evaluations, Estimates and Assumptions,

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

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

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

2.1.10. Summary of Significant Accounting Policies

2.1.10.1. Revenue

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

1. Identify the contact with customers
2. Identify seperate performance obligations in the contract
3. Determine the transaction price in contract
4. Allocate the transaction price to the performance obligations in the contract
5. Şirket edinim yükümlülüklerini yerine getirmesi ile hasılatın finansal tablolara alınması

Grup'un hasılatı; buğday, mısır, un, kepek, razmol ve başak satışlarından oluşmaktadır.

2.1.10.2. Tangible Assets

Tangible assets such as underground and overland plants, furniture and fixture, plants machinery and equipment of The Group are presented by their cost, including expenses incurred to make it ready for use, after deducting accumulated depreciation and accumulated impairment loss As of December 31, 2018; lands, buildings and vehicles are reported due to revaluation model in the consolidated financial statements and the realised difference is reported in equity in tangible assets revaluation surplus and in the statement of other comprehensive income in the related period When tangible assets are sold, realised profit or loss is presented in profit or loss statement after their cost and accumulated depreciation are deducted from the related accounts. Assets except lands are depreciated by considering the rates which are determined according to their useful lives.

Useful Life

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

2.1.10.3. Intangible Assets

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

	Useful Life
Rights	3-4-5-10-15 Years

2.1.10.4. Impairment of Assets

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

2.1.10.5. Borrowing Costs

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

2.1.10.6. Inventories

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

2.1.10.7. Financial Assets

2.1.10.7.1. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments of which maturities are three months or less from the date of acquisition and that are easily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.1.10.7.2. Trade and Other Receivables

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

2.1.10.7.3. Derivative Financial Instruments

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

2.1.10.8. Financial Liabilities

2.1.10.8.1. Financial Borrowings

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

2.1.10.8.2. Trade and Other Payables

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

Credit Risk:

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

Market Risk:

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

Liquidity Risk:

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

2.1.10.9. Foreign Currency Transactions

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

2.1.10.10. Earnings Per Share

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

2.1.10.11. Subsequent Events

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

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

2.1.10.12. Related Parties

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

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

In Turkey, corporation tax rate is 22% for 2018 (on December 31, 2017: %20). This rate is implemented to the tax base which is calculated by adding non-deductible expenses according to the tax laws and deducting tax exemptions and discounts. Unless the profit is distributed, there is not further tax to be paid.
5520 numbered corporation tax rate is amended to 22% for the fiscal taxation periods of 2018, 2019 and 2020, with provisional Clause 10 added to the Article 91 of the Law numbered 7061.

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

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

2.1.10.14. Employee Termination Benefits

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

2.1.10.15. Government Grants and Incentives
Government grants, including non-monetary grants at fair value, shall not be recognised until there is reasonable assurance that:

(a) The Group will comply with the conditions attaching to them; and
(b) the grants will be received.

The manner in which a grant is received does not affect the accounting method to be adopted in regard to the grant. Thus a grant is accounted for in the same manner whether it is received in cash or as a reduction of a liability to the government.

The benefit of a government loan at a below-market rate of interest is treated as a government grant. The loan shall be recognised and measured in accordance with TAS 39 Financial Instruments: Recognition and Measurement. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with TAS 39 and the proceeds received. The benefit is accounted for in accordance with this Standard. The Group shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate.

There are two broad approaches to the accounting for government grants: the capital approach, under which a grant is recognised outside profit or loss, and the income approach, under which a grant is recognised in profit or loss over one or more periods.

Considering income tax and other taxes are kinds of expense, as a part of financial policies the government grants, are recognised in profit or loss.

2.1.10.17. Sell and Leaseback Contract

The Group has signed Sell and Leaseback Contracts with Deniz Finansal Kiralama A.Ş. on March 31, 2015 and Finans Finansal Kiralama A.Ş. on July 13, 2016 . The Group considers this contract in the scope of IAS 17 Leases. In the relevant contract, the amount that represents the fair value of land and buildings is collected from Leasing Company in the scope of leasing contract is recognised as "Short Term Financial Borrowings" in the consolidated financial statements. According to IAS 17, tangible asset sales profit was recognised in deferred income and leasing payables are transferred to consolidated profit or loss statement due to their periods.

2.2. Significant Accounting Evaluation, Estimates and Judgments

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

2.3. New and Revised International Financial Reporting Standards

The Group applied all of the relevant and required standards promulgated by Public Oversight Accounting and Auditing Standard Authority as of December 31, 2018.

31 Aralık 2018 tarihi itibarıyla yürürlükte olan yeni standartlar ile önceki standartlarda getirilen değişiklikler;

TFRS 9, 1 Ocak 2018 tarihinde ve bu tarihten sonra başlayan raporlama dönemlerinden geçerlidir. Bu Standart TMS 39'un yerini almaktadır. TFRS 9 finansal varlıkların/yükümlülüklerin sınıflandırılması ölçümü, kayıtlardan çıkarılması ve genel korunma muhasebesiyle ilgili yeni hükümler getirmektedir.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 will supersede the current revenue recognition guidance including TAS 18 Revenue, TAS 11 Construction Contracts and the related Interpretations when it becomes effective. The Standard introduces a 5-step approach to revenue recognition:

1. Identification of customer contracts
2. Identification of acquisition commitments in the Convention
3. Determination of the transaction price
4. Distribution of transaction costs in contracts to acquirement obligations
5. Acquisition of the financial statements of the company by fulfillment of company acquisition obligations.

In addition, TFRS 15 requires more comprehensive disclosures in footnotes.

Regarding the implementation of TFRS 9, 'Financial Instruments'; effective from annual periods beginning on or after 1 January 2018. These amendments introduce two approaches: an overlay approach and a deferral approach.

TAS 40 Transfers of Investment Property

A change in management's intentions for the use of property does not provide evidence of a change in intended use. Therefore, when an entity decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognised (eliminated from the statement of financial position) and does not reclassify it as inventory. Similarly, if an entity begins to redevelop an existing investment property for continued future use as investment property, the property remains an investment property and is not reclassified as owner-occupied property during the redevelopment. The amendment is effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted. The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application is permitted.

Amendments to TFRS 2, 'Share based payments'

On clarifying how to account for certain types of share-based payment transactions; effective from annual periods beginning on or after 1 January 2018.

This amendment clarifies the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equitysettled. It also introduces an exception to the principles in TFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.

TFRS 1, 'First time adoption of TFRS', regarding the deletion of short-term exemptions for first-time adopters regarding TFRS 7, TAS 19 and TFRS 10,

TAS 28, 'Investments in associates and joint venture' regarding measuring an associate or joint venture at fair value.

Standards, amendments and interpretations that are issued but not effective as at 31 December 2018:

Amendment to TFRS 9, 'Financial instruments'; effective from annual periods beginning on or after 1 January 2019. This amendment confirms that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

Amendment to TAS 28, 'Investments in associates and joint venture'; effective from annual

periods beginning on or after 1 January 2019. These amendments clarify that companies account for long-term interests in associate or joint venture to which the equity method is not applied using TFRS 9.

TFRS 16 'Leases'

Effective from annual periods beginning on or after 1 January 2019. This standard replaces the current guidance in TAS 17 and is a farreaching change in accounting by lessees in particular.

TFRS 17, 'Insurance contracts'

Effective from annual periods beginning on or after 1 January 2021

IFRIC 23, 'Uncertainty over income tax treatments'

Effective from annual periods beginning on or after 1 January 2019. This IFRIC clarifies how the recognition and measurement requirements of TAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments.

Annual improvements 2015-2017; effective from annual periods beginning on or after 1 January 2019. These amendments include minor changes to:
•TFRS 3, 'Business combinations', a company remeasures its previously held interest in a joint operation when it obtains control of the business
•TFRS 11, 'Joint arrangements', – a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business
•TAS 12, 'Income taxes' – a company accounts for all income tax consequences of dividend payments in the same way.
•TAS 23, 'Borrowing costs' – a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

Amendments to TAS 1 and TAS 8 on the definition of material; effective from Annual periods beginning on or after 1 January 2020. These amendments to TAS 1, 'Presentation of financial statements',and TAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other TFRSs:

i) use a consistent definition of materiality throughout TFRSs and the Conceptual Framework for Financial Reporting;
ii) clarify the explanation of the definition of material; and
iii) incorporate some of the guidance in TAS 1 about immaterial information

- Amendments to TFRS 3 - definition of a business; effective from Annual periods beginning on or after 1 January 2020. This amendment revises the definition of a business.

3. BUSINESS COMBINATIONS

None.

4. BUSINESS PARTNERSHIP

None.

5. SEGMENTAL REPORTING

December 31, 2018	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Revenue	2.984.040.150	621.377	(105.809)	2.984.555.718
Cost of Sales (-)	(2.874.825.002)	(897.828)	100.114	(2.875.622.716)
Gross Profit/Loss From Commercial Activity	**109.215.148**	**(276.451)**	**(5.695)**	**108.933.002**
General Administrative Expenses (-)	(9.614.288)	(423.539)	5.696	(10.032.131)
Marketing Expenses (-)	(33.997.935)	-	-	(33.997.935)
Research and Development Expenses (-)	(125.242)	-	-	(125.242)
Other Operating Income	317.407.205	1.111.275	-	318.518.480
Other Operating Expenses (-)	(173.201.289)	(472.308)	(81.371)	(173.754.968)
Operating Profit/(Loss)	209.683.599	(61.023)	(81.370)	209.541.206
Income from Investing Activities	965.191	25.337	-	990.528
Expenses from Investing Activities	-	-	-	-
Shares of Investments Evaluated by Equity Method in Profit/(Loss)	666.376	-	-	666.376
Operating Profit/(Loss) Before Financial Expenses	**211.315.166**	**(35.686)**	**(81.370)**	**211.198.110**
Financial Income	287.958.380	-	(1.247.025)	286.711.355
Financial Expenses (-)	(474.774.843)	(1.545.941)	1.247.025	(475.073.759)
Continuing Operations Profit/(Loss) Before Tax	**24.498.703**	**(1.581.627)**	**(81.370)**	**22.835.706**
Continuing Operations Tax Income/(Expenses)	(2.982.338)	52.803		(2.929.535)
Net Profit/(Loss) For The Period	**21.516.365**	**(1.528.824)**	**(81.370)**	**19.906.171**

December 31, 2017	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Revenue	1.805.294.161	931.663	(519.492)	1.805.706.332
Cost of Sales (-)	(1.714.876.691)	(804.020)	514.407	(1.715.166.304)
Gross Profit/Loss From Commercial Activity	**90.417.470**	**127.643**	**(5.085)**	**90.540.028**
General Administrative Expenses (-)	(7.269.768)	(384.361)	5.085	(7.649.044)
Marketing Expenses (-)	(36.234.307)	-	-	(36.234.307)
Research and Development Expenses (-)	(77.533)	-	-	(77.533)
Other Operating Income	93.949.730	775.334	-	94.725.064
Other Operating Expenses (-)	(80.527.057)	(118.841)	-	(80.645.898)
Operating Profit/(Loss)	**60.258.535**	**399.775**	**-**	**60.658.310**
Income from Investing Activities	429.633	-		429.633
Expenses from Investing Activities	(342)	-	-	(342)
Shares of Investments Evaluated by Equity Method in Profit/(Loss)	303.026	-	-	303.026
Operating Profit/(Loss) Before Financial Expenses	**60.990.852**	**399.775**	**-**	**61.390.627**
Financial Income	123.791.768	9	(501.272)	123.290.505
Financial Expenses (-)	(165.001.521)	(846.869)	501.272	(165.347.118)
Continuing Operations Profit/(Loss) Before Tax	**19.781.099**	**(447.085)**	**-**	**19.334.014**
Continuing Operations Tax Income/(Expenses)	(2.724.567)	(14.362)	-	(2.738.929)
Net Profit/(Loss) For The Period	**17.056.532**	**(461.447)**	**-**	**16.595.085**

December 31, 2018	Wheat and Flour Trade	Licensed Warehouse	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 Company	248.329.393	4.184.852	(9.025.400)	243.488.845
Non-Controlling Interests	-	-	-	-

December 31, 2017	Wheat and Flour Trade	Licensed Warehouse	Elimination	Total
Total Assets	853.499.700	12.902.365	(9.554.208)	856.847.857
Total Liabilities	656.988.684	8.739.190	(4.554.208)	661.173.666
Equity Holders of The Parent Company	196.511.016	4.163.175	(5.000.000)	195.674.191
Non-Controlling Interests	-	-	-	-

December 31, 2018	Wheat and Flour Trade	Licensed Warehouse	Total
Investment Expenditures*	43.728.096	153.521	43.881.617

Amortization Charge for Period	2.549.173	356.499	2.905.672

December 31, 2017	**Wheat and Flour Trade**	**Licensed Warehouse**	**Total**
Investment Expenditures*	9.131.039	457.603	9.588.642
Amortization Charge for Period	2.877.210	343.694	3.220.904

* Consists of tangible assets, intangible assets and investment properties investments.

6. CASH AND CASH EQUIVALENTS

	Rate (December 31, 2018)	**December 31, 2018**	**December 31, 2017**
Cash		35.006	190.608
Demand Deposits		53.402.311	35.194.924
Deposit Accounts	USD: %3 - %4,25 Interest Corridor TL: %12 - %14,50 Interest Corridor	179.774.361	105.146.223
POS Accounts		184.450	31.167
Investment and Fund Accounts		(126.672)	
		233.269.456	**140.562.922**

The expected credit loss consists of provisions calculated according to TFRS 9.

7. FINANCIAL INVESTMENTS

Short Term Financial Investments

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

	December 31, 2018	**December 31, 2017**
Bonds	820.159	307.568
	820.159	**307.568**

Long Term Financial Investments

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

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

Fair value difference reflected in profit / (loss)	%	December 31, 2018	%	December 31, 2017
Samsun Teknolojik Geliştirme Bölgesi Yönetici A.Ş.	0,5	22.500	0,5	15.000
		22.500		**15.000**
Unpaid Capital Commitments (-)				
Samsun Teknolojik Geliştirme Bölgesi Yönetici A.Ş.		3.750		-
		3.750		**-**
				-
Cost Value		**18.750**		**15.000**
Fair Value Difference		**48.750**		**-**
December 31, 2018 Fair Value		**67.500**		**15.000**

At the Board of Directors meeting dated 4 February 2019, the Company's board of directors decided to sale of the shares of Samsun Teknoloji Geliştirme Bölgesi Yönetici AŞ, which was classified in financial fixed assets. Financial assets at fair value through profit or loss amounting to 67,500-TL were sold to Fahrettin Ulusoy who one of the shareholders of the company.
As of 31.12.2018, the sale price is determined as the fair value of the financial asset and the 48.750 TL difference between the cost value is reported in the income account from investment activities.

8. FINANCIAL BORROWINGS

Short Term Financial Borrowings

	December 31, 2018	December 31, 2017
Short Term Borrowings	98.238.325	99.605.275
Short Term Portions of Long Term Borrowings (net)	68.339.260	40.334.032
	166.577.585	**139.939.307**

Short Term Borrowings

	December 31, 2018	December 31, 2017
Short Term Loans	**98.238.325**	**99.605.275**

Short Term Loans

	December 31, 2018	December 31, 2017
Short Term Loans	100.412.624	100.413.479
Deferred Interest Expenses (-)	(2.174.299)	(808.204)
Short Term Loans (Net)	**98.238.325**	**99.605.275**

Detail of the short term loans (net) as of December 31, 2018 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	%1,66-%3,85 Interest Corridor	15.822.069-Usd	83.238.325
TL			15.000.000
			98.238.325

Detail of the short term loans (net) as of December 31, 2017 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	%1,37-%3,43 Interest Corridor	25.671.128-Usd	96.828.927
TL	%6,54-%6,81 Interest Corridor	-	2.776.348
			99.605.275

Short Term Portions of Long Term Borrowings

	December 31, 2018	December 31, 2017
Short Term Portions of Long Term Loans (net)	60.980.766	37.048.862
Short Term Portions of Long Term Leasing Payables (net)	7.358.494	3.285.170
	68.339.260	**40.334.032**

Short Term Portions Of Long Term Loans

	December 31, 2018	December 31, 2017
Short Term Portions of Long Term Loans	74.711.042	46.819.016
Deferred Interest Expenses (-)	(13.730.276)	(9.770.154)
Short Term Portions of Long Term Borrowings (net)	**60.980.766**	**37.048.862**

Detail of the short term portions of long term loans as of December 31, 2018 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	% 4,12 -%4,44 Interest Corridor	2.294.353-Usd	12.070.359
Euro	%2,46- %5,11 Interest Corridor	3.293.822-Euro	19.855.158
TL	%14,80 - %17,77 Interest Corridor		29.055.249
			60.980.766

Detail of the short term portions of long term loans as of December 31, 2017 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	% 4,12	913.859-Usd	3.446.985
Euro	%2,46- %3,28 Interest Corridor	3.520.971-Euro	15.898.946
TL	%14,80 - %17,77 Interest Corridor	-	17.702.931
			37.048.862

Short Term Portions of Long Term Leasing Payables

	December 31, 2018	December 31, 2017
Short Term Portions of Long Term Leasing Payables	8.196.809	3.601.389
Deferred Interest Expenses (-)	(838.315)	(316.219)
Short Term Portions of Long Term Leasing Payables (net)	**7.358.494**	**3.285.170**

Detail of the short term portions of long term leasing payables (net) as of December 31, 2018 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	1.398.714-Usd	7.358.494
Euro		-
TL		-
		7.358.494

Detail of the short term portions of long term leasing payables (net) as of December 31, 2017 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	870.959-Usd	3.285.170
Euro	-	-
TL	-	-
		3.285.170

Long Term Financial Borrowings

	December 31, 2018	December 31, 2017
Long Term Loans (net)	158.376.270	73.562.815
Long Term Leasing Payables (net)	12.580.795	5.842.780
Long Term Leasing Payables (net)	**170.957.065**	**79.405.595**

Long Term Loans

	December 31, 2018	December 31, 2017
Long Term Loans	186.245.464	85.669.168
Deferred Interest Expenses (-)	(27.869.194)	(12.106.353)
Long Term Loans (net)	**158.376.270**	**73.562.815**

Detail of the long term loans (net) as of December 31, 2018 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount
USA Dollar	% 4,12 -%4,44 Interest Corridor	19.110.952-Usd	100.540.809
Euro	%2,46- %5,11 Interest Corridor	1.875.000-Euro	11.302.500
TL	%14,80 - %17,77 Interest Corridor		46.532.967
			158.376.276

Detail of the long term loans (net) as of December 31, 2017 is as follows:

Currency	Interest Rate Corridor	Currency Amount	TL Amount

USA Dollar	% 4,12	1.793.333-Usd	6.764.274
Euro	%2,46- %3,28 Interest Corridor	750.000-Euro	3.386.625
TL	%14,80 - %17,77 Interest Corridor	-	63.411.916
			73.562.815

Long Term Leasing Payables

	December 31, 2018	December 31, 2017
Long Term Leasing Payables	13.453.715	6.079.809
Deferred Interest Expenses (-)	(872.920)	(237.029)
Long Term Leasing Payables (net)	**12.580.795**	**5.842.780**

Detail of the long term leasing payables (net) as of December 31, 2018 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	2.391.377-Usd	12.580.795
Euro	-	-
TL	-	-
		12.580.795

Detail of the long term leasing payables (net) as of December 31, 2017 is as follows:

Currency	Currency Amount	TL Amount
USA Dollar	1.549.028-Usd	5.842.780
Euro	-	-
TL	-	-
		5.842.780

9. OTHER FINANCIAL LIABILITIES

None.

10. TRADE RECEIVABLES AND PAYABLES

Trade Receivables

	December 31, 2018	December 31, 2017
Trade Receivables from Related Parties	216.003	98.629
Trade Receivables from Other Parties	390.708.473	298.280.879
Notes Receivable from Related Parties	-	-
Notes Receivable from Other Parties	33.204.859	35.469.611
Deferred Maturity Difference Income (-)	(2.374.160)	(2.003.386)
Doubtful Trade Receivables	6.301.918	5.427.384
Provision for Doubtful Trade Receivables (-)	(6.301.918)	(5.427.384)
Trade Receivables (net)	**421.755.175**	**331.845.733**

Changes in doubtful trade receivables as of December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018	December 31, 2017
Opening Balance	5.427.384	5.228.381
Provisions for the Period	876.364	552.822
Change in Accounting Policy	273.613	-
Provisions Cancelled* (-)	(275.443)	(353.819)
Closing Balance	**6.301.918**	**5.427.384**

* Consists of collected doubtful trade receivables.

Long Term Trade Receivables

	December 31, 2018	December 31, 2017
Trade Receivables from Related Parties	-	-
Trade Receivables from Other Parties*	8.822.866	8.772.802
Long Term Trade Receivables (net)	**8.822.866**	**8.772.802**

*Vide note 24.

Short Term Trade Payables

	December 31, 2018	December 31, 2017
Trade Payables to Related Parties	86.172	200.700
Trade Payables to Unrelated Parties*	376.250.338	397.733.919
Payables to Related Parties	7.189.884	12.283.559
Payables to Unrelated Parties	1.394.282	596.403
Deffered Payment Expence (-)	(5.121.469)	(4.702.011)
Short Term Trade Payables (net)	**379.799.207**	**406.112.570**

Long Term Trade Payables

	December 31, 2018	December 31, 2017
Trade Payables to Unrelated Parties*	16.482.888	-
Long Term Trade Payables (net)	**16.482.888**	**-**

*As of December 31, 2018, 358.217.657 TL of trade payables to related parties consist of letter of credit payables (31 December 2017: 366.841.220 TL).

11. OTHER RECEIVABLES AND PAYABLES

Other Short Term Receivables

	December 31, 2018	December 31, 2017
Deposits and Guarantees Given	8.438	121.026
Receivables From Public Authority	1.171.838	1.823.557
Doubtful Other Receivables	-	678.942
Provision for Doubtful Other Receivables (-)	-	(678.942)
	1.180.276	**1.944.583**

Changes in doubtful other receivables as of December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018	December 31, 2017
Opening Balance	678.942	675.170
Provisions for the Period	-	-
Exchange Rate Valuation	-	3.772
Provisions Cancelled* (-)	(678.942)	-
Closing Balance	**-**	**678.942**

Other Long Term Receivables

	December 31, 2018	December 31, 2017
Deposits and Guarantees Given	**235.418**	**169.558**

Other Short Term Payables

	December 31, 2018	December 31, 2017
Other Payables to Other Parties	**32.117**	**68.889**

Other Long Term Payables

None.

12. RECEIVABLES AND PAYABLES FROM FINANCE SECTOR OPERATIONS

None.

13. DERIVATIVE INSTRUMENTS

Derivative Financial Assets

	December 31, 2018	December 31, 2017
Futures Market Collaterals	4.580.190	5.569.834
Derivative Financial Instruments	-	-
	4.580.190	**5.569.834**

Derivative Financial Liabilities

	December 31, 2018	December 31, 2017
Futures Market Collaterals	-	-
Derivative Financial Instruments	34.210.890	1.330.043
	34.210.890	**1.330.043**

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

Fair Value of Financial Instruments

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

Level 1 : Valuation methods which uses quoted prices (unadjusted) in active markets for identical assets or liabilities that The Group can access at the measurement date

Level 2 : Valuation methods which include inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Valuation methods which include inputs that are unobservable inputs for the asset or liability

December 31, 2018	**Level 1**	**Level 2**	**Level 3**
Forward Currency Transaction Contracts (Trading)		(29.630.700)	
		(29.630.700)	
December 31, 2017	**Level 1**	**Level 2**	**Level 3**
Forward Currency Transaction Contracts (Trading)	-	4.239.791	-
	-	**4.239.791**	**-**

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

14. INVENTORIES

	December 31, 2018	**December 31, 2017**
Raw Material and Supplies	56.403.692	30.451.115
Goods	22.825.892	4.341.656
Goods in transit*	2.575.042	1.880.845
Trade Goods**	67.274.817	187.014.141
Other Inventories	346.060	321.405
Provision for Impairment of Inventories (-)	(548.625)	(1.668.004)
	148.876.878	**222.341.158**

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

* Goods in transit consist of products which are waiting in customs and of which sales agreement has been done and shipped but discharge process have not been completed and are still under Company's control and responsibility.

**The amount of 26.282.811-TL of the trade goods consist of transit goods.

15. BIOLOGICAL ASSETS

None.

16. PREPAID EXPENSES AND DEFERRED INCOME

Short Term Prepaid Expenses

	December 31, 2018	December 31, 2017
Advances Given to Related Parties*	-	-
Advances Given to Other Parties	37.010.236	46.546.557
Insurance Expenses and Other Expenses	756.410	459.659
	37.766.646	**47.006.216**

Long Term Prepaid Expenses

	December 31, 2018	December 31, 2017
Insurance Expenses		-
Advances Given to Other Parties*	3.042.014	3.042.014
	3.042.014	**3.042.014**

*Vide note 24.

Short Term Deferred Income

	December 31, 2018	December 31, 2017
Advances Received from Related Parties	-	-
Advances Received from Other Parties	6.114.123	27.631.339
Deferred Income**	429.633	429.633
	6.543.756	**28.060.972**

**Vide note 19.

Long Term Deferred Income

	December 31, 2018	December 31, 2017
Deferred Income**	291.915	721.549
	291.915	**721.549**

** Vide note 21.

17. RECEIVABLES FROM ONGOING CONSTRUCTION CONTRACTS

None.

18. INVESTMENTS VALUED BY EQUITY METHOD

Associates	%	December 31,2018	%	December 31, 2017
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	17	4.615.132	17	4.620.004

According to thirtysecond matter of TAS 28 "Investments in Associates", an investment in an associate is accounted for using the equity method from the date on which it becomes an associate. Goodwill related to an associate is added to book value of associate investment According to equity method, investments in associates are recorded by acquisition cost in the beginning. After acquisition, book value of the investment is increased or decreased in order to recognise the share of the investor in the invested company's profit/loss. The share which investor will get from invested company's profit/loss is recognised as investor's profit/loss.

As of December 31, 2018, 666.376-TL (December 31, 2017: 303.026-TL) share from associates' profit increases the book value of associates and also is recognised as shares of investments evaluated by equity method in profit/(loss) in consolidated profit or loss statement.

The detail of the change in Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.'s value for the period of December 31, 2018 is as follows:

	January 1-December 31, 2018
Value as of December 31, 2017	4.620.004
The Share from Associate's Profit/Loss as of December 31 ,2018	666.376
Accrued Dividend Yield	(671.248)
	4.615.132

According to TFRS 12 "Disclosure of Interests in Other Entities" B12 (a) and (b) matters; disclosure requirements for summarised financial information of Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş. as of December 31, 2018 and December 31, 2017 are as follows*:

	December 31, 2018	**December 31, 2017**
Current Assets	2.530.139	3.057.479
Non-Current Assets	5.559.383	4.780.964
Short Term Liabilities	385.370	140.606
Long Term Liabilities	542.000	498.038
Revenue	6.864.761	4.407.564
Continuing Profit/(Loss) for the Period	3.919.858	1.782.507
The Period Profit/(Loss) After Tax for Discontinued Operations	-	-
Other Comprehensive Income	3.919.858	1.782.507
Total Comprehensive Income	3.919.858	1.782.507

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

19. INVESTMENT PROPERTIES

Acquisition Cost	**Land**	**Buildings**	**Total**
January 1, 2018 Opening Balance	5.610.000	3.830.000	9.440.000
Fair Value Diffence	86.555	273.445	360.000
December 31, 2018 Closing Balance	**5.696.555**	**4.103.445**	**9.800.000**

Investment properties are reported in the financial statements based on their fair values. On 29.06.2018, authorized by Capital Market Board the Harmoni Gayrimenkul Değerleme ve Danışmanlık A.Ş. has been issued a valuation report for investment properties. In the valuation of real estates subject to appraisal, cost occurrences analysis method is used. In determining the land values of the immovable properties, the land market share was searched and the land value was appreciated by peer comparison method. The costs of the buildings are calculated by taking into consideration the related communique of the Ministry of Environment and Urbanization. Due to the

use of a single method at the final value appraisal of the immovable property, the values obtained with the method of cost incidence analysis have been rounded and the fair values of the land and buildings have been valued as 9.800.000-TL. As of the reporting date, the difference between the fair value and the fair value of investment properties is recognized as 360,000-TL profit or loss.

Fixed Assets Distribution	**Land**	**Buildings**	**Total**
January 1, 2017 Opening Balance	5.610.000	3.830.000	9.440.000
Additions	-	-	-
Disposals	-	-	-
December 31, 2017 Closing Balance	**5.610.000**	**3.830.000**	**9.440.000**

Accumulated Depreciation	**Land**	**Buildings**	**Total**
January 1, 2017 Opening Balance	-	-	-
Charge for the Period	-	-	-
Disposals	-	-	-
December 31, 2017 Closing Balance	**-**	**-**	**-**

Net Book Value (As of December 31, 2017)	**5.610.000**	**3.830.000**	**9.440.000**

The Group has signed a Sell and Leaseback Contract with Finans Finansal Kiralama A.Ş. on July 13, 2016. Fixed asset sales revenue amounting to TL 1,717,357 - TL is generated from the sale of fixed assets made by the Group in connection with the Sale and Back Lease Agreement. According to Article 60 of the TAS 17 Financial Leasing Contracts, if a sale and leaseback transaction results in a finance lease, the portion above the carrying amount of the sales revenue is not immediately recognized as income by the seller's leaseholder. Instead, the mentioned income is postponed and amortized over the lease term.
Instead, the income is deferred and amortized over the lease term. For the period ended December 31, 2018, TL 429,633 has been accounted for profit / loss for the period 2018 and TL 429,633 for fixed asset sales income for short-term deferred revenue.

20. CORPORATE TAX ASSETS

	December 31, 2018	**December 31, 2017**
Prepaid Taxes and Funds	**-**	**720.097**

21. TANGIBLE ASSETS

Detail of the tangible assets as of December 31, 2018 is as follows:

Acquisition Cost	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2018 Opening Balance	30.822.895	304.427	9.294.898	17.070.235	2.247.195	7.716.880	467.566	14.735.272	82.659.368
Additions	11.804.792	-	-	535.887	329.335	991.598	-	30.140.810	43.802.422
Disposals	(1.952.320)	-	-	-	(700.500)	(1.115.279)	-	-	(3.768.099)
Reclassification	5.499.661	1.010.573	-	9.249.524	104.209	-	(467.566)	(15.396.401)	-
Revaluation	-	-	12.643.452	17.222.083	-	-	-	-	29.865.535
December 31, 2018 Closing Balance	**46.175.028**	**1.315.000**	**21.938.350**	**44.077.729**	**1.980.239**	**7.593.199**	**-**	**29.479.681**	**152.559.226**

Accumulated Depreciation	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2018 Opening Balance	7.660.114	62.660	-	1.486.077	1.167.531	4.034.006	246.088	_	14.656.476
Charge for the Period	1.191.070	5.300	-	688.190	323.255	537.475	59.942	-	2.805.232
Disposals	(1.952.320)	-	-	-	(700.500)	(997.431)	-	-	(3.650.251)
Reclassification	(45.004)	(67.888)	-	418.922	-	-	(306.030)	-	-
December 31, 2018 Closing Balance	**6.853.860**	**72**	**-**	**2.593.189**	**790.286**	**3.574.050**	**-**	**-**	**13.811.457**
Net Book Value (As of December 31, 2018)	**39.321.168**	**1.314.928**	**21.938.350**	**41.484.540**	**1.189.953**	**4.019.149**	**-**	**29.479.681**	**138.747.769**

***** The Group uses the revaluation model for the land and buildings account classes of its tangible fixed assets. 28 Eylül 2018 tarihli değerleme raporları ile grup aktifte kayıtlı binalar için Sermaye Piyasası Kurulu tarafından yetkilendirilen Varlık Taşınmaz Değerleme ve Danışmanlık Anonim Şirketi tarafından Gayrimenkul değerleme raporları düzenlenmiştir. Cost method and market approach methods are used in the valuation method. The total value of the real estates at the reporting date is determined as 56.053.654 TL. The difference between the carrying amount and the fair value at the date of revaluation is gross revaluation difference amounting to 30.146.334 TL and revaluation expense amounting to 280.799 TL.

** There is a mortgage on the fixed assets amounting to 41.400.000-USD (217.801.260).

Detail of the tangible assets as of December 31, 2017 is as follows:

Acquisition Cost	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2017 Opening Balance	29.798.283	286.389	9.294.898	17.070.235	1.894.628	7.141.809	467.566	7.297.475	73.251.283
Additions	468.485	-	-	-	331.930	653.995	_	8.042.142	9.496.552
Disposals	-	-	-	-	(2.075)	(86.392)	_	_	(88.467)
Reclassification	556.127	18.038	_	_	22.712	7.468	-	(604.345)	-
December 31, 2017 Closing Balance	**30.822.895**	**304.427**	**9.294.898**	**17.070.235**	**2.247.195**	**7.716.880**	**467.566**	**14.735.272**	**82.659.368**

Accumulated Depreciation	Plant Machinery and Equipment	Underground and Overland Plants	Land	Buildings	Furniture and Fixtures	Vehicles	Leasehold Improvements	Constructions In Progress	Total
January 1, 2017 Opening Balance	6.509.932	55.675	-	944.442	904.356	3.002.751	165.651	-	11.582.807
Charge for the Period	1.150.182	6.985	-	541.635	263.863	1.083.038	80.437	_	3.126.140
Disposals	-	-	-	-	(688)	(51.783)	-	_	(52.471)
Reclassification	_	-	-	-	-	-	_	_	_
December 31, 2017 Closing Balance	**7.660.114**	**62.660**	**-**	**1.486.077**	**1.167.531**	**4.034.006**	**246.088**	**_**	**14.656.476**

Net Book Value (As of December 31, 2017)	**23.162.781**	**241.767**	**9.294.898**	**15.584.158**	**1.079.664**	**3.682.874**	**221.478**	**14.735.272**	**68.002.892**

22. INTANGIBLE ASSETS

Goodwill
None.

Other Intangible Assets

Detail of the intangible assets as of December 31, 2018 is as follows:

Acquisition Cost	**Rights (Computer Programs)**	**Trademark and Royalty**	**Total**
January 1, 2018 Opening Balance	477.888	264.974	742.862
Additions	19.445	59.750	79.195
Disposals	(134.647)	-	(134.647)
Reclassification	-	-	-
December 31, 2018 Closing Balance	**362.686**	**324.724**	**687.410**

Accumulated Depreciation	**Rights (Computer Programs)**	**Trademark and Royalty**	**Total**
January 1, 2018 Opening Balance	251.484	55.244	306.728
Charge for the Period	70.148	30.292	100.440
Disposals	(134.647)	-	(134.647)
Reclassification	-	-	-
December 31, 2018 Closing Balance	**186.985**	**85.536**	**272.521**

Net Book Value (As of December 31, 2018)	**175.701**	**239.188**	**414.889**

Detail of the intangible assets as of December 31, 2017 is as follows:

Acquisition Cost	**Rights (Computer Programs)**	**Trademark and Royalty**	**Total**
January 1, 2017 Opening Balance	385.798	264.974	650.772
Additions	92.090	-	92.090
Disposals	-	-	-
Reclassification	-	-	-
December 31, 2017 Closing Balance	**477.888**	**264.974**	**742.862**

Accumulated Depreciation	**Rights (Computer Programs)**	**Trademark and Royalty**	**Total**
January 1, 2017 Opening Balance	183.217	28.747	211.964
Charge for the Period	68.267	26.497	94.764
Disposals	-	-	-
Reclassification	-	-	-
December 31, 2017 Closing Balance	**251.484**	**55.244**	**306.728**

Net Book Value (As of December 31, 2017)	**226.404**	**209.730**	**436.134**

23. GOVERNMENT GRANTS AND INCENTIVES

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

Detail of the Government grants and inventives as of December 31, 2018 is as follows:

Investment Incentive Document Date and Number	**Type of Invesment**	**Support Elements To Be Utilized**	**Capasity of Invesment**	**Amount of Investment**		**Finance of Investment**
26/04/2016 124045/A	Licensed Warehouse	* Tax Discount Rate 70% * Investment Contribution Rate 30% * VAT Exemption * Interest Support	23.500 Ton	Fixed Investment	6.100.200 TL	6.100.200 TL Foreign Assets - TL Equity

24. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Short Term Provisions

	December 31, 2018	December 31, 2017
Short Term Provisions for Employee Benefits*	8.740	9.697
Other Short Term Provisions**	201.834	-
	210.574	**9.697**

*Vide note 26
**Other provisions consist of the provisions set aside under TFRS 15.

Long Term Provisions

	December 31, 2018	December 31, 2017
Long Term Provisions for Employee Benefits*	1.283.161	1.232.972
Other Long Term Provisions	-	-
	1.283.161	**1.232.972**

*Vide note 26

Lawsuits

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

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

	December 31, 2018	December 31, 2017
A. Total Amount of CPM Given by The Group's Own Legal Personality	260.608.359	40.819.884
B. Total Amount of CPM Given In Favour of Fully Consolidated Companies	5.917.000	5.917.000
C. Total Amount of CPM Given For Continuation of Its Economic Activities on Behalf of Third Parties	-	-
D. Total Amount of Other CPM	-	-
i. Total Amount of CPM Given in Favour of Majority Shareholder	-	-
ii. Total Amount of CPM Is Given in Favour of Other Group Companies Which Are Not In the Scope of B and C	-	-
iii. Total Amount of CPM is Given in Favour of Third Parties Which Are Not In the Scope of C	-	-
Total	**266.525.359**	**46.736.884**

The details of receivables from Samsun Yem Sanayi ve Ticaret A.Ş. ("Samsun Yem"), Yemsel Tavukçuluk Hayvancılık Yem Hammaddeleri Sanayi ve Ticaret A.Ş. ("Yemsel") and Çakıroğlu Gıda Tarım Ürünleri Hayvancılık ve Yem Tavukçuluk Nakliyat Ticaret ve Sanayi A.Ş. ("Çakıroğlu")as of December 31, 2018 are as follows:

Company Title*	Trade Receivable	Advances Given	Total	Mortgage Amount
Samsun Yem	1.151.913	-	1.151.913	700.000
Yemsel	-	3.042.014	3.042.014	6.000.000
Çakıroğlu **	7.670.953	-	7.670.953	10.000.000
Total	**8.822.866**	**3.042.014**	**11.864.880**	**16.700.000**

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

** On 30.06.2018, the Company deducted 4.905.410,79-TL interest-related and overdue interest invoices including Çakıroğlu. Çakıroğlu cut the invoice against the invoice for the invoice and did not accept the invoiceThe difference between the maturity difference and the invoice received by the Company is mutually canceled.

Samsun Yem, Yemsel ve Çakıroğlu has requested the postponement of bankruptcy on T.C. Samsun Commercial Court. According to the interlocutory decision given by the court, the prosecution will continue on April 6, 2016 and trustees have been appointed on administration. The decision of T.C. Samsun Commercial Court was issued on December 8, 2015 dated Trade Registry Gazette.

The Company has mortgaged Samsun Yem, Yemsel And Çakıroğlu's real estates for the receivables that are explained in details above. The hypothec that The Company has issued gives The Company right to demand whole receivables from any real estate of Çakıroğlu Group that have been mortgaged.

The Company is in the first place for the mortgage from Çakıroğlu and Samsun Yem. The Company is in the second place for the mortgages issued on Yemsel's real estate. Akbank T.A.Ş. is in the first place. Akbank T.A.Ş.'s total mortgage amount is 6.000.000-TL.

Real estate revaluation report has been prepared by Standart Gayrimenkul Değerleme Uygulamaları A.Ş. on June 28, 2013 for these real estates. According to revaluation reports, fair value of the mortgaged real estates is 18.867.692-TL.

As of December 31, 2015 a notice has been sent to Çakıroğlu Group for the payment of their debts. On January 8, 2016, property valuation was requested for real estates. On December 29, 2016, the court delegation was invited for the valuation of the property. On January 18, 2017, the court experts presented their reports to the court. According to revaluation reports of court experts, fair value of the mortgaged Çakıroğlu's real estate is 10.858.440,75-TL. According to revaluation reports, fair value of the mortgaged Yemsel's real estate is 11.527.728,25-TL. Also, A total of 263.249,19-TL fair value was appreciated for the real estate with the mortgage of Samsun Yem.
Sales of real estate were requested but the court rejected it because they were in the process of bankruptcy postponement.

Trade receivables and advances given to Samsun Yem, Yemsel ve Çakıroğlu are classified as long term because postponement of bankruptcy request.

The Company did not recognised provision because the mortgages issued and fair value of real estates on the revaluation reports can meet total receivable amount.

25. COMMITMENTS

None.

26. EMPLOYEE BENEFITS

Payables Related with Employee Benefits

Details of payables related with employee benefits as of December 31, 2018 and December 31, 2017 are:

	December 31, 2018	December 31, 2017
Social Security Institution Premiums	302.240	418.864
Due to Personnel	674.797	553.713
	977.037	**972.577**

Short Term Employee Benefits

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

Details of short term employee benefits as of December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018	December 31, 2017
Provision for Unused Vacation	**8.740**	**9.697**

Long Term Employee Benefits

Long term employee benefits consist of provision for employee termination benefits.

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

As of December 31, 2018 provision for employee termination benefit ceiling on the respective reporting dates, is subject to a maximum of 5.434,42-TL per month for a working year (December 31, 2017: 4.732,48-TL). Provision for employee termination benefits are not subordinated any fund.

Provision for employee termination benefits is calculated by discounting potential liabilities of retirement to net present value. TFRS requires companies to improve actuarial valuation methods in the scope of retirement plans in order to estimate the termination benefits. Therefore, below mentioned actuarial estimations are used in order to calculate total employee termination benefits.

Provisions for employee termination is calculated by the discount rate of 5,02%, which is determined by 10,5% inflation rate and 16,05% interest rate. The release rate is 96% (December 31, 2017: inflation rate 9,24 % , interest rate 11,59% and discount rate 2,15% , release rate 96%).

Details of the provision for employee termination benefits as of December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018	December 31, 2017
Provision for Employee Termination Benefits	**1.283.161**	**1.232.972**

Details of provision for employee termination benefits are as follows:

	December 31, 2018	December 31, 2017
Opening Balance	1.232.972	900.118
Interest Cost	169.771	103.059
Service Cost	391.371	478.050
Payments (-)	(546.376)	(274.637)
Actuarial Differences	35.423	26.382
Closing Balance	**1.283.161**	**1.232.972**

Changes in interest rates and other rates and severance of personnel who are supposed to get compensation at retirement cause actuarial differences. The Group classifies service cost in general administrative expenses, interest costs in financial expenses, actuarial differences in shareholders' equity.

27. RETIREMENT BENEFITS

None.

28. OTHER ASSETS AND OTHER LIABILITIES

Other Current Assets

	December 31, 2018	December 31, 2017
Deferred VAT	8.361.558	6.628.991
Income Accruals*	899.377	1.934.547
Business Advances	334	95
Other VAT	3.350	3.350
	9.264.619	**8.566.983**

* Income accruals consist of freight incentive incomes arising from exports in 2018. All of the amounts were collected in 2018.

Other Short Term Liabilities

	December 31, 2018	December 31, 2017
Taxes and Funds Payables	1.163.922	388.446
Expense Accruals	343.613	-
	1.507.535	**388.446**

Other Non-Current Assets

None.

Other Long Term Liabilities

None.

29. EQUITY

Capital and Reserves

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

Shareholder structure of The Company as of December 31, 2018 is as follows:

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

Shareholder structure of The Company as of December 31, 2017 is as follows:

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

With the Board of Directors' decision taken on December 7, 2017, the shares of Fahrettin Ulusoy Group C shares amounted to 6,376,871 TL to Nevin Ulusoy, 8,215,107 TL to Onur Erhan Ulusoy, and 9,981,904 TL to Eren Günhan Ulusoy. has transferred over to the stock market.

In addition, 1,126,118 pieces C Group bearer shares belonging to Fahrettin Ulusoy, which are publicly traded in Borsa İstanbul A.Ş. According to the aforementioned share transfer agreement, the share price of TL 2.52 which is the closing price of 06.12.2017 is taken as the basis and the total amount of the transfer is TL 63.000.000.

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

Publicly traded companies distribute dividends according to the II-19.1 numbered Dividend Communique of CMB which is published in January 23, 2014 dated and 28891 numbered Official Gazette.
Companies distribute dividends by a decree of their general assembly in the scope of the determined policy of their general assembly and due to the related regulations. According to the mentioned communique of CMB, minimum distribution ratio has not been determined. Companies distribute dividends according to their articles of association or their dividend policy. Also dividends can be paid by equal or different amounted instalments and dividend advances can be paid by cash due to the profit in interim financial statements.

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

Share Premiums on Capital Stock

	December 31, 2018	December 31, 2017
Share Premiums on Capital Stock	41.925.000	41.925.000
Expenses of Share Premiums on Capital Stock Expenses (-)	(3.317.008)	(3.317.008)
	38.607.992	**38.607.992**

According to thirthyseventh matter of TAS 32 “Financial Instruments”, The Group bears some expenses while issuing or repurchasing equity instruments. These expenses may contain registration and other regulatory charges, legal, financial and other professional consulting fees, printing costs and stamp tax duties. Transaction costs of equity transactions are recognised as deduction from equity as long as they are directly incurred additional costs as a result of these transactions. Additionally, costs related with cancelled equity transactions are recognised as expenses.
Additional expenses, related with the issuance of new share certificates directly (indirectly), are deducted from equity after related taxes are deducted from these expenses. Expenses related with the permission for trading in stock market (quotation) or expenses that are not directly related with the issuance of new stocks are recognised as expenses in profit and loss statement. Expenses related with the permission for either flotation in stock market or quotations are allocated due to the proportion of shares that are offered between two transactions.

Treasury Shares (-)

	December 31, 2018	December 31, 2017
Treasury Shares (-)	**3.445.108**	**3.445.108**

If the company receives its own shares in accordance with paragraph 33 of TAS 32, the purchase proceeds related to these shares are shown in "Treasury Shares (-)" net of equity.

In the Scope of CMB's July 21, 2016 dated announcement; the July 25, 2016 dated and 2016/014 numbered decision to buy back The Company's shares in the market has been made.
It is announced that the repurchase has ended with the special case statement dated 27 July 2017. In repurchases, amounting to TL 3,445,108 was used, with an average of TL 1,7207 per share.

Details of The Company's bought back shares are as follows:

The maximum amount paid for a share	1,90 TL
Average repurchase cost per share	1,7207 TL
Total repurchase cost	3.445.108 TL
Total number of shares repurchesed	2.002.152 Piece
Rate of repurchase shares in company's capital	% 2,3694

Details of The Company's bought back shares as of December 31, 2018 are as follows:

Date	Number of Shares Owned	Nominal Amount of Shares Acquired(TL)	Purchase Fees of Owned Shares Total Amount(TL)
December 31, 2018	2.002.152	2.002.152	3.445.108

Details of The Company's bought back shares as of December 31, 2017 are as follows:

Date	Number of Shares Owned	Nominal Amount of Shares Acquired(TL)	Purchase Fees of Owned Shares Total Amount(TL)
December 31, 2017	2.002.152	2.002.152	3.445.108

Other Equity Items

Other accumulated comprehensive income and expenses which are not classified in profit/loss as of December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018	December 31, 2017
Tangible Assets Revaluation Differences(net)**	27.296.800	562.159
Actuarial Profit/Loss Related with the Employee Benefits*	(517.529)	(489.899)
	26.779.271	**72.260**

*Actuarial differences have been recognised in equity since January 1, 2013.

**If a revaluated tangible asset is disposed of, the revaluation surplus related with the derecognised asset is directly transferred to related earnings. Therefore the revaluation surplus related with land and buildings which have been disposed of by sell and leaseback transaction, were transferred to retained earnings.

Details of the actuarial differences as of December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018	December 31, 2017
Actuarial Gains/(Losses) Related with the Employee Benefits	(647.797)	(612.374)
Deferred Tax***	130.268	122.475
Actuarial Gains/(Losses) Related to Employee Benefits (net)	**(517.529)**	**(489.899)**

Details of tangible assets revaluation surplus as of December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018	December 31, 2017
Revaluation Differences of Buildings and Lands (net)	27.053.177	200.395
Revaluation Differences of Vehicles (net)	243.623	361.764
	27.296.800	**562.159**

Detail of the revaluation differences of lands and buildings as of December 31, 2018 and December 31, 2017 is as follows:

	December 31, 2018	December 31, 2017
Total Lands and Buildings Revaluation Difference	30.396.828	250.494
Deferred Tax ***	(3.343.651)	(50.099)
Revaluation Differences of Buildings and Lands (net)	**27.053.177**	**200.395**

Details of the vehicles revaluation surplus as of December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018	December 31, 2017
Vehicles Revaluation Differences (net)	**243.623**	**361.764**

	December 31, 2018	December 31, 2017
Total Vehicle Revaluation Differences **	304.528	452.205
Deferred Tax ***	(60.905)	(90.441)
	243.623	**361.764**

***According to TAS 12, 61-a, current tax and deferred tax related with the items which are not recognised in profit or loss, are not recognised in profit or loss both in the same or different period. Therefore, current tax and deferred tax that are related with the items that are recognised in the same or different period in other comprehensive income shall be recognised in other comprehensive income. Realised deferred tax is classified in revaluation surplus.

Other comprehensive income and expenses to be reclassified to profit / loss as of 31 December 2018 and 31 December 2017 are as follows:

	December 31, 2018	December 31, 2017
Foreign Currency Conversion Adjustments	1.477.307	-
	1.477.307	**-**

Restricted reserves as of December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018	December 31, 2017
Legal Reserves	5.693.220	3.999.099
Reserves of Treasury Shares	3.445.108	3.445.108
	9.138.328	**7.444.207**

In accordance with Article 520 of the Law No. 6102, the amount of reserves is allocated to the shares that are acquired for the Treasury shares.These reserves are shown in the line of "reserves on retained earnings " since they are solved only when the reversed shares are transferred or canceled. In other words, reserves amounting to TL 3.445.108 are allocated from retained earnings.

Accumulated profit or loss as of December 31, 2018 and December 31, 2017 is as follows:

	December 31, 2018	December 31, 2017
Accumulated Profit/(Loss)	**66.524.884**	**51.899.755**

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

	December 31, 2018	December 31, 2017
Accumulated Profit/(Loss)	51.899.755	38.139.327
Transfer of Previous Year to the Accumulated Profit/(Loss)	16.595.085	14.796.725
Capital Contribution	-	-
Transfers to Legal Reserves	(1.694.121)	(668.784)
Reserves of Treasury Shares	-	(372.139)
Change in Accounting Policy	(423.512)	-
Tangible Assets Revaluation Transfer**	147.677	4.626
	66.524.884	**51.899.755**

**If a revaluated tangible asset is disposed of, the revaluation surplus related with the derecognised asset is directly transferred to related earnings. Therefore the revaluation surplus related with land and buildings which have been disposed of by sell and leaseback transaction were transferred to retained earnings.

Net profit/ (loss) for the period as of December 31, 2018 and December 31, 2017 are as follow:

	December 31, 2018	December 31, 2017
Net Profit/(Loss) For The Period	**19.906.171**	**16.595.085**

30. REVENUE AND COST OF SALES

Details of revenue as of December 31, 2018 and December 31, 2017 are as follows:

	January 1- December 31, 2018	January 1- December 31, 2017
Domestic Sales	922.589.399	834.436.759
Foreign Sales	2.065.557.869	976.291.841
Sales Returns (-)	(2.471.063)	(3.549.799)
Sales Discounts (-)	(1.112.249)	(1.348.796)
Other Discounts (-)	(8.238)	(123.673)
	2.984.555.718	**1.805.706.332**

The Company generated TL 629,456,452 (112,215,389-USD) of revenue from its subsidiaries, Rolweg SA.

Details of cost of sales as of December 31, 2018 and December 31, 2017 are as follows:

	January 1- December 31, 2018	January 1- December 31, 2017
Cost of Goods Sold	307.077.677	313.434.978
Cost of Merchandise Sold	2.563.511.152	1.397.595.873
Cost of Service Sold	5.033.887	4.135.453
	2.875.622.716	**1.715.166.304**

Details of cost of service sold as of December 31, 2018 are as follows:

	January 1- December 31, 2018	January 1- December 31, 2017
Depreciation Expenses	304.083	282.853
Vehicle Expenses	2.598.862	2.092.710
Outsourced Benefits and Services	296.245	245.449
Other Expenses	144.541	14.499
Education and Publication Expenses	89	1.566
Late Fees and Charges	-	5.474
Personnel Expenses	1.373.790	1.206.499
Insurance Expenses	235.010	222.170
Registration and Announcement Expenses	-	663
Taxes and Funds	81.267	63.570
Cost Of Service Sold	**5.033.887**	**4.135.453**

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

Details of total operating expenses as of December 31, 2018 and December 31, 2017 are as follows:

	January 1- December 31, 2018	January 1- December 31, 2017
General Administrative Expenses	10.032.131	7.649.044
Marketing Expenses	33.997.935	36.234.307
Research and Development Expenses	125.242	77.533
	44.155.308	**43.960.884**

Details of General Administrative Expenses as of December 31, 2018 and December 31, 2017 are as follows:

	January 1- December 31, 2018	**January 1- December 31, 2017**
Depreciation Expenses	436.721	386.111
Vehicle Expenses	400.453	283.688
Grants and Aids	262.081	274.118
Maintenance and Repair Expenses	-	37.250
Consultancy Expenses	1.471.409	931.031
Outsourced Benefits and Services	1.144.430	808.070
Other Expenses	364.429	538.094
Education and Publication Expenses	154.337	171.352
Exposition Expenses	134.148	124.252
Late Fees and Charges	-	9.008
Heat and Water Expenses	21.602	14.901
Rent Expenses	237.856	227.948
Court Expenses	7.158	19.927
Brand, Apl. and Ren. of Patent Expenses	13.855	13.453
Notary Expenses	970	26.368
Personnel Expenses	3.115.910	2.569.844
Advertising Expenses	32.659	26.577
Insurance Expenses	453.955	213.609
Registration and Announcement Expenses	-	2.501
Transportation Expenses	272.173	164.136
Taxes and Funds	844.963	115.710
Food Expenses	404.575	342.610
Health Expenses	-	410
Commission Expenses	258.447	348.076
General Administrative Expenses	**10.032.131**	**7.649.044**

Details of Marketing Expenses as of December 31, 2018 and December 31, 2017 are as follows:

	January 1- December 31, 2018	**January 1- December 31, 2017**
Depreciation Expenses	524.540	1.055.553
Vehicle Expenses	1.493.857	1.110.458
Consultancy Expenses	96.693	61.883
Outsourced Benefits and Services	873.741	419.672
Other Expenses	115.260	1.632.706
Exposition Expenses	385.878	191.797
Late Fees and Charges	3.504	9.843
Export Expenses	4.107.116	5.351.039
Rent Expenses	297.735	980.044
Sales Commissions Expenses	1.085.364	1.593.033
Freight Expenses	20.212.232	20.768.052
Personnel Expenses	3.418.155	2.063.556
Insurance Expenses	493.020	361.045
Transportation Expenses	82.486	72.775
Taxes and Funds	573.066	319.514
Food Expenses	235.288	243.337
Marketing Expenses	**33.997.935**	**36.234.307**

Details of Research and Development Expenses as of December 31, 2018 and December 31, 2017 are as follows:

	January 1- December 31, 2018	January 1- December 31, 2017
Vehicle Expenses	19.395	20.263
Outsourced Benefits and Services	15.664	4.265
Other Expenses	8.536	902
Commission Expenses	1.523	259
Personnel Expenses	58.989	36.765
Insurance Expenses	1.976	2.141
Transportation Expenses	14.675	10.095
Taxes and Funds	4.484	2.843
	125.242	**77.533**

Nature of expenses for the period January 1, 2018 - December 31, 2018 is as follows:

	General Administrative Expenses	Marketing Expenses	Research and Development Expenses	Cost of Sales and Service
Personnel Expenses	3.115.910	3.418.155	58.989	7.301.877
Depreciation Expenses	436.721	524.540	-	1.944.411

Nature of expenses for the period January 1, 2017 - December 31, 2017 is as follows:

	General Administrative Expenses	Marketing Expenses	Research and Development Expenses	Cost of Sales and Service
Personnel Expenses	2.569.844	2.063.556	36.765	6.147.455
Depreciation Expenses	386.111	1.055.553	-	1.779.240

32. OTHER INCOME AND OTHER EXPENSES

Other Income

	January 1- December 31, 2018	January 1- December 31, 2017
Income Due to the Law No 5510 and 6661	1.041.628	702.400
Allocated Balance Income	615.013	61.176
Other Income	701.297	486.419
Service Reflection Income*	6.784.914	4.987.912
Maturity Difference Income	36.672.387	14.619.875
Foreign Currency Gains	257.842.104	68.681.796
Insurance Income	-	41.714
licenced warehouse rental grant	1.078.075	701.091
Provisions No Longer Required	9.367.193	-
Income From Returned Expenses	954.385	353.819
Income from Indemnity	934.138	1.524.752
Income From Incentive and Support	2.294.198	848.929
Inventory Difference	222.265	1.708.568
Income Due to the Law No 5510	10.883	6.613
	318.518.480	**94.725.064**

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

Other Expenses

	January 1-December 31, 2018	January 1-December 31, 2017
Trust Expenses**	22.511	-
Other Expenses	321.675	487.200
Balance Dedication Expenses	375.784	53.613
Provision Expenses***	876.364	552.822
Foreign Currency Expenses	140.671.634	52.811.516
Maturity Difference Expenses	30.453.595	24.856.485
Returned Expenses	752.606	1.199.107
Insurance Expenses	-	685.155
Revaluation Loss Of Tangible Assets	280.799	-
	173.754.968	**80.645.898**

** Vide Note 21.

Income from Investing Activities

	January 1-December 31, 2018	January 1-December 31, 2017
Asset Sales Revenues	151.899	-
Fair Value Difference Of Financial Fixed Assets	48.750	-
Other Incomes	246	
Fair Value Difference Of Investment Property	360.000	
Sell And Leaseback Transaction Income	429.633	429.633
	990.528	**429.633**

Expenses from Investing Activities

	January 1-December 31, 2018	January 1-December 31, 2017
Asset Sales Expenses	-	342
	-	**342**

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

Details of profit/loss shares of investments evaluated by equity method as of December 31, 2018 and December 31, 2017 are as follows:

	January 1-December 31, 2018	January 1-December 31, 2017
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.*	666.376	303.026

*(Vide note 18)

34. FINANCIAL INCOME AND EXPENSES

Financial Income

	January 1- December 31, 2018	January 1- December 31, 2017
Interest Income	13.642.790	7.978.000
Foreign Currency Gains	214.655.534	112.627.431
Derivative Financial Instruments Income	58.309.913	2.631.724
Security Sales Income	103.118	53.350
Derivative Financial Instruments Fair Value Difference	-	-
	286.711.355	**123.290.505**

Financial Expenses

	January 1- December 31, 2018	January 1- December 31, 2017
Foreign Currency Expenses	376.813.834	129.170.726
Financial Expenses	37.401.392	22.011.892
Security Sales Losses	54	2
Derivative Financial Instruments Expenses	26.647.589	12.834.455
Derivative Financial Instruments Fair Value Difference	34.210.890	1.330.043
	475.073.759	**165.347.118**

35. FIXED ASSETS HELD FOR SALE AND CEASED OPERATIONS

None.

36. TAX ASSETS AND TAX LIABILITIES

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

In 2018 corporate tax rate is 22% (2017: 20%). 5520 numbered corporation tax rate is determined as 22% for the fiscal taxation periods of 2018, 2019 and 2020, with provisional Article 10 added to Article 91 of Law No. 7061.

In Turkey pre-paid corporate tax is calculated and accrued quarterly. In 2018, pre-paid corporate tax rate is 22% of the corporation income for the quarterly taxation periods (2017: 20%).

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

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

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

Income Withholding Tax:

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

Deferred Tax Assets / Liability:

The Group recognises deferred tax assets and liabilities based upon temporary differences arising from differences between its consolidated financial statements as reported based on the "Financial Reporting Standards in capital market" and its statutory tax financial statements. These differences are set out below. Deferred tax asset is only provided to the extent if it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Provision is provided for the deferred tax asset of which the realisation is not likely. Deferred tax rate is 22% for all temporary differences since there is investment incentive of The Group (December 31, 2017: 20%).
The tax rate to be applied in 2018, 2019 and 2020 is increased to 22%.

Deferred tax liabilities are recognised for all taxable temporary differences.

The Group's earnings from investments linked to the incentive certificate are subject to corporation tax at rates discounted up to the amount of the investment contribution beginning from the accounting period in which the investment is partially or fully commissioned. As of December 31, 2018 the Group is not likely to benefit for the foreseeable future, Therefore deferred tax assets are not reflected to the consolidated financial statements.

Temporary difference and deferred tax as of December 31, 2018 are as follows:

Deferred Tax Assets	Temporary Difference	Deferred Tax
Doubtful Receivables	3.693.578	812.587
Adjustment on Receivables from Personnel	68.895	15.157
Adjustment on Advances Given	78.022	17.165
Adjustment on Tangible and Intangible Assets	6.860.466	1.503.211
Impairment of Inventories Expenses	4.904.220	1.078.928
Adjustment on Amortized Cost of Receivables	2.374.160	522.315
Adjustment on Interest Accrual	19.955	4.390
Adjustment on Deferred Income of Sell and Leaseback	721.549	158.741
Adjustment on Loans	3.365.676	740.449
Derivative Instruments Fair Value Difference Adjustment	34.210.890	7.526.396
Change in Accounting Policy	79.359	71.348
Other adjustments	45.340	20.092
Actuarial Difference of Employee Termination Benefits *	647.797	130.268
	57.069.907	**12.601.047**

Deferred Tax Liabilities	Temporary Difference	Deferred Tax
Vehicles Revaluation Difference (Related with Equity)	304.528	60.905
Lands and Buildings Revaluation Difference (Related with Equity)	30.396.828	3.343.651
Adjustment on Letter of Credit Interest	34.046	7.490
Amortized Cost of Debt Adjustment	5.121.469	1.126.723
Tangible and Intangible Assets Depreciation Difference	9.956.629	2.190.459
Employee Termination Benefits Actuarial Difference	3.919.127	849.960
	49.732.627	**7.579.188**

Temporary difference and deferred tax as of December 31, 2017 are as follows:

Deferred Tax Assets	Temporary Difference	Deferred Tax
Doubtful Receivables	4.292.832	858.566
Adjustment on Receivables from Personnel	68.895	13.779
Adjustment on Advances Given	79.330	15.866
Adjustment on Letter of Credit Interest	713.987	142.797
Impairment of Inventories Expenses	4.164.457	832.891
Adjustment on Amortized Cost of Receivables	2.003.386	400.677
Adjustment on Deferred Income of Sell and Leaseback	1.151.182	230.236
Adjustment on Tangible and Intangible Assets	2.960.935	592.187
Derivative Instruments Fair Value Difference Adjustment	1.330.043	266.009
Provision for Unused Vacation	9.697	1.939
Other adjustments	23.189	6.937
Actuarial Difference of Employee Termination Benefits *	612.374	122.475

	17.410.307	**3.484.359**

Deferred Tax Liabilities Vehicles Revaluation Difference (Related with Equity)	**Temporary Difference**	**Deferred Tax**
Lands and Buildings Revaluation Difference (Related with Equity)	452.205	90.441
Adjustment on Bank Interest Income Accruals	250.494	50.099
Adjustment on Letter of Credit Interest	6.633	1.327
Amortized Cost of Debt Adjustment	112.487	22.497
Tangible and Intangible Assets Depreciation Difference	4.702.011	940.402
Employee Termination Benefits Actuarial Difference	6.421.313	1.284.263
Deferred Tax Liabilities	2.710.100	542.020
	14.655.243	**2.931.049**

Changes in the deferred tax as of December 31, 2018 and December 31, 2017 are as follows:

	January 1-December 31, 2018	**January 1-December 31, 2017**
Opening Balance	571.375	(3.508.765)
Deferred Tax Income /(Expenses) for The Period	7.605.321	4.080.140
Change in Accounting Policy	119.451	-
Tangible Assets Revaluation Surplus and Actuarial Difference Deferred Tax Effect*	(3.274.288)	(18.065)
Closing Balance	**5.021.859**	**553.310**

*According to TAS 12, 61-a, current tax and deferred tax related with the items which are not recognised in profit or loss, are not recognised in profit or loss both in the same or different period. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period in other comprehensive income, shall be recognised in other comprehensive income. Deferred tax liability which is calculated by actuarial differences, is recognised in other comprehensive income.

Tax expenses as of December 31, 2018 and December 31, 2017 are as follows:

	January 1-December 31, 2018	**January 1-December 31, 2017**
Current Period Tax Income/(Expenses)	10.534.856	6.819.069
Deferred Tax(Profit)/ Loss	(7.605.321)	(4.080.140)
	2.929.535	**2.738.929**

Tax provisions as of December 31, 2018 and December 31, 2017 are as follows:

	January 1-December 31, 2018	**January 1-December 31, 2017**
Corporate Tax Liabilities	10.534.856	6.819.069
Prepaid Taxes and Funds	(4.616.585)	(7.539.166)
	5.918.271	**(720.097)**

37. EARNINGS PER SHARE

Details of earning per share as of December 31, 2018 and December 31, 2017 are as follows:

	January 1-December 31,2018	January 1-December 31,2017
Net Profit/(Loss) for the Period	19.906.171	16.595.085
Weighted Average Number of Ordinary Shares	82.497.848	82.497.848
Earnings Per Share	**0,2413**	**0,2012**

38. RELATED PARTY DISCLOSURES

	December 31, 2018	December 31, 2017
GFC Denizcilik ve Ticaret A.Ş.	133.407	17.357
Unay Un San. ve Tic. A.Ş.	82.596	81.272
Trade Receivables from Related Parties	**216.003**	**98.629**

	December 31, 2018	December 31, 2017
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	-	94.298
Unay Un San. ve Tic. A.Ş.	11.829	-
Ulusoy Petrol Ürünleri Tic. A.Ş.	56.567	34.389
Ulusoy Çay Gıda San. ve Tic. A.Ş.	17.776	1.982
GK Tarım Ürünleri Depoculuk A.Ş.	-	70.031
Trade Payables to Related Parties	**86.172**	**200.700**

	December 31, 2018	December 31, 2017
Unay Un San. ve Tic. A.Ş.	7.189.884	12.283.559
Notes Payable to Related Parties	**7.189.884**	**12.283.559**

	January 1-December 31, 2018	January 1-December 31, 2017
Unay Un San. ve Tic. A.Ş.	58.663.713	48.282.460
GFC Denizcilik ve Ticaret A.Ş.	-	-
Ulusoy Çay Gıda San. ve Tic. A.Ş.	7.470	-
Sales to Related Parties	**58.671.183**	**48.282.460**

	January 1-December 31, 2018	January 1-December 31, 2017
Unay Un San. ve Tic. A.Ş.	-	348.205
Sales Returns from Related Parties	**-**	**348.205**

	January 1- December 31, 2018	January 1- December 31, 2017
Unay Un San. ve Tic. A.Ş.	-	3.259
GFC Denizcilik ve Ticaret A.Ş.	15.638	
Sales Discounts from Related Parties	**15.638**	**3.259**

	January 1- December 31, 2018	January 1- December 31, 2017
Unay Un San. ve Tic. A.Ş.	13.446.333	9.448.090
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	30.329	-
First Article and Material Purchases from Related Parties	**13.476.662**	**9.448.090**

	January 1- December 31, 2018	January 1- December 31, 2017
Ulusoy Çay Gıda San. ve Tic. A.Ş.	24.735	1.781
Ulusoy Petrol Ürünleri Tic. A.Ş.	86.244	-
Unay Un San. ve Tic. A.Ş.	85.616.941	125.577.668
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	458.309	1.371.093
GFC Denizcilik ve Ticaret A.Ş.	3.532	25.013
GK Tarım Ürünleri Depoculuk A.Ş.	395.609	212.082
Commercial Goods and Other Purchases of Related Parties	**86.585.370**	**127.187.637**

	January 1- December 31, 2018	January 1- December 31, 2017
Unay Un San. ve Tic. A.Ş.	7.364.293	750.180
GFC Denizcilik ve Ticaret A.Ş.	489.282	-
Ulusoy Petrol Ürünleri Tic. A.Ş.	27.563	-
Other Income from Related Parties	**7.881.138**	**750.180**

	January 1- December 31, 2018	January 1- December 31, 2017
Unay Un San. ve Tic. A.Ş.	400.045	880.175
Ulusoy Petrol Ürünleri Tic. A.Ş.	56.019	10.894
General Production Expenses to Related Parties	**456.064**	**891.069**

	January 1- December 31, 2018	January 1- December 31, 2017
Unay Un San. ve Tic. A.Ş.	200.804	165.232
Ulusoy Petrol Ürünleri Tic. A.Ş.	466.303	351.333
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	39.588	18.226
GK Tarım Ürünleri Depoculuk A.Ş.	-	399
Marketing Expenses to Related Parties	**706.695**	**535.190**

	January 1- December 31, 2018	January 1- December 31, 2017
Ulusoy Çay Gıda San. ve Tic. A.Ş.	-	4.768
Ulusoy Petrol Ürünleri Tic. A.Ş.	93.160	99.627
Unay Un San. ve Tic. A.Ş.	-	140
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	-	7.381
	93.160	**111.916**
General Management Expenses to Related Parties		

	January 1- December 31, 2018	January 1- December 31, 2017
Sasbaş Samsun Serbest Bölgesi Kurucu ve İşleticisi A.Ş.	-	-
GFC Denizcilik ve Ticaret A.Ş.	15.672	8.364
Unay Un San. ve Tic. A.Ş.	1.764.585	950.284
Other Expenses from Related Parties	**1.780.257**	**958.648**

	January 1- December 31, 2018	January 1- December 31, 2017
Unay Un San. ve Tic. A.Ş.	8.346.520	3.549.809
Interest Income from Related Parties	**8.346.520**	**3.549.809**

	January 1- December 31, 2018	January 1- December 31, 2017
Unay Un San. ve Tic. A.Ş.	13.464	229.130
Interest Expenses from Related Parties	**13.464**	**229.130**

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

The benefits and fees of the Group to the top management amount to TL 894.175 as of 31 December 2018 (31 December 2017: TL 616.845).

39. NATURE AND EXTENT OF RISK ARISING FROM FINANCIAL INSTRUMENTS

Liquidity Risk Management:

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

Credit Risk:

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

Market Risk:

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

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

Statement of Foreign Currency Position

Statement of Foreign Currency Position			
	December 31, 2018		
	TL (Its functional currency)	**USD**	**EURO**
1. Trade and Other Receivables	367.791.158	69.789.791	105.184
2a. Monetary Financial Asset (Include Cash and Bank Account)	187.392.424	35.545.132	65.202
2b. Non-Monetary Financial Assets	-	-	-
3. Futures Market Collaterals	4.843.235	920.610	-
4. Advances Given	24.441.166	3.351.509	1.129.597
5. .Current Assets (1+2+3+4)	**584.467.983**	**109.607.042**	**1.299.983**
6. Other Non-Current Assets	-	-	-
7. Non-Current Assets	**-**	**-**	**-**
8. Total Assets	**584.467.983**	**109.607.042**	**1.299.983**
9. Short and Long Term Liabilities	**706.248.423**	**127.895.970**	**5.540.895**
Financial Borrowing	246.946.440	41.017.465	5.168.822
Trade and Other Payables	422.409.901	80.146.030	127.680
Derivative Financial Liabilities	34.210.890	6.364.160	121.048
Advances Collected	2.681.192	368.315	123.345
10. Total Liabilities	**706.248.423**	**127.895.970**	**5.540.895**

As of 31.12.2018, the Group has 26.000.000,00 Usd and 400.000,00 Euro derivative open positions (foreign currency purchase).

Statement of Foreign Currency Position			
	December 31, 2017		
	TL (Its functional currency)	USD	EURO
1. Trade and Other Receivables	194.148.948	51.308.374	137.060
2a. Monetary Financial Asset (Include Cash and Bank Account)	94.009.515	24.704.575	182.998
2b. Non-Monetary Financial Assets			
3. Futures Market Collaterals	5.569.834	1.476.665	-
4. Advances Given	20.046.801	5.314.775	-
5. Current Assets (1+2+3+4)	**313.775.098**	**82.804.389**	**320.058**
6. Other Non-Current Assets	-	-	-
7. Non-Current Assets	**-**	**-**	**-**
8. Total Assets	**313.775.098**	**82.804.389**	**320.058**
9. Short and Long Term Liabilities	**551.271.918**	**140.992.849**	**4.309.820**
Loans	126.325.757	28.378.320	4.270.971
Leasing Receivables	9.127.950	2.419.987	-
Trade and Other Payables	391.447.366	103.772.236	6.394
Derivative Financial Liabilities	1.330.043	352.619	-
Advances Collected	23.040.802	6.069.687	32.455
10. Total Liabilities	**551.271.918**	**140.992.849**	**4.309.820**

Foreign Currency Sensitivity Analysis		
	December 31, 2018	
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in 10% of USD Against TL		
1- Net USD Asset/Liability	(9.621.622)	9.621.622
2- USD Hedging (-)	-	-
3- Net USD Effect (1+2)	**(9.621.622)**	**9.621.622**
Change in 10% of EURO Against TL		
4- Net Euro Asset/Liability	(2.556.422)	2.556.422
5- Euro Hedging (-)	-	-
6- Net Euro Effect (4+5)	**(2.556.422)**	**2.556.422**

Foreign Currency Sensitivity Analysis		
	December 31, 2017	
	Profit/Loss	
	Appreciation of foreign currency	Depreciation of foreign currency
Change in 10% of USD Against TL		
1- Net USD Asset/Liability	(21.948.105)	21.948.105
2- USD Hedging (-)	-	-
3- Net USD Effect (1+2)	**(21.948.105)**	**21.948.105**
Change in 10% of EURO Against TL		
4- Net Euro Asset/Liability	(1.801.577)	1.801.577
5- Euro Hedging (-)	-	-
6- Net Euro Effect (4+5)	**(1.801.577)**	**1.801.577**

Credit Risk

	Receivables						
	Trade Receivables		Other Receivables				
December 31, 2018	**Related Party**	**Other Party**	**Related Party**	**Other Party**	**Deposits**	**Derivative Instruments**	**Other**
Maximum credit risk as of reporting dates (A+B+C+D+E)	**216.003**	**430.362.038**	**-**	**1.415.694**	**233.176.672**	**4.580.190**	**45.739.491**
- The part of maximum is under guarantee with collateral	-	-	-	-	-	-	-
A. Carrying value of financial assets that not past due nor impaired	216.003	430.362.038	-	1.415.694	233.176.672	4.580.190	45.739.491
B. Net book value of financial assets that terms are reassessed, if not accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that past due not impaired	-	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-	
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)		6.301.918					
- Impairment (-)		(6.301.918)					
- The part of net value under guarantee with collateral etc.							
- Not past due (gross book value)							
- Impairment (-)							
- The part of net value under guarantee with collateral etc.							
E. Off balance sheet items that include credit risk							

	Receivables						
	Trade Receivables		Other Receivables			Derivative	
December 31, 2017	Related Party	Other Party	Related Party	Other Party	Deposits	Instruments	Other
Maximum credit risk as of reporting dates (A+B+C+D+E)	**98.629**	**340.519.906**	**-**	**2.114.141**	**140.341.147**	**5.569.834**	**54.562.310**
- The part of maximum is under guarantee with collateral	-	-	-	-	-	-	-
A. Carrying value of financial assets that not past due nor impaired	98.629	340.519.906	-	2.114.141	140.341.147	5.569.834	54.562.310
B. Net book value of financial assets that terms are reassessed, if not accepted as past due or impaired	-	-	-	-	-	-	-
C. Carrying value of financial assets that past due not impaired	-	-	-	-	-	-	-
- The part under guarantee with collateral etc.	-	-	-	-	-	-	-
D. Net book value of impaired assets	-	-	-	-	-	-	-
- Past due (gross book value)	-	5.427.384	-	678.942	-	-	-
- Impairment (-)	-	(5.427.384)	-	(678.942)	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
- Not past due (gross book value)	-	-	-	-	-	-	-
- Impairment (-)	-	-	-	-	-	-	-
- The part of net value under guarantee with collateral etc.	-	-	-	-	-	-	-
E. Off balance sheet items that include credit risk	-	-	-	-	-	-	-

Liquidity Risk

December 31, 2018 Maturities Based on Agreement Non Derivative Financial Liabilities	**Book Value**	**Cash Outflow According to Contract**	**Less Than 3 Month**	**3-12 Month**	**1-5 Year**	**More Than 5 Years**
Financial Liabilities	337.534.650	337.534.650	25.635.556	140.942.029	130.185.090	40.771.975
Debt Securities Issuance	-	-	-	-	-	-
Trade Receivables	396.282.095	396.282.095	183.521.157	196.278.050	16.482.888	-
Other Payables	32.117	32.117	-	32.117	-	-

December 31, 2017 Maturities Based on Agreement Non Derivative Financial Liabilities	**Book Value**	**Cash Outflow According to Contract**	**Less Than 3 Month**	**3-12 Month**	**1-5 Year**	**More Than 5 Years**
Financial Liabilities	219.344.902	219.344.902	72.822.386	67.116.921	79.405.595	-
Debt Securities Issuance	-	-	-	-	-	-
Trade Receivables	406.112.570	406.112.570	136.133.097	269.979.473	-	-
Other Payables	68.889	68.889	-	68.889	-	-

	Receivables				
December 31, 2018	**Trade Receivables**	**Other Receivables**	**Deposits**	**Derivative Instruments**	**Other**
3-12 months overdue	874.534	-	-	-	-
1-5 years overdue	5.427.384	-	-	-	-

	Receivables				
December 31, 2017	**Trade Receivables**	**Other Receivables**	**Deposits**	**Derivative Instruments**	**Other**
3-12 months overdue	199.003	-	-	-	-
1-5 years overdue	5.228.381	678.942	-	-	-

Fair Value of Financial Instruments

The Group classifies financial instruments reflected at fair value in the financial statements using three level hierarchy according to the source of valuation inputs of each class of financial instruments.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Financial Assets (December 31, 2018)	**Level 1**	**Level 2**	**Level 3**
Derivative Assets	-	4.580.190	-
Short Term Financial Investments	820.159	-	-

Financial Liabilities (December 31, 2018)	**Level 1**	**Level 2**	**Level 3**
Derivative Liabilities	-	34.210.890	-

Financial Assets (December 31, 2017)	**Level 1**	**Level 2**	**Level 3**
Derivative Assets	-	5.569.834	-
Short Term Financial Investments	307.568	-	-

Financial Liabilities (December 31, 2017)	**Level 1**	**Level 2**	**Level 3**
Derivative Liabilities	-	1.330.043	-

Interest Position and Related Sensitivity Analysis

Fixed Interest Financial Instruments	**January 1-December 31, 2018**	**January 1-December 31, 2017**
Cash and Cash Equivalents (Term Deposits)	179.774.361	105.146.223
Financial Liabilities	337.534.650	219.344.902

As of 31 December 2018 and 31 December 2017, the Company has fixed interest rate bank deposits and fixed interest rate financial liabilities. The Company do not subject to variable interest rates.

41. SUBSEQUENT EVENTS

At the Board of Directors meeting dated 4 February 2019, the Company's board of directors decided to sale of the shares of Samsun Teknoloji Geliştirme Bölgesi Yönetici AŞ, which was classified in financial fixed assets. Financial assets at fair value through profit or loss amounting to 67,500-TL were sold to Fahrettin Ulusoy who one of the shareholders of the company.

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

None.